

**Republika e Kosovës**

**Republika Kosova - Republic of Kosovo**

***Qeveria - Vlada - Government***

**No. 01/37**

**Date: 30.05.2020**

Pursuant to Article 92, paragraph 4, and Article 93, paragraph (1), (2) and (4) of the Constitution of the Republic of Kosovo, based on Article 4 of Regulation No. 05/2020 on the Areas of Administrative Responsibilities of the Office of the Prime Minister and Ministries, in accordance with Articles 17 and 19 of the Regulation No. 09/2011 of Rules and Procedure of the Government of the Republic of Kosovo, and taking into account the Government Decisions No. 01/14 dated 20 March 2020, and No. 01/20 dated 31 March 2020, the acting government of the Republic of Kosovo, at the meeting held on 30 May 2020, issues the following:

**D E C I S I O N**

**On amending and supplementing the Decision no. 01/20 dated 31 March 2020 on the gradual application of reciprocity as a principle in relations with Serbia**

1. In trade relations with Serbia, for agricultural and industrial products, the following documents are prohibited:
	1. documents that use the names of countries or contain other elements contrary to the Constitution of the Republic of Kosovo and the legislation in force;
	2. documents containing the names of countries in the Republic of Kosovo, but not containing the name of the state;
	3. documents referring to the Republic of Kosovo otherwise than with the name Republic of Kosovo; or
	4. documents containing any element that denies the independence or sovereignty of the Republic of Kosovo or treats the Republic of Kosovo as unequal.
2. The Food and Veterinary Agency shall use the name and emblem of the Republic of Kosovo in phytosanitary and veterinary certificates.
3. Economic operators from Serbia must be provided with entry permits for each vehicle with goods entering the Republic of Kosovo. The request to be provided with entry permit is submitted to the liaison office of the Republic of Kosovo in Serbia by letter or by e-mail.
4. A business organization, established under the rules of authorities in Serbia, shall not be recognized as a legal entity. Regardless of the form of its organization in Serbia, such a business organization, in accordance with Law No. 06/L-016 on Business Organizations, can be recognized as in the following:
	1. individual business of the natural person controlling the business organization, when there is such a person; or
	2. general partnership of natural persons controlling the business organization, when there are several such persons.
5. The following institutions are obliged to implement this decision:
	1. Ministry of Finance and Transfers;
	2. Ministry of Internal Affairs and Public Administration;
	3. Ministry of Economy, Employment, Trade, Industry, Entrepreneurship and Strategic Investments;
	4. Food and Veterinary Agency;
	5. Customs;
	6. Police;
	7. Market Inspectorate;
	8. Business Registration Agency, and
	9. Other responsible institutions.
6. Decision of the Government of the Republic of Kosovo No. 01/20 of 31 March 2020 is amended, supplemented and remains in force for an indefinite period.
7. This Decision shall enter into force on the day of signing.

**REASONING**

On March 31, 2020, the Government of the Republic of Kosovo has issued Decision No. 01/20 on the gradual implementation of reciprocity as a principle in relations with Serbia. The measures of reciprocity or mutual actions are an institute of relations between sovereign countries, and as such are recognised by the general principles of international law and by the General Agreement on Tariffs and Trade (GATT) of 1947, amended in 1994.

Government Decision No. 01/20 aimed at eliminating non-tariff trade barriers that the authorities in Serbia have imposed to the Republic of Kosovo, including transit barriers, technical barriers and political barriers. Point 3 of Decision No. 01/20 has provided for the occasional review of the implementation and appropriateness of reciprocity measures.

An inter-institutional group, invited by the Ministry of Economy, Employment, Trade, Industry, Entrepreneurship and Strategic Investments, has monitored the implementation of measures and has identified ongoing and new barriers in trade relations with Serbia. The inter-institutional group submitted an evaluation report on 28 May 2020, in which it recommended to the Government the following measures:

* to leave in force the Decision No. 01/20 or to repeal it under the assumption that the measures from the decision are a clear legal obligation for the institutions and that the institutions must continue to implement them;
* to oblige the Food and Veterinary Agency to use the name of the state in phytosanitary and veterinary certificates;
* to oblige the Customs not to accept documents in trade relations with Serbia which: (i) refer to the Republic of Kosovo with the code “XK”; (ii) mention the name of the city of the Republic of Kosovo, but do not mention the name of the state; (iii) use unequal combinations of state names, e.g. “Republika Srbija” on the one hand, and “Kosovo” without the term Republic on the other; and
* to ensure that the Market Inspectorate removes Serbian products that do not comply with applicable law from the market, paying particular attention to national signs of conformity.

The inter-institutional group has further identified the barrier that the authorities in Serbia have imposed on the transport of goods, requiring economic operators from the Republic of Kosovo to obtain entry permits from the liaison office in Prishtina before entering the territory of Serbia.

The Ministry of Economy, Employment, Trade, Industry, Entrepreneurship and Strategic Investments, in addition to the findings of the inter-institutional group, has noticed that the authorities in Serbia do not recognize the legal personality of business organizations established under the laws of the Republic of Kosovo.

Government finds that Serbia's barriers continue to harm exporters and importers from the Republic of Kosovo and cause trade deficit for the Republic of Kosovo.

Consequently, the government, based on the abovementioned principles and reasons, decided to supplement the reciprocity measures in relations with Serbia.

 **Albin KURTI**

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 Acting Prime Minister of the Republic of Kosovo

**Sent to:**

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* all ministries (ministers)
* CEFTA Secretariat
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