



Municipality of Novi Grad GUIDE FOR ENTREPRENEURS

TERM

INDEPENDENT ENTREPRENEUR is an individual/natural person that performs entrepreneurial activities on his own in order to make profit, and as such is listed in the register of entrepreneurs.

Advantages: easy business decision making, simple business registration and business termination as well as simple changes in the course of business, possibility for temporary suspension of business activities, simpler bookkeeping, possibility for lump sum tax payment.

Disadvantages: is responsible with whole its property for obligations occurred during business performance, limited number of businesses that independent entrepreneur can perform.

ESTABLISHING BUSINESS ENTITY AND STEPS IN REGISTRATION

REGISTRATION IN MUNICIPALITY/CITY

Registration of business in form of an independent entrepreneurship in Republic of Srpska is regulated by Law on Crafts and Entrepreneurial Activities, while Regulation on the Entrepreneurial Activities comprises the list of activities that entrepreneur can perform.

The decision on registration of entrepreneurs is issued by the Department of Economy of the city/municipality (registration authority). The registration authority requires the following documentation:

- 1.) Fulfilled application SP-1 form (The form is available at the registration authority);
- 2.) Certified copy of ID card or a certified copy of passport (for foreign citizens);
- 3.) Certificate issued by a competent local/municipal court that the applicant does not have a final court measure of prohibition of performance of required activities; (It must not be older than 30 days from the date of application);
- 4.) Certificate of the Tax Administration of the Republic of Srpska that physical person who registers enterprise does not have outstanding obligations that are not older than 8 days;
- 5.) Contract on established partnership (only if the founders are 2 or more persons);
- 6.) Proof of payment of registration fees founding entrepreneurs which amount to a maximum of 32.00 KM.

The registration authorities are obliged to issue a decision on entrepreneur registration within 2 days after the proper request has been delivered to them.

STAMP MAKING

The stamp can be made in any authorized stamp maker workshop where it is necessary to show a copy of the decision on performing business activities. The average price of the stamp is 20 – 50 KM.

ENTREPRENEUR REGISTRATION IN THE TAX ADMINISTRATION OFFICE

Registration of a taxpayer and/or a contribution payer is to be done at the organizational unit of the Tax Administration in whose jurisdiction is the location of the main place of the business entrepreneur, 5 days after the decision on the Court Register entry has been issued.

In order to register, the taxpayer and/ or contribution payer has to submit the following documents to the Tax Administration office:

1. Fulfilled application form (PR2),
2. Decision on entrepreneur registration,
3. Certified copy of ID card or passport, (for foreign citizens)
4. Contract on keeping business books (unless the entrepreneur himself does not keep books).

Confirmation of the taxpayer registration will be issued within two or three days after the application has been submitted.

OPENING A TRANSFER ACCOUNT

You may open a transfer account in any business bank. The procedure requires the following documents:

1. Decision on entrepreneur registration;
2. Specimen signature card of persons authorized to sign orders on disposal of funds (the form is available at the bank);
3. Certificate of the taxpayer registration.

FISCALIZATION

Before starting to work entrepreneur is obliged to introduce a fiscal cash register. The price of a fiscal device is between 400-800 KM. This obliged entrepreneur does not have if he performs craft activities and activities of old and artistic crafts and handicrafts.

REGISTRATION AT THE INDIRECT TAXATION AUTHORITY OFFICE

VAT payers are to be registered at the local center of the Indirect Taxation Authority in Bosnia and Herzegovina.

All individuals whose taxable trade of goods or services in the previous year exceeds or is likely to exceed the threshold of 50,000.00 BAM have to register as VAT taxpayers.

Along with the application for registration and registration in a single register of indirect tax payers (form ZR-1), it is necessary to provide a copy, upon presentation of the original or a certified copy of the following documents:

1. Application for registration of VAT payers;
2. ID card of the applicant;
3. The taxpayer registration certificate issued by the Tax Administration of the Republic of Srpska;
4. Specimen signature card certified by a commercial bank at which the transaction account open (for all open transaction accounts);
5. Work permit and registration of residence and passport for foreign citizen
6. Payment slips for the total amount of 40KM (on account JPT TREZOR BiH):
 - 10KM- Payment details- The fee for application for registration; type of income 722801;
 - 10KM- Payment details- The fee for issuing a decision on registration; type of income 722802;
 - 20KM- Payment details- The fee for a certificate of registration; type of income 722814;

STARTING BUSSINES

Entrepreneurs are obliged to start their business not later than 30 days after delivery of the registration decision.

Compliance with conditions for performance of entrepreneurial activities is being checked by competent inspection body within 45 days after the

CHANGES IN THE COURSE OF BUSINESS

CHANGES OF INFORMATION RELEVANT FOR LEGAL TRANSACTIONS

The entrepreneur must notify the registration authority (by submitting the request form for change of data SP-1) any of the following changes of information:

1. first and last name, address, the number of the identity card or passport;
2. business name and headquarters location (address);
3. time scope of conducting business activities (throughout the entire year or seasonally);
4. type of occupation (primary or supplementary or additional);
5. place of doing business (business facilities or residential facilities or without facilities);
6. classification code and the name of the primary and other fields of business activities in accordance with business activities classifications;
7. opening, change of information or closing separate/additional business units;
8. temporary suspension of business activities and
9. permanent suspension of business activities.

TEMPORARY SUSPENSION OF BUSINESS ACTIVITIES

Entrepreneurs can temporarily suspend business activities for the total duration of 6 months within the period of 2 years. In special circumstances, the entrepreneur can suspend business activities for a longer period, by proving the existence of the special circumstance:

1. in the case of illness, vocational training or in the case of "higher power", for up to two years in continuity
2. in the case of parental leave, until the third year of the child's life.

Once the business activities are resumed the entrepreneur is obliged to notify (in written) the authorities, at the latest by the eighth day upon termination of temporary suspension of business activities.

PERMANENT SUSPENSION OF BUSINESS ACTIVITIES

The entrepreneur has the obligation to unregister the business activities, before the permanent cessation of business activity, by submitting the request form SP-1.

An entrepreneur that conducts business activities in headquarters and in other locations is obliged to unregister these separate units, before submitting the request for permanent cessation of business activities.

REQUEST FOR CHANGE OF INFORMATION

An entrepreneur is not obliged to notify the authorities of changes of general contact information: telephone/fax number, email or internet address. In case that the entrepreneurs wish to notify authorities of these changes in order to update these data in the registry, these changes are not subject to administrative fees mandated for the registration of business.

changes in order to update these data in the registry, these changes are not subject to administrative fees mandated for the registration of business.

RESPONSIBILITY FOR BUSINESS ACTIVITIES

An entrepreneur is responsible for the legality of business activities that he personally performs as well as for the activities of his employees.

Obligations incurred by performing business activities do not cease to exist by suspension of business activities nor by unregistering the business from the business registry.

The entrepreneur that does not notify the authorities about changes of data important for the legal transactions is subject to **financial penalties** from 1000BAM to 3000BAM. If during the registration process, entrepreneur submits false information or documents with intention of having that information or documents being treated as true, the entrepreneur will be also subject to these financial penalties.

SUPPORT BUSINESS

Government of the Republic of Srpska – allocation of budgetary funds as support to development plans of various ministries.

Municipalities and cities of Republic of Srpska – allocation of budgetary funds as support to local development plans of municipalities and cities.

Republic of Srpska Investment-Development Bank - is the main pillar of support to investments in the Republic of Srpska through financing development projects.

Guarantee fund of the Republic of Srpska - support of entrepreneurship development by facilitating access to the financial resources necessary for conducting business activities of SMEs and Entrepreneurs, especially those which could not be supported by commercial banks due to lack of collateral.

Republic of Srpska Employment Bureau – provides funds for employment and self-employment projects.

Commercial banks - provide loans for start-ups and entrepreneurial activities.

Republic Agency for the Development of Small and Medium Enterprises - provides professional services of support for the establishment, management and development of small and medium-sized enterprises.

Chamber of Craft and Small Business of Republic of Srpska - cooperates with the Government, the ministries and the Assembly in creation of economic policy and co-creating the best possible legislation governing craft, micro, small and medium-sized enterprises.

ADDITIONAL INFORMATION

Register of approvals in the economy – information on all approvals in the economy required to perform specific economic activity, registration procedure, entry of changes and deleting approvals issued by the republic administrative bodies and other entities.

(<https://pscsrcpska.vladars.net/sr>)

Entrepreneurial Portal of the Republic of Srpska is intended for those who want to start their own business but also for existing businesses and entrepreneurs in the Republic of Srpska who want to grow and develop their businesses.

(<http://www.preduzetnickiportalsrpske.net>)

We wish You a lot of success in business!

