

Newsflash

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Introduction of administrative procedures for strategic investments

This publication summarizes the new Administrative Instructions on procedures for verifying the eligibility of 'strategic investor status', and of making available real estate owned by public enterprises for the development and implementation of strategic investments. These sub-legal acts entered into force in February 2018.

Administrative Instruction 02/2018

This Administrative Instruction explains the procedures for verifying the eligibility of 'strategic investor status'.

Who is eligible to apply?

Entities eligible to apply for the status of strategic investor may be foreign investors, domestic investors, public investment authorities and any public investment authority in cooperation with any foreign or domestic investor.

What is the application process?

Kosovo Investment and Enterprise Support Agency (KIESA), part of the Ministry of Trade and Industry, has published an application form, which is available in Albanian, Serbian and English. The application form and the required documents below must be submitted in soft copy to KIESA, and in hard copy to the Archive of the Ministry of Trade and Industry.

The form consists of two parts; the first part consists of the following information:

- Applicant
- Type of project (public, private and public – private)
- Title of project

- Economic sector of investment
- Location of investment
- Amount of investment in Euro
- Description of financing plan for the project.

The second part consists of the list of documents which shall be included with the application form:

- Proof of availability of funds to complete the project
- Investment Business plan and Financial plan for five years from the year the project becomes fully operational
- Strategic Investment Implementation Work plan, not shorter than five years
- An environmental impact study for the investment, and proof of compliance with Kosovo and EU standards
- Identification of investment project operational risk and management plan
- Audited Financial Statements for the last three years, and audited by an international firm
- A detailed profile of the entity, including subsidiaries
- References of previous experience in similar projects
- Written authorisation of investment entity authorising KIESA to conduct any verification and examination of data presented in the investment entity application
- Management Structure
- Ownership (shareholder) structure
- Market position of investor in markets where it operates
- Detailed information on any litigation against the entity exceeding one million Euros.

Where the entity was established with the sole purpose of this investment, it must submit the required information above and relevant documents for the parent company and the partners of the joint venture.

What is the criteria verification process?

Process of verification is as follows:

1. Upon submission of the complete project file, KIESA shall within three working days require from the Inter-ministerial Strategic Investment Committee (“the Committee”) to establish, within one working day, an Operational Group to support KIESA;
2. Upon submission of the complete project file, KIESA shall within one working day forward the application form to the institutions below:
 - a. The Ministry of Environment and Spatial Planning;
 - b. the Office of the Prime Minister;
 - c. the Ministry of Foreign Affairs;
 - d. the Ministry of European Integration.each of which will, within ten working days, undertake compliance verifications with relevant rules and notify KIESA of the status of compliance respectively.
3. Upon receipt of documentation, the Operational Group shall, within ten working days, verify all administrative procedures for the application.
4. KIESA can request the opinions of experts within central authorities impacted by the investment about whether the investment complies with their respective rules and regulations. These authorities shall, within ten working days, submit a compliance statement to KIESA.

5. Upon completing the administrative review of the application, KIESA shall within 20 working days, refer all documents to the Committee for review, assessments and approval.
6. KIESA, upon approval by the Committee, shall send a recommendation to the Government of Kosovo for the approval of strategic investment status.
7. The Government shall take a decision on the approval or rejection of the strategic investment project status.

Administrative Instruction 01/2018

Administrative Instruction 01/2018 sets out the procedure of making available real estate owned by public enterprises for the development and implementation of strategic investment projects.

What is the application process?

The investor shall submit to KIESA an application form containing the information and supporting documents as prescribed by Administrative Instruction 02/2018 above. The criteria verification process is the same as prescribed by Administrative Instruction 02/2018 as well.

Upon the Government's decision on the approval of the strategic investment status, the entity may be granted the rights to use the property of public enterprises for the purposes of the project.

The Government of Kosovo may transfer the right of use of public enterprise property to the entity. First, KIESA shall send the recommendation for approval of strategic investment status to the Government. Then the Government shall transfer the right of use of public property to the entity for the purpose of implementing the project for strategic investment.

How can PwC help?

PwC Kosovo draws upon its local knowledge and experience, together with the know-how and expertise of its global and regional network, to provide clients with compliance and advisory services when doing business in Kosovo.

For more detailed information regarding this legislative change and how PwC can help you, please [contact us](#) to discuss further.

[Sources: Administrative Instruction 01/2018; Administrative Instruction 02/2018; Law 05/L-079 on Strategic Investments]