

THE REPUBLIC OF SRPSKA
THE CITY OF BIJELJINA
MAYOR
City Administration
Department of Economy and Agriculture
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INFORMATION FOR INVESTORS

INVESTOR PROTECTION

NATIONAL TREATMENT OF INTERNATIONAL INVESTORS

- Rights of foreign investors in Republic Srpska have been defined and protected in Republic Srpska Constitution: "Ownership rights and other foreign investors' rights gained on the basis of invested capital cannot be constrained or withheld due to the law or another regulation. There is a guarantee of foreign citizens' right to perform a business or another activity, and of rights pertaining to business dealings, under the conditions which cannot be changed to their detriment. A foreign investor is guaranteed a possibility of unrestricted transfer of their profit and invested capital from the Republic. A law can be adopted to stipulate exceptional activities, i.e. fields where an international citizen cannot found their own company, when general social interests so require".
- [Republic Srpska Law on Foreign Investments](#) ("Republic Srpska Official Gazette, No 25/02, 24/04, 52/11 and 68/13) and [Law on Policies as to Direct Foreign Investments in BiH](#) (BiH Official Gazette, No 17/98, 13/03, 48/10) guarantee national treatment of foreign investors, i.e. foreign investors have equal rights and obligations to BiH residents. The state or its entities must not discriminate foreign investors in any form, including but not limited to their citizenship, domicile/residence of the foreign investor, their religion or the country of investment origin.
- Foreign investors' property cannot be nationalized, expropriated or requisited. However, in the event of confirmed public interest, foreign investor's property can be nationalized or expropriated, provided a guaranteed right of the foreign investor to appropriate compensation. Such compensation shall be deemed appropriate if it is adequate, effective and prompt.
Rights and benefits which the investors have pursuant to the Law cannot be denied or withheld upon effectiveness of additionally adopted laws or by-law documents. If such new laws are more favourable, foreign investors shall have the right to choose which law will apply to their investment.

PROTECTION FROM RISK

- Foreign investors who are concerned about restrictions in profit transfer, expropriation, war or civil riots and denial of justice, can insure themselves against such risks with Multilateral Investment Guarantee Agency (MIGA, as a part of World Bank Group).
- Investors who invest in the RS can also be secured from political risks by American Overseas Private Investment Corporation (OPIC).

INVESTMENT PROTECTION AGREEMENTS

BiH has signed agreements on investment promotion and protection with the following countries: Albania, Austria, Belgium, Belarus, Denmark, China, Croatia, The Czech Republic, Egypt, Finland, France, Germany, Greece, Holland, Hungary, India, Iran, Italy, Qatar, Kuwait, Lithuania, Macedonia, Malaysia, Moldova, Qatar, Pakistan, Portugal, Romania, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, Great Britain, Serbia, Montenegro and OPEC countries.

INSTITUTIONS AVAILABLE TO INVESTORS

[Republic Srpska Government](#) with its line ministries is available to investors.

Ministry of Economic Relations and Regional Cooperation (MEORS)

Ministry of Economic Relations and Regional Cooperation (MEORS) performs governing and other professional activities which are, inter alia, aimed at promotion and development of foreign investments and exports, through supervision, analysis and proposal of measures to improve the legal framework relevant to foreign investments, then through supervision and analysing the investment environment, coordination and initiating the activities on improvement of overall ambient for foreign investing, professional support to investors during preparation and implementation of a foreign investment, promotion of Republic Srpska investment potentials in the country and abroad, cooperation and coordination with line ministries of Republic Srpska Government, Republic Srpska representations abroad, institutions and organizations at the BiH level (FIPA and others), international organizations and institutions, similar nature institutions located outside Republic Srpska/BiH, local level organizations and companies attracting foreign investments, post-investment caretaking, monitoring and evaluation of effected investments, establishment and maintenance of a unified database on resources (projects/locations) attractive to foreign investors, along with databases of already made foreign investments, creation and maintenance of a web site intended to foreign investors, as well as organizing presentation of Republic Srpska economy at foreign markets and supporting Republic Srpska institutions in economy promotion activities.

Republic Srpska Representations Abroad

Republic Srpska representations abroad have been founded to establish economic, scientific-technical, cultural, social, information, education, sport and other forms of cooperation with international partners. Currently active representations are located in Serbia, Russia, Israel, Belgium, USA, Austria, Greece and Germany, and representation in Croatia is under preparation.

Republic Srpska Chamber of Commerce (PKRS)

Republic Srpska Chamber of Commerce, along with regional chambers united into a comprehensive chamber system, works on creation of economy environment which will enable and encourage more effective and efficient business dealings, being a leading institution to promote Republic Srpska economy and to interconnect it with world economy, in addition to providing services, and it works at the level equal to most developed chambers, with expert professionals and adequate financial proceeds to fulfil its assignments.

Aiming to achieve economic development of Republic Srpska, all the members of Republic Srpska Chamber of Commerce have one joint mission, as follows:

- To represent the interests of its members and of economy as a whole in relations with legislative and executive authorities, thus creating conditions and environment needed for improvement of work and business dealings in the economy;
- To provide adequate services to its members, within the authorizations and programme orientation of commerce chambers;
- To establish and improve business relationships and represent Republic Srpska economy in the country and abroad.

Republic Srpska Chamber of Commerce lobbies for key issues influencing a creation of more favourable business environment:

- Establishment of business contacts through participation in economy missions and shows held in the country and abroad;
- Enabling information availability through the Economy Information periodical, as well as other professional brochures, catalogues and studies available;
- Enabling promotion of your business activities;
- Improvement of your work through programmes of skilled and professional trainings and by engaging experts in various fields;
- Creating a possibility to receive updates on the process of BiH integration in Europe, and to participate in EU development programmes;
- Access to relevant contacts through the world chamber network;
- Gaining certain rights based on public authorizations – detachments, contingents, certificates, permissions, confirmations, bonitets, etc.;
- Resolving international economy disputes through foreign trade arbitration within PKRS;
- A possibility of renting chamber halls for seminars, business sessions and receptions.

Republic Srpska Investment-Development Bank (IRBRS)

Republic Srpska Investment-Development Bank has been founded with the objective to encourage investments and stimulate development in Republic Srpska. IRBRS activities are primarily focused on funding the development projects significant for Republic Srpska economy, as to: increasing the employment, construction of infrastructure facilities in Republic Srpska, export-oriented production, improvement of corporative management and capital markets, small and medium entrepreneurship, environmental protection, equal regional development, improvement of agricultural production, housing-business construction, efficient privatization process, restructuring the enterprises in the privatization context, encouraging the production with reduced importing dependence, international promotion of investment potentials in Republic Srpska. The IRBRS performs investment of proceeds allocated to development projects, through business banks and micro-credit companies, with additional support in certain projects provided by international financial institutions, such as: World Bank, European Investment Bank, European Bank for Reconstruction and Development, etc.

[Republic Agency for Development of Small and Medium Enterprises \(RARS\)](#)

Republic Agency for Development of Small and Medium-Sized Enterprises is a generator of the entire system of supporting the development of small and medium-sized companies. Through numerous projects and programmes of supporting local economic development, development of small and medium-sized enterprises and entrepreneurship; its objective is to increase the participation of small and medium-sized companies in the overall Republic Srpska economy, along with increased technology development, competitiveness and opening a new market for small and medium companies, as well as increasing the number of business entities and newly employed staff in them, establishment of regional cooperation with neighbouring countries to exchange experiences, etc. The Agency draws-up strategic development documents for small and medium enterprises and entrepreneurship in Republic Srpska, implements incentive policies in practice,

encourages employment, professional education, retraining and training completion of workers, encourages establishment and development of local development agencies and local centres for business development, promotes entrepreneurship and provides support for innovative activities, participates in international projects and their implementation, etc.

Agency for Development of Small and Medium-Sized Enterprises Bijeljina

This Agency has been founded with the objective to support the development of small and medium-sized companies, to promote entrepreneurship and create conditions for opening new jobs, and also to improve the entire economic situation at the area of its local community.

The Agency for Development of Small and Medium Enterprises in Bijeljina municipality was founded by Bijeljina Municipal Assembly in 2006. The Agency was established in accordance with Law on Development of Small and Medium-Sized Companies, for affirmation of entrepreneurship, i.e. private sector.

The main task of the Agency is creating conditions for development of small and medium companies within the territory of Bijeljina city, by providing direct support to entrepreneurs and performing quality business services.

ASSIGNMENTS OF THE AGENCY:

1. Activities aimed at providing assistance at starting-up and initial work of small and medium-sized companies:
 - business plan drafting;
 - providing services as to defining the targeted market and customers;
 - providing information on legal framework of business dealings and enterprise registration;
 - draft of founding and other documents; and
 - informing those concerned on funding sources available.
2. Support to the existing-registered enterprises:
 - draw-up of new and update of the existing business marketing plans;
 - promotion of small and medium enterprises and participation in shows;
 - support with introducing a quality management system according to a number of ISO standards and HCCP; and
 - support of development projects.
3. Other functions of the Agency:
 - Making informative brochures, guides with information useful for potential and existing entrepreneurs;
 - Organizing an entrepreneurs' library in order to provide info-support to entrepreneurs;
 - Identification, collection, preparing, drafting and participation in tenders for projects of any field, bearing a possibility of receiving loans and donations for development of small and medium-sized companies and private sector as a whole;
 - Observing regulations and measures adopted by RS Government relevant to subsidies, allowances and incentives for certain activities, as well as international grants for incentives, and providing assistance to beneficiaries in applying the right thereto.

OBJECTIVES OF THE AGENCY:

- starting-up new small and medium-sized enterprises;
- creation of new job positions;
- employment of young professionals;
- implementation of new investments;
- introduction of tax relieves;
- improvement of work of small and medium companies; and
- improving the life standard.

All of the activities performed by the Agency are transparent, meaning that all the incentives are awarded through Public Announcements where the criteria of application for a project are defined.

All the incentives are aimed at development and affirmation of entrepreneurship, i.e. private initiative.

Projects must include the development of a product i.e. processing capacities, exporting component, employment, introduction of new technologies, environmental acceptability.

Contact:

Agency for Development of Small and Medium-Sized Enterprises in Bijeljina City is located at Meše Selimovića Street lamela 2, 76 300 Bijeljina.

Telephone/Facsimile: +387 55 204 024; e-mail: agencijamsp@sobijeljina.org

FORMS OF FOREIGN INVESTMENT

PUBLIC-PRIVATE PARTNERSHIP

The issues included in public-private partnership, such as subject, principles, methods, forms and conditions under which public-private partnership can be established as a form of association of resources, capital and professional skills, for the purpose of construction, rehabilitation and maintenance of infrastructure; have been stipulated in [Law on Public-Private Partnership in Republic Srpska](#) ("Republic Srpska Official Gazette", number 59/09); whereas the procedure of implementing the projects of public-private partnership is specified in the Decree on Public-Private Partnership Project Implementation Procedure in Republic Srpska ("Republic Srpska Official Gazette", number 104/09). To remove potential administrative barriers and create a better business environment, allocate incentives, and attract international and national investors; new amendments to the existing Law were proposed, and Law on Amendments to Law on Public Partnership in Republic Srpska was passed ("Republic Srpska Official Gazette", number 63/11). With the proposed amendments to the Law, the procedure of project implementation applying the model of public-private partnership has been simplified and shortened. Republic Srpska Government held a session on 14 Jun 2012, where it adopted the [Decree on Amendments to the Decree on Public-Private Partnership Project Implementation Procedure in Republic Srpska](#) ("Republic Srpska Official Gazette", number 62/12).

PRIVATIZATION

Conditions and procedure of sale and transfer of state capital in enterprises, owned by the Republic of Srpska, to be owned by national and international individuals and legal entities, have been stipulated in [Law on Privatization of State Capital in Republic Srpska Enterprises](#) ("Republic Srpska Official Gazette", No 51/06, 1/07, 53/07, 41/08, 58/09, 79/11 and 28/13) and in some by-law documents (more about the regulations: <http://www.irbrs.net>). The agency authorized to sell the state-owned capital is Investment-Development Bank of Republic Srpska a.d. Banja Luka. International citizens can participate in the procedure of privatization of state-owned capital in companies under the same conditions as domestic citizens.

BUSINESS ZONES

Republic Srpska has recognized the significance of business zones, as elements of local economic development. [Law on Development of Small and Medium-Sized Companies](#) ("Republic Srpska Official Gazette", No 119/08 and 50/13) in Article 9 defines a business zone, as follows: "A business zone is a form of entrepreneurship infrastructure, consisting of fully constructed facility equipped with all necessary utilities, intended for use by a larger number of business entities performing commercial activities, provided compliance with regulations and plans".

Strategic orientation of Republic Srpska has been described in the document titled Action Plan of Support in Foundation and Development of Business Zones in Republic Srpska 2009-2013, and in the Strategy of Development of Small and Medium-Sized Companies and Entrepreneurship in Republic Srpska for the period 2011-2013.

Mapping of potential sites for business zones has been done in Republic Srpska. Based on this

mapping, it was confirmed that Republic Srpska municipalities and cities have expressed their interest for construction of business zones at 117 sites. Out of these, 57 were evaluated acceptable because of success potentials, and they are located within 39 municipalities. The evaluation criteria were relevant to the existence of market, since such zone should be considered a product someone needs to be interested in buying, then existence of roads, railway tracks, airports, faculties. The existing business zones in Republic Srpska are the following: Business Zone Poljavnice Novi Grad, Aleksandrovac Laktaši, [Agro-Industry Zone Nova Topola](#), [Lipova Greda Kozarska Dubica](#), Industry Zone Derventa, Business Zone Nevesinje, Business Zones Pale, Business Zone Roteks Rogatica, Business Zone Šamac, Zones Petrovo, Zones Bijeljina, Jadar Zvornik, Volujac Trebinje.

CONCESSIONS

Concessions in Republic Srpska were stipulated in [Law on Concessions](#) ("Republic Srpska Official Gazette", number 59/13). This Law represents a public, widespread available, non-discriminative and clear legal framework stipulating the conditions under which national and international legal entities are eligible to be awarded a concession in Republic Srpska.

For the purpose of performing the assignments included in concession award, Republic Srpska Commission of Concessions has been formed as a permanent, independent, regulative legal entity. Complete legal regulations, as well as more detailed information, are available on the web site of [Republic Srpska Commission for Concessions](#).

PURCHASE OF REAL PROPERTY AND REGISTRY OF OWNERSHIP

Pursuant to Republic Srpska Constitution, foreign citizens can gain the right to property title and rights based upon capital investment, in conformity with the law. The right to ownership and other rights of a foreign investor, gained due to invested capital, cannot be constrained or withheld by adopting a law or another regulation.

Pursuant to Article 12 of [Law on Policies as to Direct Foreign Investments in BiH](#), foreign investors have the same rights of ownership upon real property as individuals with BiH citizenship, i.e. those with BiH origin. Foreign investors from one of the successor countries of former SFRJ have such rights, provided investors with BiH citizenship or BiH origin have equal rights in the successor country in question.

Articles 15 and 16 of [Law on Real Rights](#) ("RS Official Gazette" No 124/08, 58/09 and 95/11) also stipulate foreign individuals' gaining the right to ownership upon real property.

Over the past three years, considerable measures have been taken as to a reduced number of procedures and days needed for real property traffic and registration, due to reforms made to land registry administration (most of the old land registry books and cadastral records were transferred into electronic form) of new Law on Real Rights, and so forth.

Within three years to come, with complete digitalization process and further reforms, the number of procedures will be additionally reduced.

Right to ownership and other real rights upon real property, based on a legal transaction, are acquired by registration into the land registry book.

Any real property is to be registered in the land registry book.

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HEAD OF DEPARTMENT:

Predrag Jović