



CATALOG OF BUSINESS OPERATING EXPENSES IN CITY OF BIJE LJINA



City of Bijeljina
Republic of Srpska
Bosnia and Herzegovina



Basic facts of the City of Bijeljina



Bijeljina City Hall, St. Trg Kralja Petra I Karadjordjevic 1

Area 734 km²

Population 114.633

GDP per capita € 3.648 (data for 2014)

Currency BAM- Exchange rate (fixed to euro) 1€ = 1.95583 KM

Number of employees 20.017

Number of crafts 3.100

Number of SME-s 942

Number of secondary school students 3.830 (data for 2016.)

Number of higher education students 5.692 (data for 2016.)

Universities 6

Faculties 23

Secondary schools 6

City of Bijeljina is one of the cities that have the fastest growth in BiH.

City of Bijeljina is located in the northeastern part of Bosnia and Herzegovina and the Republic of Srpska, on the trilateral border location of Bosnia and Herzegovina, Serbia and Croatia and is one of the most dynamic cities in BiH.

The largest area of fertile agriculture land in BiH, huge geothermal water sources (three times bigger than European average), pro-active and professional management and support institutions, set of investor and SME incentives in place, concentration of business and financial services, education, cultural, sport and housing opportunities make this City one of the most attractive places for investment.

Why invest in Bijeljina?

- Favourable geographic position
- Convenient and easy access via roads, river ports, rail and air
- Qualified and competent work force
- Investment ready locations in industrial zones
- Competitive tax rates and customized incentives
- Local government - supportive at every stage of investment and committed to continuous improvement of business environment
- Natural resources - thermal water, water, arable agricultural land, kaolin clay
- Tradition and history in agriculture, food processing, wood, metal and garment industry
- Cost of energy and utilities among the lowest in Europe
- Regional educational, cultural and health care center
- Good and safe place to live

I Company Registration Steps (Single Member LLC with Minimum Equity of BAM 1)

Step One

Procedure 1: Visit to a Notary/Notary Certified Founding Act

Visit a notary with a copy of ID, and agree about the name of the future company. The notary shall check name availability with the court register.

The notary shall certify the founding act, i.e. certify the signatures of the owner and responsible person. The certification per signature costs 7 notary points BAM 0.50 each +VAT = BAM 4.095

Procedure 2: ID Document and Signature Certification

Visit city hall and certify copies of ID cards/passports of the owner and responsible person (certification costs BAM 2 per sheet), and certify the signature of the future responsible person BAM 10.

Procedure 3: Company Registration – One-Stop Shop at APIF

The notary/founder/responsible person shall file an application for registration to APIF, including required documents (notarized founding act, certified signature of responsible person, certified copies of ID cards/passports of owner and responsible person) – initial registration is free of charge, publication in the RS Official Gazette BAM 7 per line, APIF fee BAM 35, deadline for completion is 3 days if all required documentation is filed. The registration procedure implies simultaneous registration of the business entity with the RS Tax Administration, i.e. award of the JIB (TIN) and business entity sorting in accordance with activity classification.

Step Two

Procedure 3: Company Registration

Take the court certificate and notification of sorting in accordance with the activity classification from APIF.

Procedure 4: Seal Making

Have a seal made by an authorized seal maker, upon submitting a copy of court decision and presenting the original, the average seal price is BAM 40, and it is made in 1 day.

After completion of the registration process, and making of seal, the person interested in starting business in the Republic of Srpska should make also the following steps:

VAT registration – expected turnover over BAM 50,000 in one business year and legal persons registered for foreign trade operations

Visit the BiH Indirect Taxation Authority for the purpose of VAT registration (customs, excise or forwarding), fee BAM 40, completed in up to 7 days, documentation: certified copy of court decision, JIB, and specimen signature card.

Fiscalization

Visit one of the authorized distributors of fiscal devices/cash registers in order to conclude a contract, select a fiscal register that meets the needs of operation, and file the initial application for fiscalization.

Registration of Employees

Visit Tax Administration in order to register employees using form templates, take the registration certificate from the RSTA.

Number of steps: 2 through 4 procedures

Number of days: 5 days

Registration costs in BAM: Notary 2 x BAM 4.095 + ID card certification 2 x BAM 2 + BAM 10 certification of signature of authorized person, APIF fee BAM 35, RS Official Gazette fee for publication BAM 7 per line x 5 lines = BAM 35, seal BAM 40 = BAM 132.2 + BiH ITA fee BAM 40

Visit the following 4 institutions: notary, city hall service office, APIF counter, seal maker, and after registration the Indirect Taxation Authority RC, cash register distributor and RS Tax Administration for the purpose of registration of employees.

II THE PROCEDURE FOR ISSUING THE DECISION ON THE REGISTRATION OF ENTREPRENEURS

AUTHORIZED AND RESPONSIBLE PERSON FOR THE ISSUANCE OF DECISION ON REGISTRATION OF ENTREPRENEURS

The authority responsible for issuing a decision on registration of entrepreneurs: City Administration Bijeljina - Department of Economy and Agriculture (Patrijarha Pavla no:1 Street, second floor, office No. 15)

- Responsible person: Milinkovic Miodrag, Bachelor of Economics
Contact phone: 055/233-424 e-mail: miodrag.milinkovic@gradbijeljina.org
- Responsible person: Trifkovic Dusan, Bachelor of Economics
Contact phone: 055/233-423 e-mail: dusan.trifkovic@gradbijeljina.org
- Responsible person: Vanja Stupar, Lawyer
Contact person: 055/233-424 e-mail: vanja.stupar@gradbijeljina.org

STEP 1:

A natural person, who intends to start entrepreneurial activity, is required to submit a request directly, by mail or electronically, to the Department for the Economy and Agriculture of City of Bijeljina. The application form with instructions can be taken over at the reception office of the City Administration, as well as downloaded from the official website of the City of Bijeljina at the following link <http://www.gradbijeljina.org> link e-registry.

For the establishment of entrepreneurs it shall be submitted:

- Certified copy of ID card or passport for foreign nationals and
- The evidence that there are no prohibition of activities made by the final decision of the competent authority

The completed form and supporting documents must be submitted in the Counter Hall - Receipt of documents at the premises of Bijeljina City Administration.

Since the registration form must be duly and correctly completed, the City Administration provides all the necessary technical assistance to complete the application and retrieve the necessary documents.

If the request is complete and in order, the deadline for issuing a decision on registration will be two working days.

STEP 2:

After receiving the decision on registration of entrepreneurial activity, the entrepreneur is required to make a stamp at the registered die sinker. It requires one certified copy of the registration of entrepreneurial activity, the production term is 1 day.

STEP 3:

The entrepreneur is obliged to register as a taxpayer at the Tax Administration of the Republic of Srpska within the eight days of the entry in the register of entrepreneurs.

Registration has been conducted by submitting the application for registration (Form PR2 which can be taken at any unit of the Tax Administration or downloaded from the website <http://www.poreskauprava.org>), accompanied by :

- The decision on registration of entrepreneurs (certified copy) and
- The Copy of the bookkeeping contract concluded with the natural or legal person.

The contract is not required if the entrepreneur does bookkeeping by itself. An application for registration shall be submitted to the regional unit of the Tax Administration for the place where is the registered carrying out entrepreneurial activities. The headquarters of the Tax Administration PJ Bijeljina is located in Patrijarha Pavla 2 Street.

The Tax administration, on the base of the application for registration, shall issue a Certificate of registration which the determines the unique identification number, for the taxpayer, abbreviated JIB, which the taxpayer will use when registering and paying taxes. After obtaining the JIB, the entrepreneurs register itself and its employees in a unified system of registration, control and collection of contributions and file its taxes for: special Republic fee, communal fee and for an advance income tax.

STEP 4:

Opening an account in a commercial bank - required documents:

- request to open an account,
- decision on registration (copy),
- certify the signatures of authorized persons and
- The list of authorized persons to sign orders (bank form)

STEP 5:

The entrepreneur is obliged, at the authorized dealers ,to submit request for fiscalisation, and to purchase fiscal cash registers. Law on Amendments to the Law on Fiscal Cash Registers (Official Gazette of RS, no. 65/14) prescribes exemption from Fiscalization (among other things) for: individual entrepreneurs who are engaged in old and artistic crafts and handicrafts in the case of sale own products; individual entrepreneurs who carry out a craft activity as small entrepreneurs in accordance with the provisions of the law governing the taxation of income. (More about the activities that are exempt from the obligation of fiscalization see in the Official Gazette of RS, no. 65/14).

Registration costs: 30 KM City administrative tax



Department of Economy and Agriculture, St. Patrijarha Pavla 1

III PROCEDURE FOR ISSUING SITE REQUIREMENTS

JURISDICTION AND RESPONSIBLE PERSON FOR ISSUING A CONSTRUCTION PERMIT

The competent authority for issuing a construction permit: Department for Spatial Planning of Bijeljina City Administration (Street Karardjordjeva no: 4, I floor, office no: 17 and 18)

- Responsible person: Jovanović Sofija, arhitect

phone: 055/233-471, e-mail: sofija.jovanovic@gradbijeljina.org

- Responsible person: Stojanović Jelena, arhitect

phone: 055/233-196, e-mail: jelena.stojanovic@gradbijeljina.org

- Responsible person: Koralija Željka, arhitect

phone: 055/233-125 e-mail: zeljka.koralija@gradbijeljina.org

For individual housing constructions and residential business buildings gross construction size up to 400 m², besides complex buildings as defined by the Law, which are being built in an area for which the relevant document on spatial planning has been adopted or in a non-urban area, the investor does not have to submit site requirements.

The procedure for issuing site requirements, in line with the Law on spatial planning and construction, shall be started through a written application by the investor.

Besides the application, the investor needs to submit the following:

- Urban and technical conditions along with an expert opinion, if there is no official document on spatial planning – in three copies only if they are being completed outside the competent authority for spatial planning within the local administration unit,
- Copy of the cadastre plan, respectively an updated geodetic basis for the proposed route of infrastructure communal facilities, certified by the competent body for cadastre and survey issues,
- Proof on legality of the current facility, if the planned works relate to upgrade, building extension or change of assignment of the current facility,
- Description of object,
- Approvals for the facility location, as foreseen by the urban and technical conditions, based on special laws depending on the type and allocation of the facility (communal companies that deal with communal infrastructure, public companies that deal with public infrastructure, etc.), if such approvals are not included in the urban technical conditions,
- Decision on determination of obligation on conducting an estimation on the environmental influence, if this is requested by a special regulation and
- Concept design and proof of ownership or construction right on the land for which, according to this law, no construction permit is needed.

Otherwise, if the area of future construction is included in the official document on spatial planning, the Investor does not have to submit approvals as required under item 5.

If the area of future construction is included in the valid official document on spatial planning and if the planned construction is not in accordance with this document, the body in charge of issuing site requirements is obliged to inform the applicant appropriately.

If the applicant has submitted all required proof and if the planned construction is in accordance with the valid official document on spatial planning, the competent authority shall start the drafting of site requirements. If the application is not accompanied by all requested proof documents, the competent authority shall provide the applicant with an additional deadline of no more than 30 days to submit all required documents, to avoid the refusal of the application.

DEADLINE FOR REQUIREMENTS ISSUANCE, CONTENT AND VALIDITY OF SITE

The competent authority is obliged to issue the site requirements within a deadline of 15 days from the receipt of the complete application.

If the site requirements are not issued within the set deadline, the Investor can lodge a complaint as if the application was rejected.

If the area of future construction is included in the official document on spatial planning, the site requirements consist of a certified abstract from the document on spatial planning and from the urban and technical conditions.

If the area of future construction is not included in the official document on spatial planning, the site requirements consist of the following:

- Abstract from the official document on spatial planning,
- Expert opinion and urban and technical conditions and
- Statement of the neighboring facilities and land owners, which shall be obtained officially by the competent authority or by the Investor, with signatures verified by the lawyer.

The site requirements shall remain valid until the change of the valid plan on spatial planning, or its adoption if this obligation is prescribed by the relevant Law.

If the Investor has not submitted an application for the issuance of the construction permit within a deadline of one year after the issuance of site conditions, before submitting the application, the Investor is obliged to acquire a certificate which proves that the issued site conditions were not changed.

The Investor can submit an application for the change or amendments to the site conditions, if the requested changes relate to the locality, change of purpose, protection of environment, functionality, dimensions, facility appearance, and can be harmonized with the document on spatial planning, based on which they were issued.

Costs: 100 KM City administrative tax

IV PROCEDURE ON ISSUING A CONSTRUCTION (BUILDING) PERMIT IN THE CITY OF BIJELJINA

JURISDICTION AND RESPONSIBLE PERSON FOR ISSUING A CONSTRUCTION PERMIT

The competent authority for issuing a construction permit: Department for Spatial Planning of Bijeljina City Administration (Street Karardjordjeva no: 4, I floor, office no: 22)

- Responsible person: Veselinović Dušanka
phone: 055/233-199, e-mail: dusanka.veselinovic@gradbijeljina.org
- Responsible person: Jelačić Vojna
phone: 055/233-199, e-mail: vojna.jelacic@gradbijeljina.org

PROCEDURE FOR ISSUING A CONSTRUCTION (BUILDING) PERMIT

The procedure for issuing a construction permit, in line with the Law on spatial planning and construction, starts with a written application by the investor.

Besides the written application, the investor shall also submit the following:

- Location conditions,
- Proof on resolved property and legal relations,
- Report on the revision of technical documentation

The investor also submits the contract on concession or public-private partnership, if for the requested construction a concession or public-private partnership is foreseen.

If the main project is created in accordance with legal provisions of other countries, the investor shall submit a certificate on verification of the project.

Besides the application for obtaining a construction permit, if prescribed by another legal act, the investor shall submit an ecological permit, respectively a document on allowance of an environment influence study.

For individual housing constructions and residential business buildings gross construction size up to 400 m², which are being built in an area for which the relevant document on spatial planning has been adopted or in a non-urban area, the investor does not have to submit location conditions, but urban-technical conditions. This does not apply for complex buildings, as defined by the Law.

As a proof of resolved property and legal relations, the Investor shall submit a document on immovable property from the public register or a contract or decision of the competent authority which shall verify the ownership right or right to obtain permission for construction by the investor, or a contract on joint construction concluded with the owner of the land or immovable property.

If the construction land is owned by more individuals, the investor is obliged to submit a document from the public registry on immovable property and a contract on mutual relations between the investor and the co-owners.

After the receipt of the application, the competent authority for construction issues within the local administration shall verify that all relevant documentation is submitted with the application.

In case the application is incomplete or contains formal omissions, the competent authority shall explain this to the investor and provide guidance on how to overcome the deficiencies and complete the request within a reasonable timeframe, in order to prevent eventual declining of the application.

After having received the application and prior to the issuance of the construction permit, the competent authority shall request from the investor to submit an administrative decision on the determination of compensation for the regulation of the construction land and rent, as well as a proof for the paid compensation. If this obligation has been otherwise agreed with the relevant local authority, the investor shall submit the contract which defines the way of compensation.

DEADLINE FOR ISSUANCE, CONTENT AND VALIDITY TIMEFRAME OF CONSTRUCTION (BUILDING) PERMIT

The competent authority shall bring the decision on issuance of the construction permit within a deadline of 15 days after the completion of the request.

The construction permit remains valid for three years, starting from the day of its enforcement.

The investor is obliged to register the start of construction works at the competent urban and construction inspection at least eight days before the start of construction works.

The construction permit contains data about the investor, about the building for which it is issued, its purpose and size, lot identification, name of the main project and the licensed legal entity that created the main project, including the name of the main project designer, report on the revision of technical documentation, statement that the main project is verified and an integral part of the construction permit, signature and

stamp of the competent authority for issuing the construction permit.

The investor can submit a request for the change or addendum to the existing construction permit after its issuance.

The reasons for change or addendum to the construction permit can be caused by changes or additions to the technical documentation, changes to the main project, changes that influence the position, purpose, construction, equipment, environment protection, stability, functionality, dimensions and the object appearance.

Costs:

10 KM City administrative tax – detached residential facilities of gross building area up to 400m²

50 KM for all the other facilities

V THE PROCEDURE TO OBTAIN USE PERMIT (CERTIFICATE OF OCCUPANCY) IN THE CITY OF BIJELJINA

JURISDICTION AND RESPONSIBLE PERSON FOR ISSUING A CONSTRUCTION PERMIT

The competent authority for issuing a construction permit: Department for Spatial Planning of Bijeljina City Administration (Street Karardjordjeva no: 4, I floor, office no: 22)

- Responsible person: Veselinović Dušanka
phone: 055/233-199, e-mail: dusanka.veselinovic@gradbijeljina.org
- Responsible person: Jelačić Vojna
phone: 055/233-199, e-mail: vojna.jelacic@gradbijeljina.org

The built structure shall not be used, or put into use before issuing use permit by the competent authority, based on previously completed technical inspection of the structure.

The use permit application form is submitted to the competent authority that issued building permit, either by the investor, i.e. the structure's owner or their legal successor, after investor along with the supervisor confirm that the structure or part of it has been built in accordance with the building permit and therefore it can be used, as well as when the built design has been made in the cases when there have been a changes that does not require amendments to the building permit.

The application is submitted after the contractor informed investor that the construction of the structure was completed.

If the investor, owner or their legal successor does not submit the application for use permit, the application may be submitted by the contractor.

The applicant, along with the application is required to enclose the following:

- the building permit with the built design in two copies, if it is designed and certified in accordance with the Article 104 of the Law on Spatial Planning and Construction,
- a certificate on the structure's geodetic survey performed,
- a proof of surveying the underground insulation system,
- approval of built status, when it is required by special regulations,
- contractor's statement of the works carried out and conditions on structure maintenance in accordance with Article 60 paragraph 2 of the Law,
- a supervising body's report, and
- The energy certificate of the building.

Technical inspection of the structure

Technical inspection seeks to determine whether the works carried out comply with the building permit and with the technical documentation that was the basis for the structure's construction; and with technical regulations and standards relating to certain types of works, material, installation, equipment, devices and plants. Technical inspection shall be performed within the 15 days from submitting completed application form for issuing a use permit.

Technical inspection is performed by an expert commission formed by the decision of the competent authority which issued the building permit (hereinafter: the Commission) within three days of receipt of a complete application.

The Commission shall consist of at least three members.

The investor, i.e. owner or his successor shall ensure the presence of the participants in the construction during the technical inspection.

The performed technical inspection is minuted and consisted of opinions of all members of the commission to confirm that the build structure may be used, that any observed deficiencies must be eliminated, or that the use permit cannot be issued. The minutes on the performed inspection shall be signed by the president and members of the commission.

The above-mentioned minutes are part of the report in written, that the technical inspection commission must create within eight days from the date of technical inspection performed.

If the report reveals no deficiency or that any previous deficiency has been removed, the competent authority shall issue the use permit within eight days from the minutes receipt.

However, if the technical inspection reveals deficiencies that need to be removed, the competent authority shall issue a decision on the removal of the deficiencies observed within the determined period. Once the deficiencies have been removed, the applicant shall inform the competent authority and submit proof thereof.

Once all the deficiencies have been removed, the competent authority shall issue use permit within eight days from the date of technical inspection performed.

If the observed deficiencies have not been removed even within the next set deadline, the competent authority should issue a decision on use permit application rejection and inform the competent urban-construction inspection.

If the technical inspection reveals that the deficiencies at the structure cannot be eliminated or that there is irremovable danger for the stability of the structure, life or health of the people, the environment, traffic or neighboring buildings, the competent authority shall refuse to issue a use permit and issue a decision on the removal of the structure.

The technical inspection report is an integral part of the structure's use

Costs:

10 KM City administrative tax – deattached residential facilities og gross building area up to 400m²

100 KM for all the other facilities



Department of Spatial Planning, Karadjordjeva 4

VI PRICES OF UTILITY SERVICES AND CONNECTIONS IN THE CITY OF BIJELJINA

NAME	UNIT	THE COSTS (the average price in 2015in y EUR including VAT)	THE COSTS OF CONNECTIONS IN EUR (including VAT)	CONTACT
Water and sewerage for business customers	m ³	1,33	230 -818	Inc. „Vodovod i Kanalizacija“, St. Hajduk Stanko 20, Phone +387 55 226 460 (info desk) Fax +387 55 226 462 http://www.bnvodovod.com/index.php/cjeno_vnik-prikljucaka
Garbage collection for business customers	Lump sum	5,5 -	/	Inc. "Komunalac" Bijeljina, St. Miloša Crnjanskog 7, Phone: +387 55 210 147 Fax: +387 55 206 601 komunalacbn@telrad.net http://www.komunalacbn.com/
Electricity for business customers, higher (daily) tariff	kWh	0,123 (winter) 0,095 (summer)	230 -878	Inc. "ElektroBijeljina" St. Majevička 97, Phone +387 55 226-700 Fax: +387 55 210-304 http://elektrobijeljina.com/lt/index.php?option=com_content&view=featured&Itemid=101
Butane gas	kg	0,40	/	
Central heating for business customers	MWh	80,75	6 €/m ² Heating surface	Public enterprise. "Gradska Toplana" Bijeljina, St. Miloša Crnjanskog bb, Phone +387 55 211 640 Fax: +387 55 211 641 gradskatoplana@teol.net
The monthly subscription to landline telephone - business customers	subscription	9,6	/	Telekom Srpske Executive Unit Bijeljina St. Kneginje Milice 6 Phone: +387 55 234 100, Fax: +387 55 210 521 ij.tt.bn@mtel.ba
The costs of call of landline telephone for business customer (local traffic)	minute	0,024		
The costs of call of landline telephone for business customer (international traffic)	minute	0,264		
The monthly subscription for a mobile phone - business customers	subscription	8,77 - 46,8		
The costs of mobile phone call for business customers (local traffic)	minute	0,087		
The costs of mobile phone call for business customers (international traffic)	minute	0,14 - 5,85		
The costs of internet for business customers (NetBiz)	subscription	17,5 - 58,5		

VII FEES FOR MUNICIPAL LAND DEVELOPMENT AND MUNICIPAL RENT

COMPARATIVE OVERVIEW

of monetary obligations taxes and fees for urban,
construction and occupancy permit with the Industrial zones 1, 2, 3

for the facility of: 2.500m² net construction area
estimated value: 1.250.000,00 KM
building plot: 5.000m² 5th class field

A) for production facility

land development fee.....25.600,00 KM or 10, 24 KM/m² NCA
rent30.000,00 KM or 12,00 KM/m² NCA

B) for business (commercial) facility

land development fee.....170.650,00 KM or 68,26 KM/m² NCA
rent30.000,00 KM or 12, 00 KM/m² NCA

NOTE: without the cost of compensation for land conversion, approval and fees for connection (water supply, electrical, telecommunications, fire, water management, environmental, etc.)

CONTACT

City of Bijeljina

Section for Local Economic Development and
European Integration

Karadjordjeva 4, 76 300 Bijeljina

Phone: +387 55 233 169 ; 233 132

Fax: +387 55 211 922

E-mail: investinbijeljina@gradbijeljina.org

Website: www.gradbijeljina.org

www.investinbijeljina.org

