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AGJENCIONI I REGJISTRIMIT TË BISNESEVE NË KOSOVË
KOSOVSKA AGENCIJA ZA REGISTRACIJE BIZNISA
KOSOVA BUSINESS REGISTRATION AGENCY

BASIC PERFORMANCE INDICATORS REPORT ON BUSINESS REGISTRATION IN KOSOVO FOR THE PERIOD: JULY – SEPTEMBER 2019

KOSOVO BUSINESS REGISTRATION AGENCY

OCTOBER 2019

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I. INTRODUCTION

This report presents the result of performance indicators related to business organization registration process in Kosovo for the third quarter of 2019, drafted by the Kosovo Business Registration Agency (hereinafter “KBRA”) with the support of the USAID Kosovo Economic Governance Activity in Kosovo.

During this period, a joint team made of KBRA officials and advisers from the USAID Kosovo Economic Governance Activity analyzed a range of **indicators**¹ related to KBRA performance:

- Time required for the registration of business organizations in general and limited liability companies in Kosovo in particular, including by registration center;
- The total number of business organizations registered by legal form and total number of business organizations deregistered by legal form;
- The total number of branches of foreign business organizations registered by country of origin;
- Number of foreign owners, partners or shareholders involved in Kosovo business organizations by type of business organization;
- Percentage of individual businesses by gender; and
- Percentage of partners or shareholders by gender in business organizations in Kosovo.

This report analyses the data extracted from the KBRA Registry of Business Organizations that are required to register with the KBRA under the Law on Business Organizations² in Kosovo. According to the Law, KBRA registers five basic forms of business organizations: (1) Individual Businesses, (2) General Partnerships, (3) Limited Partnerships, (4) Limited Liability Companies and (5) Joint Stock Companies. In addition to these basic forms, KBRA also registers (1) Branches of Foreign Business Organizations, (2) Representative Offices of Foreign Business Organizations, (3) Publicly Owned Enterprises under the Law on Publicly Owned Enterprises, (4) Socially Owned Enterprises under the administration of the Privatization Agency of Kosovo; and (5) any other entity that is required to register with the KBRA by law, such as agricultural cooperatives.

Compared to the same period of last year (Q3 July - September 2018), in this quarter (Q3 July - September 2019), an increase in the time required for the registration of all business organizations at a rate **25%** can be noticed³.

Report limitations: For the purposes of this report, **the time required** is calculated considering only the business days from the date of application to the approval of the application for registration. This report makes no assumptions and provides no figures on business organizations operating in Kosovo, instead it focuses primarily on measuring the efficiency of the KBRA and the municipal registration centers in developing company registration or de-registration procedures. To get a clearer picture of the number, size, and functional status of business organizations and other economic entities involved in economic activities in Kosovo, a more comprehensive effort involving other government institutions and Tax Administration of Kosovo and the Ministry of Public Administration is required.

¹ With the further advancement of the business organisation registration process, including efforts to render a fully electronic registration operational, it is expected that the number of indicators and the quality of the data will increase and be reflected in the subsequent reports.

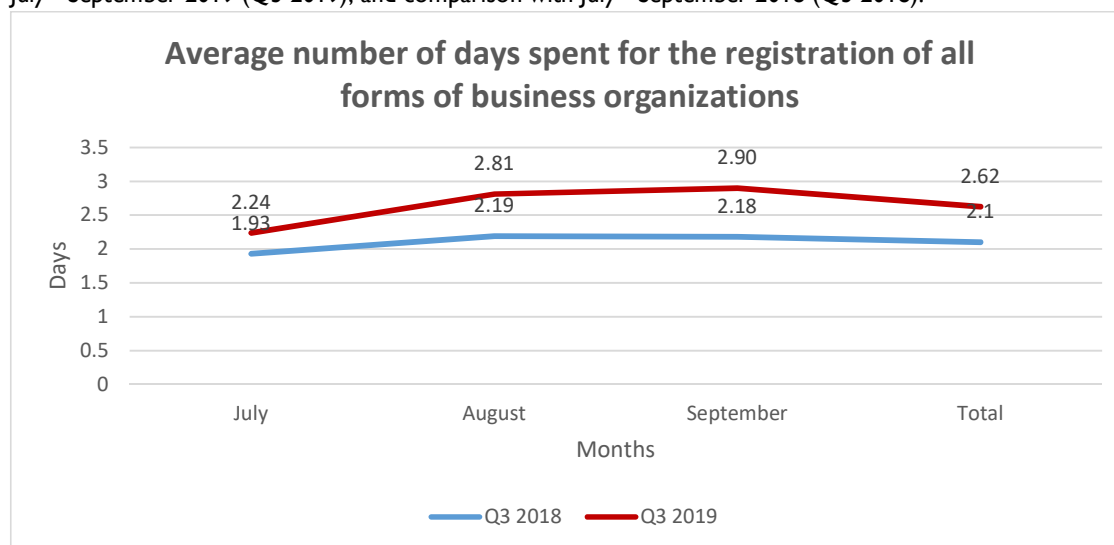
² Law No. 06/L -016 on Business Organizations <https://gzk.rks-gov.net/ActDetail.aspx?ActID=16426>

³ Formula: (New Value (V2) - Old Value (V1)) ÷ Old Value (V1) × 100% = Percentage Change

II. DURATION TO REGISTER A BUSINESS ORGANIZATION

Business organizations, as stipulated in the Law on Business Organizations, are required to register at the KBRA headquarters in Pristina or in one of the 29 municipal business registration centers throughout Kosovo. This section of the report presents the time duration spent for the registration of business organizations by calculating the average number of business days using the difference from the date of application to the date of approval. The time spent for the registration of all business organizations in the third quarter of 2019 (Q3 July - September 2019) was **2.62 days**, indicating an increase by **25%** compared to 2.1 days during the same quarter last year (Q3 July - September 2018).

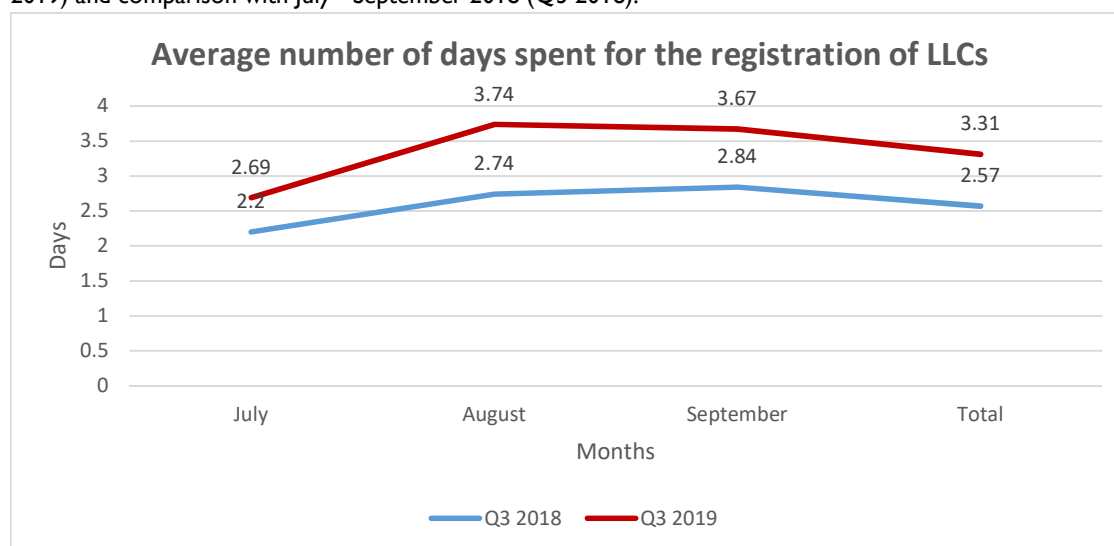
Chart 1: Average number of business days spent for the registration of all forms of business organizations, July - September 2019 (Q3 2019), and comparison with July - September 2018 (Q3 2018):



III. DURATION TO REGISTER AN LLC

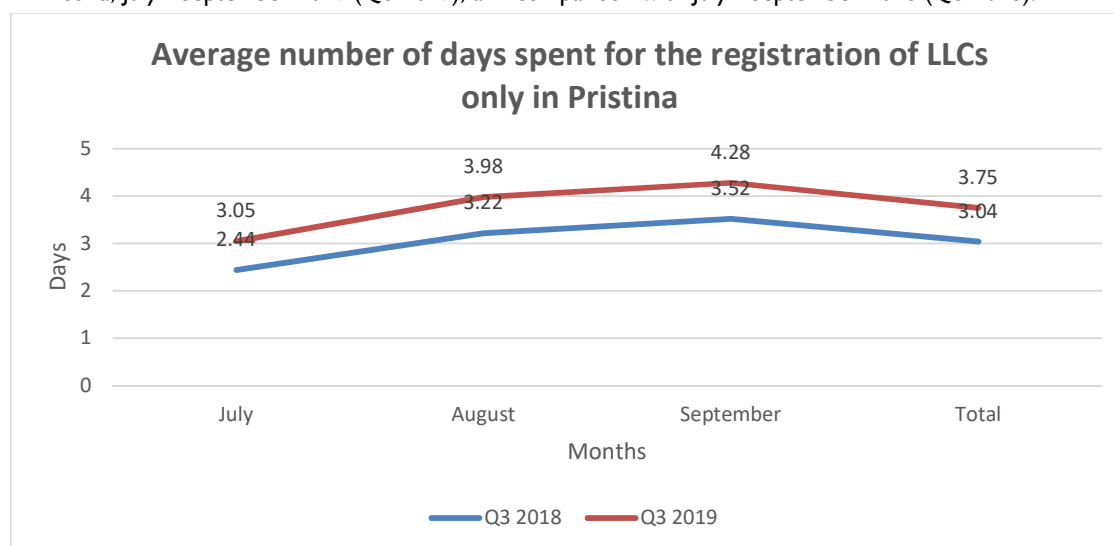
This part of the report presents the duration of registration only for the Limited Liability Company (LLC) type. The time required for the registration of an LLC at all registration centers, including the main center in Pristina (**Chart 2**) in the third quarter of 2019 (Q3 July - September 2019) was **3.31 days**, indicating an increase of **29%** compared to 2.57 days during the same quarter last year (Q3 July - September 2018).

Chart 2: Average number of business days spent for the registration of LLCs, July - September 2019 (Q3 2019) and comparison with July - September 2018 (Q3 2018):



Moreover, **Chart 3** indicates the time spent for the registration of LLCs only at the KBRA registration center in Pristina. The time required for the registration of an LLC in Pristina (**Chart 3**) in the third quarter of 2019 (Q3 July - September 2019) was **3.75 days**, indicating an increase by **23%** compared to 3.04 days in the same quarter last year (Q3 July - September 2018).

Chart 3: Average number of business days spent for the registration of LLCs at the KBRA registration center in Pristina, July - September 2019 (Q3 2019), and comparison with July - September 2018 (Q3 2018):



IV. DURATION FOR BUSINESS ORGANIZATION REGISTRATION BY REGISTRATION CENTER

Table I shows the average number of days spent for the registration of all forms of business organizations among 29 municipal registration centers as well as the KBRA main office in Pristina. The breakdown by registration centers in the table below assumes that if a business organization has a registration address e.g. in the city of Gjiilan/Gnjilane, then the same is also registered in the registration center in Gjiilan/Gnjilane, though it is possible the business organization was registered at KBRA's main office in Pristina. This is because KBRA currently has a unique business organization registration system which includes data on business organization registered throughout the territory of Kosovo, not by registration center.

Table I: Average number of business days spent for the registration of business organizations by Business Organization Registration Centers, July - September 2019:

| Registration Centre | July | August | September | Average | No. of business organizations |
|---------------------------|-------------|-------------|-------------|-------------|-------------------------------|
| Deçan/Deçani | 1.00 | 3.00 | 6.31 | 5.56 | 16 |
| Dragash/Dragaš | 1.10 | 1.00 | 2.50 | 1.44 | 16 |
| Ferizaj/Uroševac | 1.81 | 2.25 | 2.07 | 2.03 | 177 |
| Fushë Kosovë/Kosovo Polje | 3.30 | 4.11 | 3.69 | 3.72 | 100 |
| Gjakova/Đakovica | 1.73 | 1.91 | 1.29 | 1.66 | 91 |
| Gjiilan/Gnjilane | 4.47 | 2.87 | 2.98 | 3.62 | 129 |
| Glogoc/Glogovac | 1.11 | 2.10 | 1.56 | 1.59 | 37 |
| Graçanicë/Gračanica | 4.00 | 1.67 | 2.00 | 2.81 | 16 |
| Hani i Elezit/Elez Han | 2.33 | 2.50 | 2.00 | 2.30 | 10 |
| Istog/Istok | 2.25 | 2.38 | 1.40 | 2.18 | 38 |
| Kaçanik/Kaçanik | 2.29 | 3.80 | 3.00 | 2.66 | 32 |
| Kamenica | 1.63 | 1.80 | 1.88 | 1.74 | 34 |
| Klinë/a | 2.27 | 2.90 | 1.43 | 2.28 | 47 |
| Lipjan/Lipljan | 1.44 | 1.71 | 2.17 | 1.78 | 58 |
| Malisheva/Mališevo | 3.24 | 9.44 | 1.90 | 4.42 | 36 |
| Mitrovicë/a | 1.84 | 2.04 | 2.74 | 2.09 | 119 |
| North Mitrovica | 1.40 | 1.80 | 1.67 | 1.63 | 16 |
| Novobërdë/Novo Brdo | 1.33 | 1.00 | 6.33 | 3.43 | 7 |
| Obiliq/Obilić | 1.50 | 3.25 | 2.00 | 2.19 | 27 |
| Peja/Peć | 1.69 | 3.62 | 3.30 | 2.79 | 127 |
| Podujevë/o | 1.26 | 1.25 | 1.67 | 1.37 | 76 |
| Prishtina/Priština | 3.17 | 3.93 | 4.45 | 3.86 | 739 |
| Prizren | 1.43 | 1.94 | 2.29 | 1.85 | 172 |
| Rahovec/Orahovac | 1.89 | 2.33 | 4.33 | 2.92 | 24 |
| Shtërpçë/Štrpce | 1.71 | 1.33 | | 1.60 | 10 |
| Shtime/Štimlje | 1.78 | 1.50 | 5.20 | 2.81 | 16 |
| Skenderaj/Srbica | 2.08 | 3.00 | 3.90 | 2.91 | 33 |
| Suhareka/Suva Reka | 2.38 | 2.09 | 1.54 | 2.00 | 37 |
| Viti | 1.79 | 4.31 | 3.30 | 2.81 | 47 |
| Vushtrri/Vučitrn | 2.25 | 2.37 | 2.00 | 2.23 | 80 |
| Average | 2.24 | 2.81 | 2.90 | 2.62 | 2,367 |

* The red color represents a large average of days for the registration of a business organization.

* The green color represents a small average of days for the registration of a business organization.

V. REGISTRATION AND DEREGISTRATION BY LEGAL FORM OF BUSINESS ORGANIZATION

Table 2 below presents the number of registered business organizations and the number of business organizations deregistered by the legal form of the business organizations defined by law per month, from July to September 2019. The legal form with the largest number of registrations during this quarter was the one of limited liability companies, followed by individual businesses. The legal form with the largest number of shutdowns for this period was the one of individual businesses, followed by limited liability companies.

Table 2: Number of business organizations registered and deregistered by legal form, July - September 2019:

| BUSINESS ORGANIZATIONS | Month | (1) Individual Business | (2) General Partnership | (3) Limited Partnership | (4) Limited Liability Company | (5) Joint Stock Company | (1) Branch of a Foreign Business Organization | (2) Foreign Business Organization Affiliate Office | (3) Public Enterprises | (4) Socially Owned Enterprises | (5) Agricultural Cooperatives | Total |
|------------------------|--------------|-------------------------|-------------------------|-------------------------|-------------------------------|-------------------------|---|--|------------------------|--------------------------------|-------------------------------|--------------|
| REGISTERED | July | 400 | 0 | 0 | 482 | 1 | 3 | 0 | 0 | 0 | 0 | 886 |
| | August | 387 | 0 | 0 | 360 | 2 | 3 | 0 | 0 | 0 | 0 | 752 |
| | September | 314 | 1 | 0 | 411 | 0 | 2 | 1 | 0 | 0 | 0 | 729 |
| | Total | 1,101 | 1 | 0 | 1,253 | 3 | 8 | 1 | 0 | 0 | 1 | 2,367 |
| DEREGISTERED | July | 136 | 3 | 0 | 11 | 0 | 1 | 0 | 0 | 0 | 0 | 152 |
| | August | 97 | 2 | 0 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 111 |
| | September | 110 | 1 | 0 | 15 | 0 | 1 | 0 | 0 | 0 | 0 | 127 |
| | Total | 343 | 6 | 0 | 38 | 0 | 2 | 0 | 0 | 0 | 0 | 390 |

VI. REGISTRATION OF BRANCHES OF FOREIGN BUSINESS ORGANIZATIONS BY COUNTRY OF ORIGIN

Pursuant to the Law on Business Organizations, branches of foreign business organizations are also registered in the KBRA and municipal registration centers. **Table 3** below shows the total number of branches of foreign business organizations registered in Kosovo in accordance with the Law on Business Organizations for the period of July - September 2019.

Table 3: Branches of foreign business organizations registered in Kosovo by country of origin, July - September 2019:

| Country of origin | Number of branches of foreign business organizations |
|--------------------------|--|
| Bulgaria | 1 |
| Italy | 1 |
| Northern Macedonia | 1 |
| Albania | 3 |
| United States of America | 2 |
| Total | 8 |

VII. NUMBER OF BUSINESS ORGANIZATIONS INVOLVING AT LEAST ONE FOREIGN OWNER, PARTNER OR SHAREHOLDER

To assess the involvement of foreign persons as owners, partners or shareholders of business organizations in Kosovo, **Table 4** contains data that indicate the number of companies in which at least one foreign owner, partner or shareholder is involved, however they do not indicate the capital invested by foreign persons. During the period of July - September 2019 a total number of 2,367 business organizations were registered, of which 181 have at least one foreign physical or legal entity as owner, partner or shareholder, with the majority being LLCs followed by individual businesses. This table excludes branches of foreign business organizations, as they are listed above on **Table 3**.

Table 4: The number of all business organizations (excluding branches) in which at least one foreign owner, partner or shareholder is involved, July - September 2019 (Q3 2019):

| BUSINESS ORGANIZATIONS | Month | (1) Individual Business | (2) General Partnership | (3) Limited Partnership | (4) Limited Liability Company | (5) Joint Stock Company | (6) Branch of a Foreign Business Organization | (7) Foreign Business Organization Affiliate Office | (8) Public Enterprises | (9) Socially Owned Enterprises | (10) Agricultural Cooperatives | Total |
|------------------------|--------------|-------------------------|-------------------------|-------------------------|-------------------------------|-------------------------|---|--|------------------------|--------------------------------|--------------------------------|------------|
| REGISTERED | July | 8 | 0 | 0 | 53 | 1 | 0 | 0 | 0 | 0 | 0 | 62 |
| | August | 5 | 0 | 0 | 53 | 1 | 0 | 0 | 0 | 0 | 0 | 59 |
| | September | 6 | 0 | 0 | 53 | 0 | 0 | 1 | 0 | 0 | 0 | 60 |
| | Total | 19 | 0 | 0 | 159 | 2 | 0 | 1 | 0 | 0 | 0 | 181 |

VIII. REGISTRATION OF BUSINESS ORGANIZATIONS BY GENDER

Data on **Charts 4 and 5** represents gender participation in business organizations registered during the period of July - September 2019. Due to the nature of the different legal forms of business organizations, the data below is presented separately for individual businesses, which have a single owner and are usually small businesses, and other legal forms of business organizations whose owners are partners or shareholders in larger or more diverse business organizations.

Chart 4: Percentage of individual businesses by gender, July - September 2019 (Q3 2019):

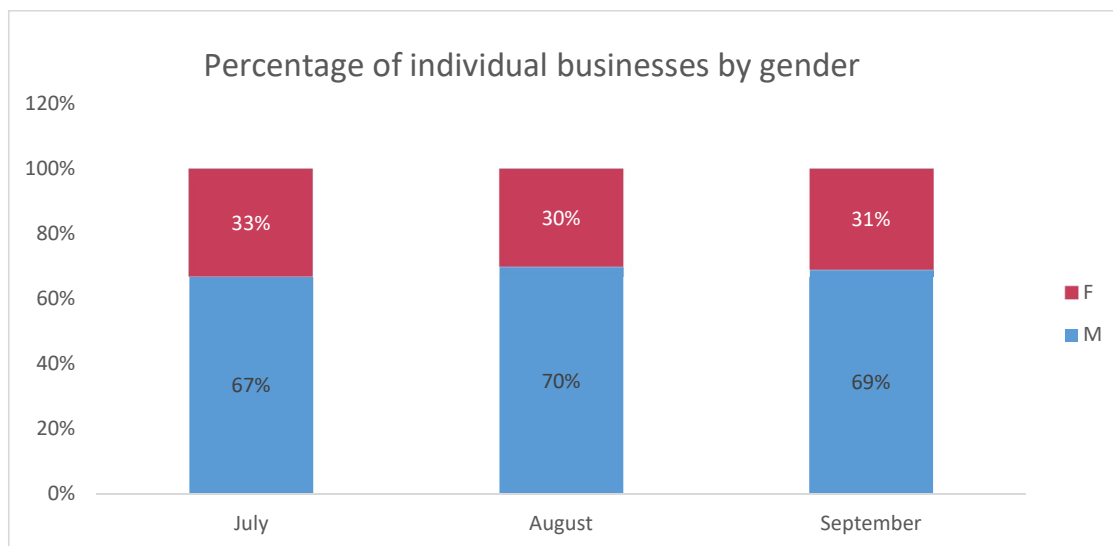
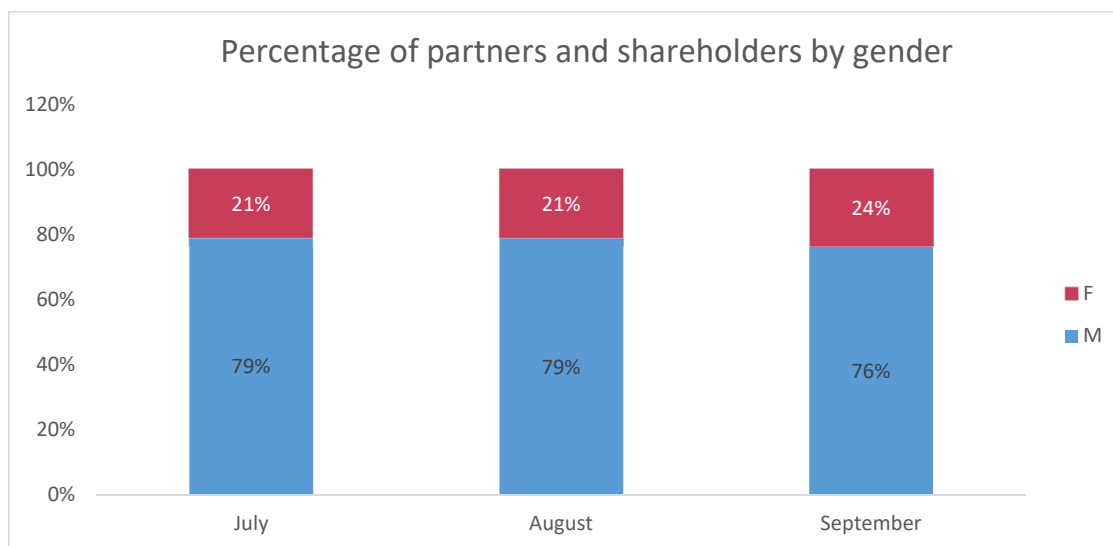
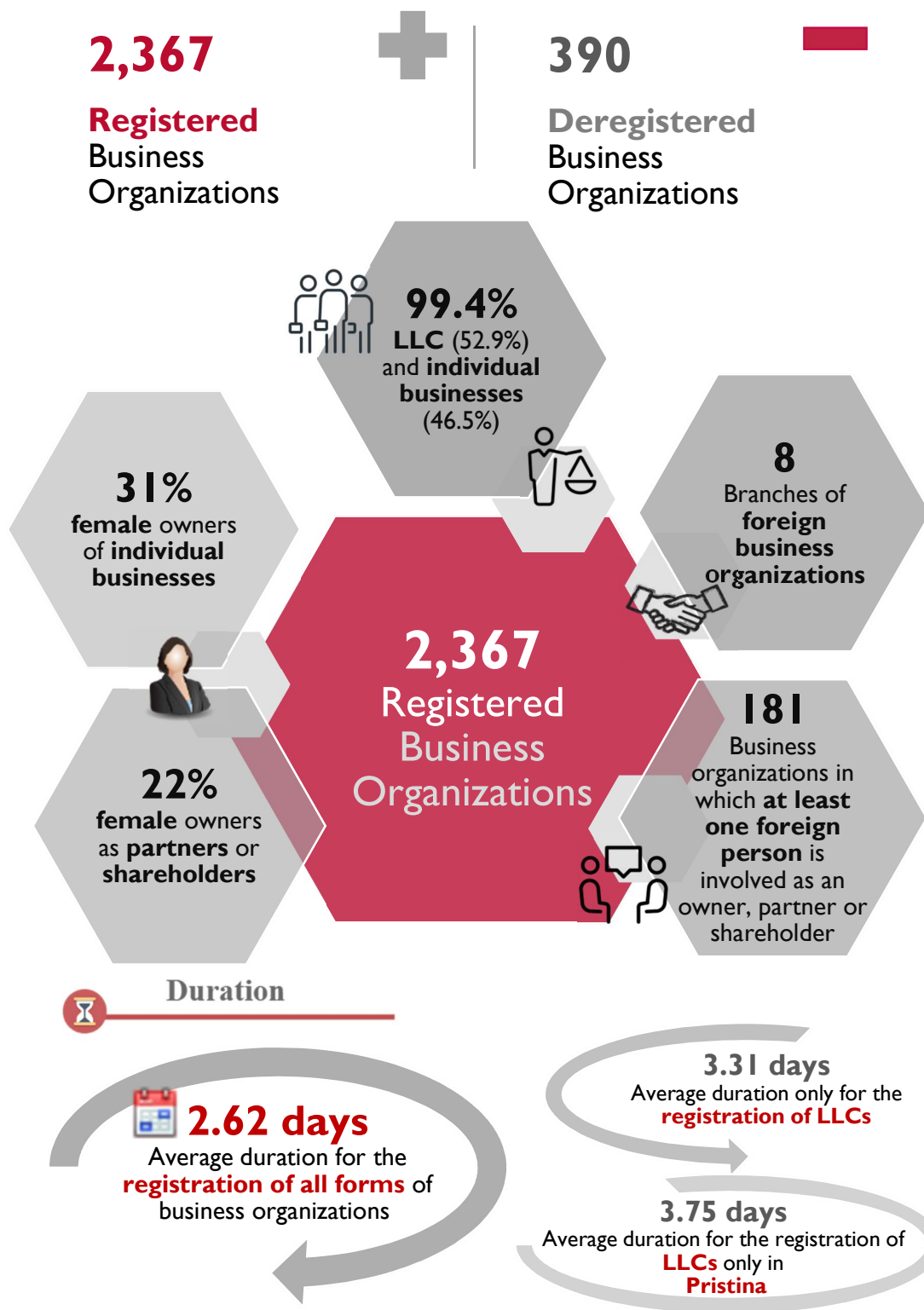


Chart 5: Percentage of partners and shareholders by gender, July - September 2019 (Q3 2019):



IX. KBRA SUMMARY FOR THE THIRD QUARTER OF 2019 (Q3 JULY - SEPTEMBER 2019)



X. KBRA SUMMARY FROM 2000 - SEPTEMBER 2019

185,758

**Registered
Business
Organizations**



18,431

**Deregistered
Business
Organizations**

