

**LAW No. 04/L-136  
ON THE REGISTRATION OF A PLEDGE IN THE REGISTRY OF MOVABLE PROPERTY**

**Assembly of Republic of Kosovo,**

Based on Article 65 (1) of the Constitution of the Republic of Kosovo;

Approves

**LAW ON THE REGISTRATION OF A PLEDGE IN THE REGISTRY OF MOVABLE PROPERTY**

**Article 1  
Purpose**

This Law sets out procedure and requirements for registration of pledges in the registry of movable property, amendments, and searches of information and administration of the Pledge Registry.

**Article 2  
Scope**

This Law applies to all transactions or rights that according to Kosovo law may be registered in the Pledge Registry.

**Article 3  
Definitions**

1. Terms used in this Law shall have the following meaning:

1.1. **Ministry** – respective Ministry of Trade and Industry;

1.2. **Pledge** – development of an interest over movable property or over any right by an agreement or by the law, which entitles the pledgee to take in possession such property or to use such right in order to fulfill any existing and identifiable obligation provided by the pledge, determined by the Law on Property and Other Real Rights;

1.3. **Pledger** – the person who has rights and ownership in the pledged property;

1.4. **Pledgee** – the person on whose name the pledge is made;

1.5. **Movable property**- independent corporal objects that are not permanently attached to the ground or a part of the ground, and are generally capable of being moved Physical objects that are not corporal, such as light or electricity, are intangible movables (untouchable) determined by the Law on Property and Other Real Rights;

1.6. **Person**- any natural or legal person;

1.7. **KBRA**- Kosovo Business Registration Agency;

1.8. **Sector** – the Pledge Registry Sector the KBRA that manages and operates the PRS and all procedures related to recording and retrieving information from the PRS;

1.9. **Pledge Registry** - the electronic registry where data on movable property is recorded and maintained;

1.10. **Pledge Registry System (PRS)** – the Pledge Registry System which is the computer system of the Pledge Registry established under this law;

1.11. **Old Pledge Registry System (OPRS)** – Old Pledge Registry System which is the old registry system of the Pledge Registry as existed before this Law comes into effect;

1.12. **Registration** – registration by the transfer of data to the Pledge Registry through the use of the PRS either as an original registration or an amendment to a registration;

1.13. **New Registration** – any registration that is registered in the PRS and which was not registered in the OPRS;

1.14. **Old Registration** - a registration that was registered in the OPRS;

1.15. **Pledge Registry Certificate (PRC)** – an electronic document issued by the PRS in the form of Confirmation of Registration or Search Result;

1.16. **Printout** - an electronically reproduced image by the PRS that is used for the purpose of facilitating the transfer of data to the Pledge Registry or for viewing data that exist in the Pledge Registry;

1.17. **Identifier** - in the case of physical person, the personal identification number that appear on the official identification card of the person; in the case of legal person, the business identification number issued by the KBRA; in the case of Serial Number Property, the last 25 alpha-numeric characters of the serial number without punctuation, hyphens or other markings, permanently marked or attached to the body of the Serial Number Property by the manufacturer;

1.18. **User Account** - a digital subscription provided by the PRS that provides access to the Pledge Registry services;

1.19. **User Account Owner** – the person under whose name the User Account is registered;

1.20. **Serial number property** – items of movable property detailed in any sub-normative act;

1.21. **Other movable property** - any movable property which is not included in the definition of serial number property.

#### **Article 4 The Pledge Registry Sector**

1. The Pledge Registry Sector is within the Kosovo Business Registration Agency – MTI.
2. The organization and function of the Sector of pledge registry Sector is regulated with sub-legal act for organization and structure of the Ministry of Trade and Industry.

**Article 5**  
**Functions of the Sector**

1. The Pledge Registry Sector records and manages information related to pledges in accordance with the provisions and requirements of this Law and is responsible for performing other functions prescribed by this Law.
2. The Pledge Registry Sector shall facilitate an efficient implementation of the provisions of this Law as they relate to:
  - 2.1. registration of the pledge through the PRS;
  - 2.2. searching for information through the PRS;
  - 2.3. issuing of PRCs; and
  - 2.4. performing all other functions which are delegated to the Sector based on this Law.
3. The Sector operates based on the PRS and Internet, respecting all Kosovo law on electronic information security, on issuing electronic documents and registration certificates, and on other notifications and communications.
4. The Pledge Registry Sector is obliged to process its services only through the PRS, in order to maintain complete, accurate and current records.

**Article 6**  
**Fees for services**

1. The Pledge Registry determines the fees for services provided, which will be regulated with a sub-normative act issued by the Minister.
2. A User Account Owner shall deposit money in any designated Pledge Registry account for the purpose of payment to the Pledge Registry. After the User Account Owner deposits money in the Pledge Registry bank account, the Pledge Registry shall credit the User Account with the amount deposited.
3. The Pledge Registry must return unused funds from a User Account only to the User Account Owner and only upon termination of the operation the User Account.
4. All revenues from the fees collected by the Pledge Registry shall go to the Budget of the Republic of Kosovo.

**Article 7**  
**Maintenance of data**

The Pledge Registry must keep electronic copies of the entire archive of any information recorded in the PRS in accordance with the applicable law.

**Article 8**  
**User Accounts and User Accounts Owners**

1. The Sector shall assign User Accounts through the PRS.

2. The conditions to obtain User Account are as follows:

- 2.1. an application by the PRS; and
- 2.2. this application complies with the requirements of this Law.

3. The Sector shall provide its services to any person who is qualified to own a User Account with sufficient pre deposited credit to pay the fees for the services requested as provided in the PRS.

4. The PRS shall provide the User Account Owner with the reasons why a registration is rejected by the PRS.

### **Article 9 User Account information**

The PRS shall make accessible to each User Account Owner the information related to transactions conducted through his or her User Account on periodic basis as requested by the user.

### **Article 10 Administrative nature of pledge information**

1. Registration through the PRS is only a formal, informative and administrative action. The Sector shall not verify information contained in any registration.

2. The User Account Owner is fully liable for any damage caused as a result of information recorded in the PRS through his or her User Account.

3. The User Account Owner is deemed to have full authority to create, amend or cancel a registration made through its User Account.

### **Article 11 Correction of errors**

1. The sector shall not correct errors unless otherwise provided in this Law.

2. The User Account Owner is fully responsible for all information submitted through the PRS.

### **Article 12 Review of contesting issues**

1. The person who considers that the Pledge Registry or an officer employed there is not satisfying the conditions provided by this Law may submit an appeal to the Chief Executive of the Business Registration Agency.

2. The Chief Executive is authorized and responsible for reviewing the case and asking the Head of the Pledge Registry to undertake necessary measures for resolving this case.

3. If there is no resolution within three (3) business days of the receipt of request, the person may approach the Commission for the review of complaints within KBRA.

### **Article 13 Exchange of data, documents and information**

The Ministry may decide to enter into understanding agreements with financial institutions for the collection, maintenance and common distribution of data and information as provided by the PRS.

**Article 14**  
**Pledged property**

Pledged property may be any movable property with value and with rights that can be transferred legally.

**Article 15**  
**Description of movable property on a registration**

1. A description of property on a registration is valid if it allows identification of the property.
2. A description of Other Property may be, but is not limited to, the following:
  - 2.1. all of the debtor's movable property owned at the time of the signing of the pledge agreement and all of the debtor's movable property acquired thereafter.
  - 2.2. all the debtor's future movable property but not intangible movable property.
  - 2.3. all the debtor's inventory.
3. When a registration relates to Serial Number Property that is not held for sale in the ordinary course of the seller's business, there shall be included in the designated places on the screen:
  - 3.1. the Identifier of Serial Number Property;
  - 3.2. the name of the manufacturer; and the production year of the property.
4. When the registration relates to Other Property, the description shall be provided in the designated place on the PRS screen.

**Article 16**  
**Validity of a registration**

1. A registration is invalid unless it complies with all the requirements of this Law.
2. A new registration is valid only if it is paid for.
3. A registration is valid for any person unless the registration is disclosed on a search result report of a search conducted based on the Identifier of this person.
4. A registration is valid for any Serial Number Property unless the registration is disclosed on a search result report of a search conducted based on the Identifier of this Serial Number Property.
5. The following information must be included on a registration made through the PRS:
  - 5.1. identification of the creditor;
  - 5.2. identification of the debtor;
  - 5.3. description of the property as provided in this Law.
6. The following information does not have to be included in the registration:

- 6.1. any details about the contract;
- 6.2. any detail about the secured obligation including maximum value;
- 6.3. the value of the movable property described in the registration;
- 6.4. signature of the debtor.

**Article 17**  
**The Content of Pledge Registry Database**

1. The Pledge Registry PRS contains information about:
  - 1.1. persons registered as pledgees and pledgors;
  - 1.2. information describing the movable property registered;
  - 1.3. information on users of the Pledge Registry;
  - 1.4. statistical and financial data on the operation of the Pledge Registry.
  - 1.5. log file of all actions in the Pledge Registry.

**Article 18**  
**Conditions and the procedure of registration in the Pledge Registry**

1. The Pledge Registry processes requests for registrations, amendments to registrations and searches as long as the following conditions exist:
  - 1.1. the person requesting to perform registrations has a User Account;
  - 1.2. a request is submitted in digital form by using the PRS;
  - 1.3. the User Account has sufficient funds to cover the fees for the registration; and
  - 1.4. the person requesting to perform the registration submits all the information required by the Sub-normative acts and by the PRS.
2. Registrations and amendments to registrations should be submitted in official languages of Kosovo.

**Article 19**  
**Confirmation of registration**

1. When a User Account Owner submits a registration through the PRS, the Pledge Registry shall provide through the PRS a digital Confirmation of Registration Report.
2. The User Account Owner must submit to each person with his request who is identified as the debtor on his registrations, within seven (7) calendar days, a digital or hard copy of the confirmation of registration after the date of registration.
3. A User Account Owner who fails to comply with paragraph 2 of this Article shall pay a fine which shall be deposited in the budget of Republic of Kosovo. The person is entitled to approach the Pledge Registry Sector and the sector is obliged to provide a digital or hard copy of the confirmation of registration to the person.
4. The MTI, by sub-legal acts, shall assign the fine amount.

**Article 20**  
**Search Result**

1. When a User Account Owner submits a digital search request through the PRS, the Pledge Registry shall provide through the PRS a digital search result report showing all registrations that exist under this search criterion.
2. When a User Account Owner submits a search request through the PRS based on a registration number, search number or certificate number, the Pledge Registry shall reproduce electronically the document recorded under this number.
3. When a person submits a free digital search request through the PRS, the Pledge Registry shall not provide search results report but only the basic data that exist under the search criteria provided. The Pledge Registry does not give the detailed information on free searches.

**Article 21**  
**Delivery of pledge registry certificates**

1. The Pledge Registry shall deliver an electronic PRC to any person who requests it through the use of his User Account.
2. A printout of a PRC shall be acceptable as proof of evidence at court bodies.

**Article 22**  
**Old registrations**

1. Re-registration of an old registration in the PRS shall be free of charge and shall be made by the entity that registered the old registration, based on their own selection which registration to re-register.
2. An old registration that expired or was terminated before this law comes into effect shall not be re-registered in the PRS.
3. An old registration that is registered in the PRS during the transition period of six (6) months following the date this Law comes into effect.
4. An old registration has priority over a new registration only if the old registration is re-registered in the PRS during the transition period.
5. Priorities between old registrations are not changed by this Law whether they are re-registered in the PRS or not.
6. An old registration is valid between the pledger and the pledgee even if it is not re-registered in the PRS.
7. Re-registration of an old registration in PRS is valid if it includes the following information in the Other Property area on the PRS:
  - 7.1. an opening sentence "Re-registration";
  - 7.2. the registration number of the old registration; and

8. Description of creditors, debtors, and Serial Number Property should be made in accordance with the rules of this Law.

9. All Old registrations that are re-registered in the PRS should be registered for a maximum period of three (3) years, and after this period the registration shall be made with payment.

10 All old valid registrations can be transferred automatically if financial institutions require so, while the responsible for existing records and their assurance kip those institutions.

11. Sector is responsible for automatic transfer of old registration in PRS.

### **Article 23 Duration of pledge registration**

A registration is valid depending on a solution of the User Account Owner through the use of the PRS.

### **Article 24 Modification of pledge registration**

1. The registration may be modified by the User Account Owner from which the registration was made.

2. The following amendments to registrations can be made by using the PRS:

2.1. extension of registration;

2. 2. deletion of registration;

2.3. deletion of creditor;

2.4. deletion of debtor;

2.5. deletion of Serial Number Property;

2.6. change of Other Property;

2.7. addition of creditor;

2.8. addition of debtor;

2.9. addition of Serial Number Property.

### **Article 25 Request for information or for change of registration**

1. A person who appears on a registration as a pledgor has the right to request from the User Account Owner to discharge or correct an invalid registration.

2. A person who appears in a registration as a pledgor may request that a User Account Owner submit to a specific person an information notice including:

2.1. copy of the agreement under which the registration was done; and



- 2.2. statement indicating the outstanding amount of the obligation as of the date of the request.
3. The Account Owner to whom the request is made according to this Article shall comply with the request within seven (7) business days after receiving the request from him/her.
4. When the Account Owner to whom the request is made according to this Article, without reasonable excuse, fails to comply with the request, the pledgor may apply to the competent court that the registration be amended or deleted.
5. When the decree of the court is delivered to the Sector, the registration shall be amended or cancelled the registration as required by the court.
6. A User Account Owner who failed to comply with this Article is liable for fine stipulated in the Sub-normative acts and to damages caused as result of the failure.
7. A person who submitted an information notice request according to this Article is entitled to two (2) free responses during any twelve (12) month period from the Account Owner who received the request.
8. The fee for additional services under this Article shall be issued with sub-legal act by MTI.

**Article 26**  
**Order of registration processed**

1. Registrations are recorded based on the date and time they were submitted through the PRS.
2. The Pledge Registry must be in compliance with figures set forth in the contract.

**Article 27**  
**Termination**

Registrations are terminated automatically by the PRS when the registration period expires.

**Article 28**  
**Application of other laws**

Matters related to registration procedures in the Pledge Registry which are not regulated by this Law, the provisions of the Law on Administrative Procedure and the Law on Property and Other Real Rights shall apply.

**Article 29**  
**Transitional and final provisions**

In order to implement this Law, Ministry of Trade and Industry shall issue sub-legal acts within six (6) months from the date of entry into force of this Law.

**Article 30**  
**Sub-legal acts applicable to the issuance of new Legislation**

1. Provided they are not inconsistent with this Law and by issuance of new legislation to implement fair and full of this law currently applicable laws shall remain in force:

- 1.1. administrative direction no. 2009/07 on organization and function of pledges registration office;

1.2. administrative direction, no. 2009/08 on defining fees for registration and other services provided by pledges registration office.

**Article 31**  
**Repealed Provision**

With the entry into force of this Law, the following are repealed; Regulations No. 2001/5 and Regulation 2001/32 and any provision of the Law on Property and Other Real Rights which are inconsistent with this Law.

**Article 32**  
**Entry into Force**

This Law shall enter into force fifteen (15) days after the day of publication in the Official Gazette of the Republic of Kosovo.

**Law No. 04/L-136**  
**05 November 2012**

**Promulgated by Decree No.DL-052-2012, dated 14.11.2012, President of the Republic of Kosovo Atifete Jahjaga.**