



Ministria e Tregtisë dhe Industrisë  
Ministarstvo Trgovine i Industrije  
Ministry of Trade and Industry

**BASIC PERFORMANCE INDICATORS REPORT ON  
BUSINESS REGISTRATION IN KOSOVO FOR THE PERIOD:  
JANUARY – JUNE 2016**

**KOSOVO BUSINESS REGISTRATION AGENCY**

**OCTOBER 2016**

## **CONTENTS**

|   |    |
|---|----|
| I. INTRODUCTION.....  | 3  |
| II. AVERAGE DAYS TO REGISTER A BUSINESS.....                                    | 4  |
| III. AVERAGE DAYS TO REGISTER AN LLC.....                                       | 6  |
| IV. BUSINESS REGISTRATION TIME BY REGISTRATION CENTER.....                      | 7  |
| V. REGISTRATION BY LEGAL FORM OF BUSINESS ORGANIZATION .....                    | 8  |
| VI. DEREGISTERED BUSINESS ORGANIZATIONS .....                                   | 8  |
| VII. REGISTRATION OF BRANCHES OF FOREIGN COMPANIES BY COUNTRY OF<br>ORIGIN..... | 9  |
| VIII. REGISTRATION OF BUSINESS ORGANIZATIONS BY GENDER.....                     | 10 |
| IX. CONCLUSION .....  | 12 |

# I. INTRODUCTION

This report is a result of joint assessment conducted in the first half of 2016 by the Kosovo Business Registration Agency (hereinafter “KBRA”) with the support of the USAID Partnerships for Development Project (hereinafter “USAID PFD”) of a number of performance indicators related to the business registration process in Kosovo, conducted in accordance with the Law on Business Organizations.

This activity flows from the analysis of the *Starting a Business* Indicator of the World Bank Doing Business Report, conducted as part of the doing business reforms launched by the Government of Kosovo in December 2015. The development of this report was specified as one of the short-term measures in the reform memorandum for the *Starting a Business* Indicator, developed by the Ministry of Trade and Industry.

During this period, a joint team composed of KBRA officials and USAID PFD advisers analyzed a range of indicators related to the performance of KBRA, including:

- Times of business registration both generally and by municipality;
- Total number of businesses registered by legal form and by municipality;
- Total number of businesses deregistered by business form and by municipality;
- Total number of branches of foreign companies registered by country of origin;
- Total number of women participating (as partners or shareholders) in Kosovo business organizations, and
- Total number of women owned individual businesses.

USAID, through its current USAID Partnerships for Development Project, as well as previous projects has continuously supported MTI and KBRA through legal improvements, staff training, capacity building and other activities aimed at improving the business registration process. These activities have contributed to the considerable reduction of the time required for business registration and the elimination of steps in the business registration process, as reflected in the World Bank’s Doing Business Report where Kosovo’s rank increased by 117 places since 2010 (from 164<sup>th</sup> in the world in 2010 to 47<sup>th</sup> in the world in 2016).

Another purpose of this report is to initiate what is expected to become a regular assessment process of the performance of the KBRA central office and municipal registration centers and to inform decision-making aimed at further improving the business registration process which is an ongoing process that has so far resulted in decreasing the cost of registration, decreasing the time for registration and eliminating unnecessary barriers for registering a business.

As the business registration process progresses towards full electronic registration, it is expected that the number of indicators and the quality of the data will be increased and reflected in subsequent reports.

This report analyses data extracted from the business registry of KBRA on businesses required by specific laws in Kosovo to be registered at KBRA. According to the Law on Business Organizations the process of registration of business organizations in Kosovo is a formal, administrative and informative act. Consequently, this report does not make any assumptions or provide any information on the number of business organizations which are active and operating in Kosovo and focuses instead only on business organizations registered or de-registered at KBRA. To obtain a clearer picture of the number, size and operational status of business organizations and other economic entities engaged in economic activity in Kosovo would require a more comprehensive

effort involving other Government institutions, including primarily the Tax Administration of Kosovo and Ministry of Public Administration.

According to the Law on Business Organizations and other applicable laws, KBRA currently registers the following legal forms of business organizations: Individual Business, General Partnership, Limited Partnership, Limited Liability Companies, Joint Stock Companies, Branches of Foreign Companies and Agricultural Cooperatives.

For the purposes of this report, days have been calculated based on the measurement of calendar days, and the report measures data collected and processed until June 30<sup>th</sup>, 2016. The report uses the following time periods for the assessment:

| Time periods of assessment  |  |
|---|--|
| The time required for registration  | 1) January 1 <sup>st</sup> 2010 – June 30 <sup>th</sup> 2016<br>2) January 1 <sup>st</sup> 2016 – June 30 <sup>th</sup> 2016 |
| The total number of registration and deregistration   | 1) January 1 <sup>st</sup> 2003 – June 30 <sup>th</sup> 2016<br>2) September 1999 – June 30 <sup>th</sup> 2016               |
| The total number of branches of foreign companies registered in Kosovo  | 1) September 1999 – June 30 <sup>th</sup> 2016   |
| The total number of women as individual owners or their participation as partners or shareholders in partnerships or corporations | 2) 2 <sup>nd</sup> half of 2012 – June 30 <sup>th</sup> 2016   |

The variance in the time periods assessed was needed to maintain data accuracy or due to data availability, e.g. KBRA only began collecting gender data in the second half of 2012.

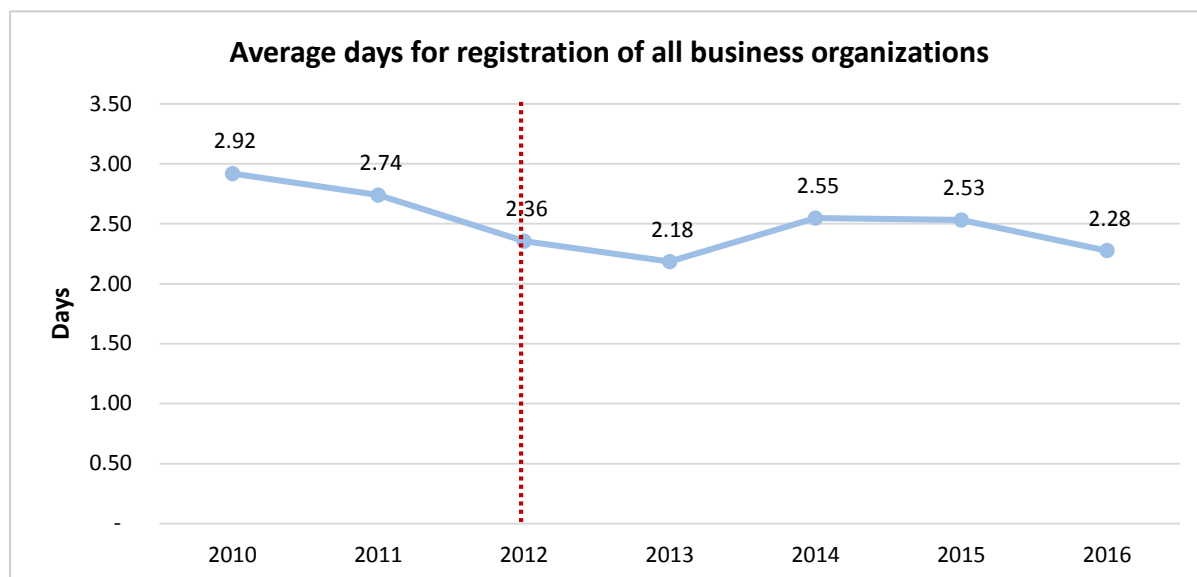
## II. AVERAGE DAYS TO REGISTER A BUSINESS

Business organizations as defined in the Law on Business Organizations are required to register at KBRA central office in Pristina or in one of the 28 municipal business registration centers across Kosovo. This section of the report measures the number of days needed to register a business organization.

Chart I presents an overall view of the average time required to register a business organization during the period January 1<sup>st</sup>, 2010 to June 30<sup>th</sup>, 2016 and presents a total average based on registration of all legal forms of business organizations despite large variances in the time required for the registration of the various types, e.g. the time required for registering an Individual Business is considerably shorter than the time required for registering a Joint Stock Company.

As can be seen in Chart I below, from January 1<sup>st</sup>, 2010 until June 30<sup>th</sup>, 2016, the average number of days needed to register a business in Kosovo decreased from 2.92 to 2.28 days, which represents a 21.92 % improvement in time required for registering a business organization during this period.

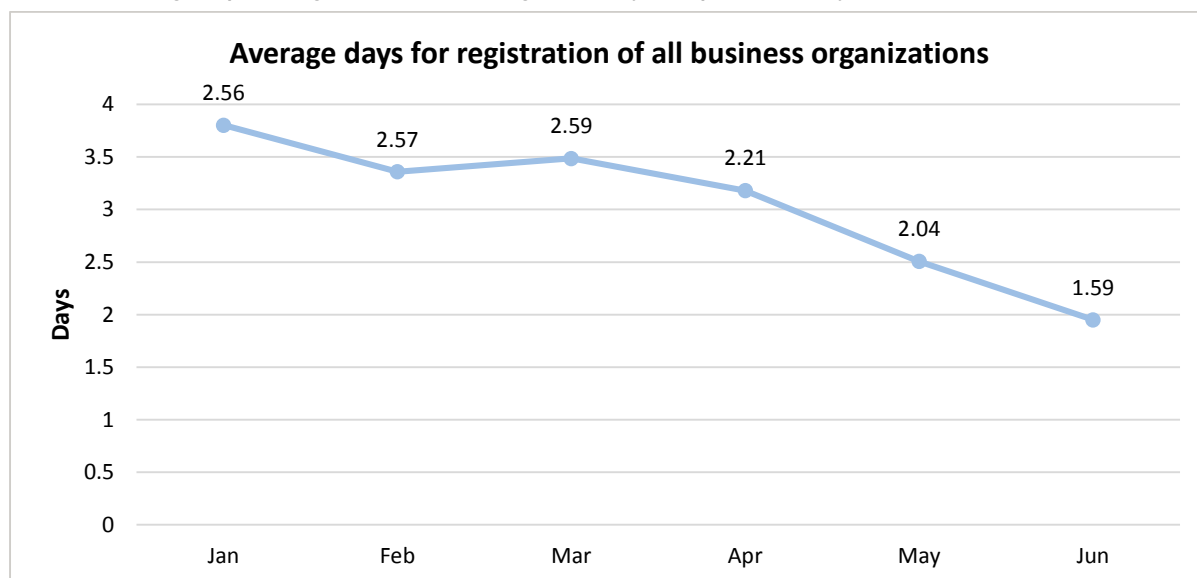
Chart 1: Average days to register a business organization January 1<sup>st</sup> 2010 – June 30<sup>th</sup> 2016:



The dotted red line shows the year when KBRA started to issue fiscal number for business organizations at KBRA offices together with the business registration certificate. Before 2012, the Tax Administration of Kosovo issued this number.

Furthermore, Chart 2 below shows that in just six months from January 1<sup>st</sup>, 2016 until June 30<sup>th</sup>, 2016, the average number of days needed to register a business in Kosovo decreased from an average of 2.56 to 1.59 days, which represents a 37.89 % improvement in time required for registering a business organization during this period.

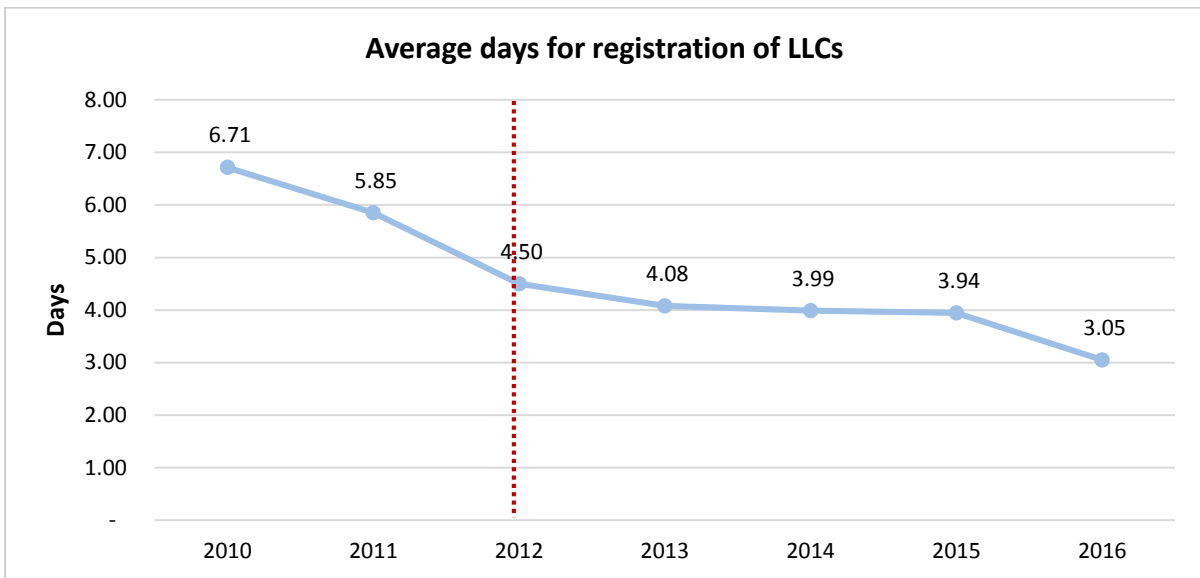
Chart 2: Average days to register a business organization January 1<sup>st</sup>, 2016 – June 30<sup>th</sup>, 2016:



### III. AVERAGE DAYS TO REGISTER AN LLC

As the most common corporate form, this section of the report analyzes the time required to register a Limited Liability Company (LLC). Chart 3 below shows that from January 1<sup>st</sup>, 2010 until June 30<sup>th</sup>, 2016, the average number of days needed to register a business in Kosovo decreased from an average of 6.71 to 3.05 days, which represents a 54.54% improvement in time required for registering an LLC for this period.

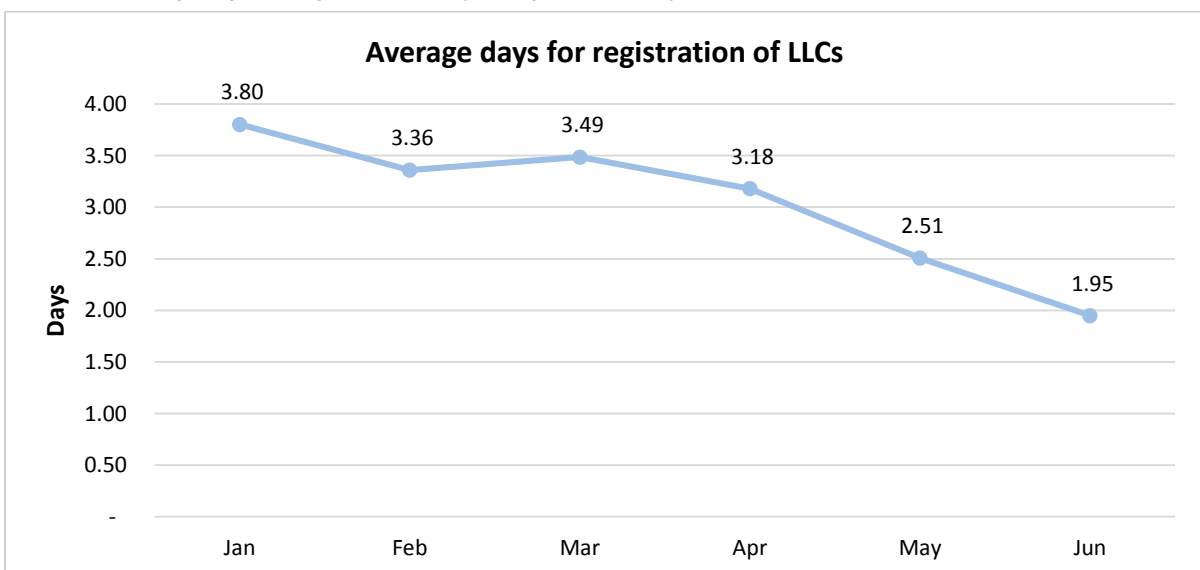
Chart 3: Average Days to Register an LLC in 2010 – 2016:



The dotted red line shows the year when KBRA started to issue fiscal number for business organizations at KBRA offices together with the business registration certificate. Before 2012, the Tax Administration of Kosovo issued this number.

Furthermore, Chart 4 below shows that in just six months from January 1<sup>st</sup> 2016 until June 30<sup>th</sup> 2016, the average number of days to register an LLC decreased from an average of 3.80 to 1.95 days, which represents a 48.68% improvement in time required for registering an LLC during this period.

Chart 4: Average days to register an LLC January 1<sup>st</sup>, 2016 – June 30<sup>th</sup>, 2016:



## IV. BUSINESS REGISTRATION TIME BY REGISTRATION CENTER

Table I below shows the average number of days needed to register a business organization by municipal business registration center during the period from January 1<sup>st</sup>, 2010 until June 30<sup>th</sup>, 2016. The table displayed below includes 28 municipal business registration centers and KBRA central office which also covers Pristina and Obiliq/ć municipalities.

Dragash/š is the municipal business registration center with the best performance in terms of the days needed to register a business organization during this period, followed by Istog/k, Peja/Peć, Viti/Vitina and Klinë/a.

Table I: Average days to register a business organization by Business Registration Center January 1<sup>st</sup>, 2010 – 2016:

| Municipality            | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | Average |
|-------------------------|------|------|------|------|------|------|------|---------|
| Deçan/Deçane            | 2.41 | 2.22 | 2.55 | 2.43 | 5.35 | 2.86 | 1.89 | 2.84    |
| Dragash/š               | 3.75 | 1.59 | 1.32 | 1.17 | 1.39 | 2.17 | 1.80 | 1.83    |
| Ferizaj/Uroševac        | 2.53 | 3.03 | 2.79 | 2.48 | 2.57 | 2.20 | 2.08 | 2.55    |
| Fushë Kosovë/Kos. Polje | 3.30 | 2.64 | 2.14 | 2.35 | 2.41 | 3.33 | 2.68 | 2.68    |
| Gjakovë/Đjakovica       | 3.00 | 2.13 | 2.24 | 1.90 | 2.29 | 2.13 | 2.04 | 2.25    |
| Gjilan/Gnjilane         | 2.40 | 1.95 | 1.57 | 1.52 | 2.00 | 2.16 | 2.31 | 1.97    |
| Gllgoc/Glogovac         | 2.17 | 1.98 | 2.12 | 1.60 | 2.55 | 1.97 | 1.78 | 2.03    |
| Graçanicë/Graçanica     | 4.58 | 4.91 | 2.36 | 2.38 | 3.09 | 2.78 | 2.58 | 2.85    |
| Hani i Elezit/Ellez Han | 5.00 | 1.00 | 3.00 | 2.67 | 7.17 | 2.98 | 2.44 | 3.49    |
| Istog/k                 | 2.18 | 1.53 | 1.60 | 1.48 | 2.12 | 2.15 | 2.16 | 1.88    |
| Kaçanik/Kaçanik         | 1.82 | 2.03 | 1.77 | 1.60 | 2.55 | 2.42 | 3.38 | 2.11    |
| Kamenicë/a              | 2.48 | 2.04 | 2.22 | 1.52 | 1.70 | 2.24 | 2.07 | 2.02    |
| Klinë/a                 | 2.96 | 2.72 | 1.88 | 1.54 | 1.73 | 1.91 | 1.41 | 1.96    |
| Lipjan/Lipljan          | 2.91 | 2.23 | 2.33 | 1.88 | 2.23 | 2.17 | 1.85 | 2.23    |
| Malishevë/Mališevo      | 2.64 | 3.91 | 1.99 | 1.54 | 2.55 | 3.45 | 2.15 | 2.63    |
| Mitrovicë/a             | 2.57 | 2.54 | 2.79 | 1.60 | 1.90 | 1.74 | 1.68 | 2.13    |
| North Mitrovica         | 2.36 | 2.78 | 2.48 | 6.83 | 4.62 | 3.33 | 1.92 | 3.69    |
| Novobërdë/Novo Brdo     | 2.00 | 2.93 | 3.16 | 3.76 | 4.30 | 3.69 | 5.38 | 3.73    |
| Pejë/Peć                | 2.89 | 2.25 | 1.55 | 1.31 | 2.00 | 1.78 | 1.91 | 1.92    |
| Podujevë/o              | 4.13 | 2.64 | 2.05 | 1.45 | 2.01 | 1.70 | 1.51 | 2.07    |
| Pristina (KBRA)         | 3.43 | 3.29 | 2.80 | 3.00 | 2.83 | 3.32 | 3.06 | 3.09    |
| Prizren                 | 2.55 | 2.84 | 2.19 | 1.68 | 2.02 | 2.01 | 1.69 | 2.17    |
| Rahovec/Orahovac        | 3.28 | 3.27 | 2.89 | 1.82 | 2.47 | 1.67 | 1.53 | 2.44    |
| Shtërpçë/Štrpce         | 4.04 | 4.39 | 2.46 | 2.60 | 2.69 | 4.93 | 2.70 | 3.27    |
| Shtime/Štimlje          | 2.09 | 2.09 | 2.32 | 2.80 | 2.34 | 1.82 | 1.94 | 2.21    |
| Skenderaj/Srbica        | 2.57 | 2.62 | 1.73 | 1.52 | 2.27 | 2.91 | 2.19 | 2.16    |
| Suharekë/Suva Reka      | 3.08 | 2.48 | 2.63 | 1.60 | 3.24 | 2.30 | 2.05 | 2.46    |
| Viti/Vitina             | 2.21 | 2.42 | 1.83 | 1.35 | 1.88 | 1.99 | 2.40 | 1.93    |
| Vushtrri/Vučitrn        | 2.56 | 2.41 | 2.28 | 2.00 | 2.40 | 2.25 | 2.06 | 2.28    |

\*The red color indicates higher average number of days to register a business organization.

\*The green color indicates small average number of days to register a business organization.

## V. REGISTRATION BY LEGAL FORM OF BUSINESS ORGANIZATION

Table 2 below presents the number of registered business organizations by legal form of business organization and by year of registration for the period from 1999 to June 30<sup>th</sup>, 2016. This table presents the total number of registered business organizations in a given year, it does not reflect deregistration which is reflected in Table 3 below. The data shows that the most registered legal form of business organization is the Individual Business followed by the Limited Liability Company. The least registered legal form of business is the Limited Partnership.

Table 2: Number of business organizations registered by legal form and year of registration

| Year         | Individual Business | General Partnerships | Limited Partnerships | Limited Liability Company | Joint Stock Company | Branch of Foreign Company | Agricultural Cooperative | Total          |
|--------------|---------------------|----------------------|----------------------|---------------------------|---------------------|---------------------------|--------------------------|----------------|
| 2003*        | 47,427              | 1,425                | 77                   | 649                       | 284                 | 11                        | 1                        | 49,874         |
| 2004         | 11,374              | 258                  | 2                    | 745                       | 67                  | 34                        | 9                        | 12,489         |
| 2005         | 7,916               | 281                  |                      | 752                       | 42                  | 54                        | 20                       | 9,065          |
| 2006         | 5,254               | 247                  | 5                    | 792                       | 66                  | 50                        | 10                       | 6,424          |
| 2007         | 4,529               | 244                  |                      | 859                       | 44                  | 57                        | 9                        | 5,742          |
| 2008         | 6,652               | 314                  | 2                    | 952                       | 39                  | 82                        | 8                        | 8,049          |
| 2009         | 6,313               | 226                  |                      | 899                       | 18                  | 111                       | 5                        | 7,572          |
| 2010         | 6,460               | 209                  | 1                    | 1014                      | 21                  | 94                        | 6                        | 7,805          |
| 2011         | 6,550               | 203                  |                      | 1113                      | 14                  | 59                        | 1                        | 7,940          |
| 2012         | 7,930               | 181                  | 2                    | 1477                      | 31                  | 70                        | 8                        | 9,699          |
| 2013         | 7,373               | 113                  |                      | 1982                      | 18                  | 42                        | 4                        | 9,532          |
| 2014         | 7,355               | 91                   | 1                    | 2125                      | 29                  | 66                        | 4                        | 9,671          |
| 2015         | 7,385               | 78                   |                      | 2527                      | 27                  | 50                        | 8                        | 10,075         |
| 2016         | 3,600               | 27                   |                      | 2,123                     | 12                  | 23                        | 2                        | 5,787          |
| <b>Total</b> | <b>136,118</b>      | <b>3,897</b>         | <b>90</b>            | <b>18,009</b>             | <b>712</b>          | <b>803</b>                | <b>95</b>                | <b>159,724</b> |

\*The total number of business organizations registered in 2003 as presented in the Table 2, includes 43,796 business organizations registered from 1999 until February 21, 2003 and 6,078 business organizations registered from February 22, 2003 until December 31, 2003.

## VI. DEREGISTERED BUSINESS ORGANIZATIONS

Table 3 presents the number of business organizations deregistered at KBRA from 1999 until June 30<sup>th</sup>, 2016 by legal form of business organization and by year of deregistration. The process of deregistration of business organizations for the purposes of the Law on Business Organizations and this report means deregistration of the business organization from the KBRA registry, which results in the termination of the existence of a business organization as a separate entity. Deregistration from the KBRA registry, in the majority of cases, is done after voluntary termination of the business organization, but can also be mandatory, as a result of bankruptcy procedures or by court order in accordance with applicable law. The highest number of deregistered business are Individual Businesses with a total of 12,761 Individual Businesses deregistered during this period, whereas the second most deregistered business organization legal form is the Limited Liability Company with 474 Limited Liability Companies deregistered.



Table 3: Number of business organizations deregistered by legal form and by year of deregistration

| Year         | Individual Business | General Partnerships | Limited Partnerships | Limited Liability Company | Joint Stock Company | Branch of Foreign Company | Agricultural Cooperative | Total         |
|--------------|---------------------|----------------------|----------------------|---------------------------|---------------------|---------------------------|--------------------------|---------------|
| 1999-2007*   | 1,476               | 23                   |                      | 9                         |                     |                           |                          | 1,508         |
| 2008         | 652                 | 24                   |                      | 15                        | 3                   | 5                         |                          | 699           |
| 2009         | 1,051               | 29                   |                      | 20                        | 6                   | 4                         |                          | 1,110         |
| 2010         | 1,324               | 52                   |                      | 78                        | 11                  | 3                         |                          | 1,468         |
| 2011         | 861                 | 38                   | 1                    | 39                        | 2                   | 12                        | 1                        | 954           |
| 2012         | 1,026               | 39                   |                      | 54                        | 3                   | 5                         |                          | 1,127         |
| 2013         | 1,426               | 37                   |                      | 48                        |                     | 8                         |                          | 1,519         |
| 2014         | 1,538               | 45                   |                      | 74                        | 4                   | 24                        | 1                        | 1,686         |
| 2015         | 2,095               | 43                   |                      | 80                        |                     | 15                        |                          | 2,233         |
| 2016         | 1,312               | 19                   |                      | 57                        |                     |                           | 1                        | 1,389         |
| <b>Total</b> | <b>12,761</b>       | <b>349</b>           | <b>1</b>             | <b>474</b>                | <b>29</b>           | <b>76</b>                 | <b>3</b>                 | <b>13,693</b> |

\*The data on the total number of business organizations deregistered from 1999 – 2007, were migrated in the KBRA database in 2007. The data in this table for year 2007 includes business organizations deregistered from 1999 to 2007.

## VII. REGISTRATION OF BRANCHES OF FOREIGN COMPANIES BY COUNTRY OF ORIGIN

Based on the Law on Business Organizations, a foreign company is defined as any business organization that has been duly established and is currently validly existing under the law of a jurisdiction outside Kosovo and which may engage in business activities in Kosovo through the registration of a branch in Kosovo at KBRA. Table 4 below shows the total number of branches of foreign companies registered in Kosovo pursuant to the Law on Business Organizations, by country of origin from 1999 until June 30<sup>th</sup>, 2016.

Table 4: Branches of foreign companies registered in Kosovo

| Nr. | Country                | Branches of Foreign Companies |
|-----|------------------------|-------------------------------|
| 1.  | Albania                | 168                           |
| 2.  | Macedonia              | 58                            |
| 3.  | Germany                | 58                            |
| 4.  | Switzerland            | 51                            |
| 5.  | Turkey                 | 50                            |
| 6.  | United States          | 38                            |
| 7.  | Slovenia               | 38                            |
| 8.  | Croatia                | 35                            |
| 9.  | Italy                  | 31                            |
| 10. | Serbia                 | 19                            |
| 11. | Bosnia and Herzegovina | 19                            |
| 12. | United Kingdom         | 19                            |
| 13. | Bulgaria               | 15                            |
| 14. | Austria                | 8                             |
| 15. | Greece                 | 8                             |
| 16. | Montenegro             | 7                             |
| 17. | Netherlands            | 7                             |

|     |                         |            |
|-----|-------------------------|------------|
| 18. | Hungary                 | 7          |
| 19. | France                  | 6          |
| 20. | Denmark                 | 5          |
| 21. | Sweden                  | 5          |
| 22. | Belgium                 | 4          |
| 23. | Czech Republic          | 4          |
| 24. | Romania                 | 3          |
| 25. | Spain                   | 3          |
| 26. | Slovakia                | 2          |
| 27. | Norway                  | 2          |
| 28. | Ireland                 | 2          |
| 29. | Poland                  | 2          |
| 30. | Canada                  | 2          |
| 31. | Marshall Islands        | 2          |
| 32. | Seychelles              | 1          |
| 33. | Kenya                   | 1          |
| 34. | Malta                   | 1          |
| 35. | Panama                  | 1          |
| 36. | Finland                 | 1          |
| 37. | Luxembourg              | 1          |
| 38. | Bahamas                 | 1          |
| 39. | Portugal                | 1          |
| 40. | Cyprus                  | 1          |
| 41. | Belize                  | 1          |
| 42. | Iceland                 | 1          |
| 43. | San Marino              | 1          |
| 44. | Afghanistan             | 1          |
| 45. | Cayman Islands          | 1          |
| 46. | Latvia                  | 1          |
| 47. | Virgin Islands, British | 1          |
| 48. | Liechtenstein           | 1          |
| 49. | Lithuania               | 1          |
|     | <b>Total</b>            | <b>696</b> |

## VIII. REGISTRATION OF BUSINESS ORGANIZATIONS BY GENDER

The data in Charts 5 and 6 present the gender participation in business organizations registered from the second half of 2012 until June 30<sup>th</sup> 2016, since the gender of owners, partners and shareholder first started to be recorded at KBRA in the second half of 2012. Due to the different nature of legal forms of business organizations, the data below is presented separately for women-owned Individual Businesses, which usually tend to be smaller sole proprietorships and separately for other legal forms of business organizations where women participate as partners or shareholders in a larger or more diverse business organization.

As the most common form of business organization in Kosovo, Chart 5 below measures the percentage of female owners in Individual Businesses. While still relatively low, the data shows an increasing trend of registration of Individual Businesses by women.

Chart 5: Percentage of Individual Businesses by Gender

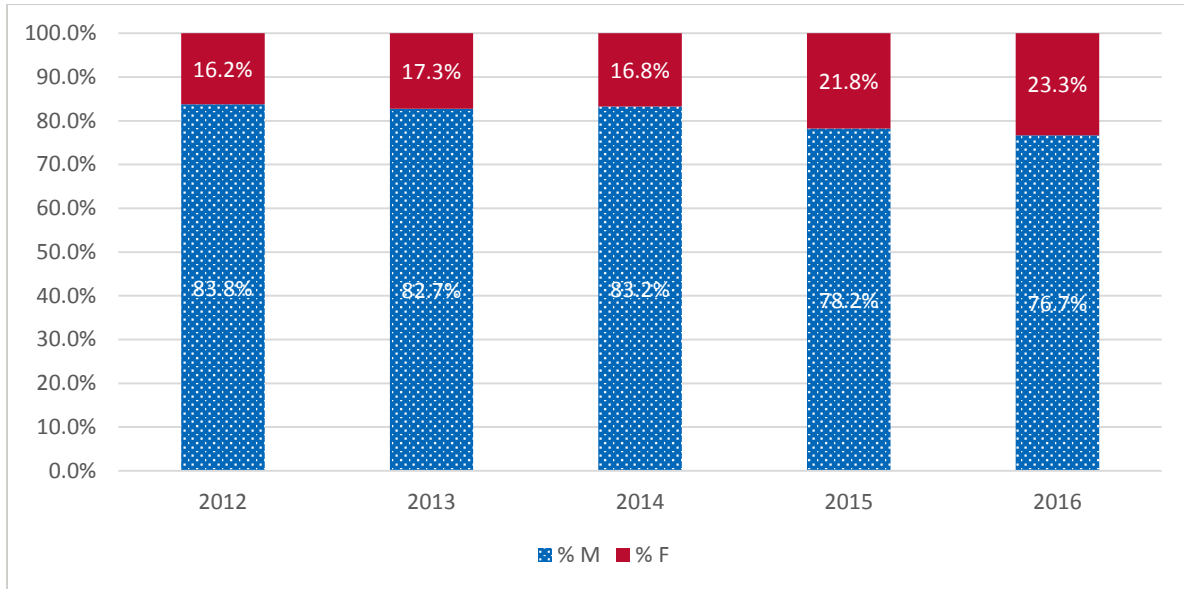
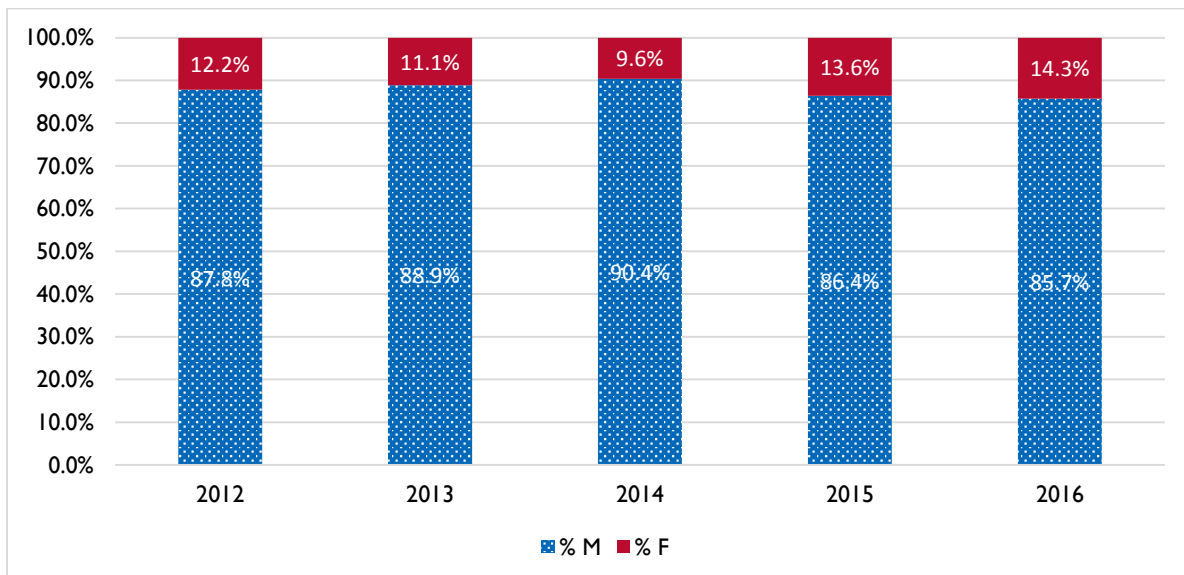


Chart 6 reflects the percentage of partners or shareholders according to gender, in business organizations, excluding individual businesses, registered in Kosovo. While still relatively low, the data shows an increasing trend of participation of females as partners or shareholders.

Chart 6: Percentage of Partners and Shareholders by Gender



## IX. CONCLUSION

The Ministry of Trade and Industry, in order to further improve the efficiency of registration at KBRA undertook a number of actions:

- Initiated development, institutionalization, and regular use of performance metrics drawing on official registration data to monitor the time across municipal registration centers for processing of registration applications and identify best performers and most improved;
- Increased focus on ensuring compliance with the Law on Business Organizations;
- Deepened coordination between the Kosovo Business Registration Agency and the Tax Administration of Kosovo to improve the process time for registration applications and issuance of tax identification numbers at KBRA registration centers, including the development and execution of a formal Memorandum of Understanding between KBRA, TAK and the Ministry of Public Administration for deeper and continued cooperation in February 2016. KBRA and TAK systems are fully integrated;
- Conducted comprehensive customer service training programs with all KBRA and municipal business registration staff.

The methodology used for the development of this report, is expected to be replicated by KBRA and to result in the publication of regular performance measurement reports prepared and published by the KBRA to inform further process improvements. USAID Partnerships for Development will continue to support the approach until full institutionalization.

Going forward, it is also crucial that the new Draft Law on Business Organizations, being currently drafted at MTI, to include the same principals of the current Law on Business Organizations regarding business registration, namely that business registration is a formal administrative process, which imposes no barriers and burdens on businesses wishing to register at KBRA.