

In this booklet you will find important information about immigration issues (stay permits, work permit, tax issues).

This booklet is not intended to be a comprehensive or exhaustive study of **Kosovo** immigration, labour and tax law. It should be used as a guide as you prepare for your assignment in **Kosovo**.

We advise you against making any decision without first seeking professional advice, as laws and interpretations in **Kosovo** are still subject to frequent changes without prior notice.

This booklet will give you the preliminary information you can use to define the issues that are relevant to your situation.

EXPATRIATES

An expatriate is considered a foreign national working under a Kosovo employment contract as well as a foreign national coming to Kosovo under a foreign employment contract. An expatriate is deemed resident if his/her presence in Kosovo is longer than 183 days, consecutive or not, during a fiscal year.



Stay Permit

A stay of up to ninety (90) days shall mean that a foreigner may stay in Kosovo without a visa, with a visa, or on the basis of a border movement permit.



Application for Temporary Stay

The foreigner may be permitted temporary stay if he/she:

- Possesses sufficient means for living
- Has access to appropriate housing
- Has health insurance
- His/her stay is not in violation with the local legislation
- Has presented reasonable arguments for a temporary stay



Bilateral treaties and Double Tax Treaty shall take the upper hand when determining taxable incomes. Currently there is only one

Double Tax Treaty signed with the Republic of Albania. According to Kosovo laws, there is a possibility that where existing taxation laws of Kosovo relative to international taxation and international juridical taxation of income and capital do not address such taxation, the principles of the OECD Model Tax Convention on Income and Capital shall apply in order to avoid double taxation of such income and capital.



ADMINISTRATIVE PROCEDURES TO BE FOLLOWED BY EXPATRIATES WORKING IN KOSOVO

Work Permit

Natural persons, who are not citizens of Kosovo, when willing to work in Kosovo for a timeframe of more than three (3) months, shall be granted a work permit issued by the Ministry of Labour and Social Welfare.

Required Documents for Work Permit

Together with the request for work permit, the employer should submit:

- The Stay Permit in Kosovo, or proof for possessing official valid visa
- Details of the individuals' job position, qualifications and nature of the job and employment
- Employers' main office details including, employment contract, number of employees, nature of job and the duration
- Certificate of business registration
- Certificate from Labour Office
- The renewal of Work Permit
- The request for the renewal of a work permit, except for seasonal work permits, is made one (1) month before the end of the validity period of the existing permit. It is renewed within one (1) month if the circumstances existing at the issuance of the previous work permit have not changed

Permission for Temporary Stay may be issued to a foreigner who:

- Intends to stay in Kosovo for a longer period of time than is permitted by the conditions of his/her current visa
- Does not require a visa to enter Kosovo and intends to stay longer than ninety (90) days
- Intends to stay in Kosovo for longer than thirty (30) days and is engaged in a category of employment specified in legal acts regulating the employment of foreigners in Kosovo

Permanent Stay may be permitted to a foreigner who:

- Has stayed in the territory of Kosovo for four (4) consecutive years pursuant to a grant of temporary stay
- Has been married to the same citizen of Kosovo or to a foreigner with permanent stay in Kosovo for three (3) consecutive years
- A juvenile with temporary stay may be permitted permanent stay in Kosovo with the consent of both parents if one of his/her parents or guardians is foreigners with permanent stay in Kosovo
- A foreigner with temporary stay may be granted permanent stay for humanitarian reasons or if it is in the interests of Kosovo to do so

- A foreigner shall present a record of any criminal convictions together with the request for his/her first temporary stay which also confirms that he/she is not awaiting sentence pursuant to a criminal conviction in the state where he/she habitually resides.
- An applicant whose request for a temporary stay is refused may file an appeal within eight (8) working days of receiving the decision

Application for Permanent Stay

A request for permanent stay shall be submitted to the competent body in the foreigner's place of residence in Kosovo.

An administrative appeal shall not be permitted against a decision of the competent body in respect to permanent stay. This shall not prevent a foreigner from seeking judicial review of such a decision.

Permission for permanent stay shall be noted in the travel document of the foreigner.

PENSION CONTRIBUTION AND PERSONAL INCOME TAX

The Kosovo law applies the principle of worldwide taxation. Resident individuals are taxed on all sources of income in and outside the territory of Kosovo, while the non-resident individuals are taxed on the income generated in the territory of Kosovo.

Self-withholding of taxes is used for all types of incomes for which tax is not already withheld at source.

Foreign individuals coming into Kosovo under a local employment contract are required to pay income tax in the same manner as local employees. In this case, the tax is paid by the employer. Alternatively, when foreign individuals work in Kosovo under a foreign contract they are required to self-declare and pay personal income tax on all income generated in Kosovo and if the worldwide principle applies on all income he /she earns. Foreign employees working in Kosovo, have the right to choose between the Kosovo Pension Contribution Scheme or the scheme in their home country.

The progressive personal income tax rates are:

EUR 0-80	0%
EUR 80-250	4% of the amount above EUR 80
EUR 250-450	EUR 6.8 plus 8% of the amount above EUR 250
Over EUR 450	EUR 22.8 plus 10% of the amount above EUR 450

Each employer shall submit a statement of tax withheld and pay the amount of the tax withheld within 15 days after the last day of each month.

The employer and the employee pension contributions rates are at the level of 5% each of the gross monthly salary. The employer shall pay the amount of pension contribution within 15 days after the last day of each month and make a quarterly declaration.

In case of non-compliances with the above requirements a penalty of 100% of the amount of the unpaid taxes and contribution is imposed.

BRIEF COUNTRY INFORMATION

Geography

Official name: Republic of Kosovo
Total area: 10,887 km²
Borders: In the southwest it is bordered by Albania, in the west by Montenegro, in the north by Serbia and in the east and southeast by Macedonia.
Capital: Pristina



Demographics

Population: 2,098 million
Language: Albanian, Serbian, English

Key economic indicators (2008)

GDP: EUR 3,795 million
GDP per capita: EUR 1,809
Currency: EURO

Annual Inflation: 2.4 %
Exports: EUR 440 million
Imports: EUR 2,220 million

USEFUL INFORMATION

Banking/Insurance

ProCredit Bank
Rruga "Nëna Terezë", Nr. 16, Prishtinë
Tel: +381 (0) 38 555 777, Fax: +381 (0) 38 248 777

Raiffeisen Bank
Rruga "UÇK", Nr. 51, Prishtinë
Tel: +381 (0) 38 22 22 22 142, Fax: +381 (0) 38 20 30 11 30

Banka Kombëtare Tregtare
Qyteza Pejton, Rruga "Kosta Novakoviç", Nr. 9, Prishtinë
Tel: +381 (0) 38 222 910, Fax: +381 (0) 38 222 907

NLB Prishtina Bank
Rruga "Rexhep Luci", Nr. 5, Prishtinë
Tel: +381 (0) 38 234 111, Fax: +381 (0) 38 246 189

Economic Bank
Rruga "Migjeni", Prishtinë
Tel: +381 (0) 38 225 353, Fax: +381 (0) 38 225 454

TEB Bank
Rruga "Agim Ramadani", Nr. 15, Prishtinë
Tel: +381 (0) 38 230 000, Fax: +381 (0) 38 224 699

Bank for Business
Rruga "UÇK", Nr. 41, Prishtinë
Tel: +381 (0) 38 244 666, Fax: +381 (0) 38 656 657

Dardania Insurance
Rruga "Sylejman Vokshi", Nr. 4, Prishtinë
Tel: +381 (0) 38 244 080, Fax: +381 (0) 38 244 081

Dukagjini Insurance
Rruga "Nëna Terezë", Nr. 33, Prishtinë
Tel: +381 (0) 38 225 385, Fax: +381 (0) 38 225 384

Siguria Insurance
Rruga "Luan Haradinaj", Prishtinë
Tel: +381 (0) 38 248 848, Fax: +381 (0) 38 248 850

Insig Insurance
Rruga "Mujo Ulqinaku", Nr. 6, Prishtinë
Tel: +381 (0) 38 249 900, Fax: +381 (0) 38 249 901

Sigma Insurance
Rruga "Pashko Vasa", Prishtinë
Tel: +381 (0) 38 246 301, Fax: +381 (0) 38 246 302

Kosove e Re Insurance
Rruga "Fehmi Agani", Nr. 35, Prishtinë
Tel: +381 (0) 38 229 893, Fax: +381 (0) 38 229 435

Sigal Uniqa Group Austria Insurance
Rruga "UÇK", Nr.60, Prishtinë
Tel: +381 (0) 38 240 241, Fax: +381 (0) 38 240 241

INTERNATIONAL SCHOOLS

American University of Kosovo
Gërnia Campus Rr. "Nazim Gafurri", Nr. 21, Prishtinë
Tel: +381 (0) 38 518 542, Fax: +381 (0) 38 518 458

Royal University Iliria
Rruga "Gazmend Zajmi", Nr. 75, Prishtinë
Tel: +381 (0) 38 233 951, +377 44 505 507

University for Business and Technology
Lagja Kalabria, Prishtinë
Tel: +381 (0) 38 541 400, Fax: +381 (0) 38 542 138

REAL ESTATE AGENCIES

Rubin Invest
Rr."Ahmet Kaciku" Nr.1, Ferizaj
+381 (0) 290 320 995

Eco Impex
Rr."Fehmi Agani" 9/1, Prishtinë
+381 (0) 38 249 263

Prishtina Property
Rruga "Edit Durham", Prishtinë
Tel: +377 (0) 44 130 615, Fax: +381 (0) 38 244 898

Contact details

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PRICEWATERHOUSECOOPERS 

Coming to
work in
Kosovo*

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EXPATRIATE TAX – INTERNATIONAL
ASSIGNMENT SOLUTIONS

In a multinational business, personnel from any area of the business may be required to work away from their home location for a few months or years. In such cases it is important to consider in advance, the effect of the host (as well as the home) jurisdiction's tax laws on the expatriate's remuneration to avoid unexpected adverse consequences.

Additionally, at a time when corporate governance is a major consideration for all companies, compliance issues are of even greater importance. In this context, multinational companies are increasingly turning to their professional advisers for assistance with their expatriate programmes.

Our People

Our staff has substantial practical experience in International Assignment Solutions as well as academic experience through ongoing training within PwC.

Our Practice and Experience
Personal Tax and Pension Contribution

A number of personal tax and pension contribution issues arise in the context of any expatriate assignment. We are able to help our clients in the following issues:

- Tax and pension contribution planning to minimize the costs of a foreign assignment
- We ensure that planning opportunities are enjoyed and that unnecessary costs are not incurred
- Tax and pension contribution compliance including registration, preparing returns and expediting payments. We like to meet with all expatriates to answer their questions and ensure they understand the implications of their foreign assignment
- Liaison with advisers in the expatriate's home country to ensure that any unresolved or on-going tax issues are handled appropriately. Handling of any queries from the Kosovo Authorities