



Registration of an independent entrepreneur

in 7 Easy Steps

An independent entrepreneur is a natural person who performs entrepreneurial activities in his own name and on his own account for the purpose of gaining profit, and as such is entered in the register of entrepreneurs .

Advantages: easy business decision-making, simple registration of the start and stop of work as well as changing data during the course of business, possibility of temporary stoppage of work, simpler bookkeeping, possibility of lump sum tax payment.

Disadvantages: liability of the entire property for obligations incurred in the course of business, impossibility of performing certain activities.



STEP 1: REGISTRATION OF THE ENTREPRENEUR IN THE DEPARTMENT FOR ECONOMY AND AGRICULTURE OF NOVI GRAD MUNICIPALITY

The decision on the registration of the entrepreneur is made by the Department for economy and agriculture of Novi Grad Municipality, based on the provided following documentation:

1. Completed application form for entrepreneur registration SP-1 (the form is obtained from the Department for Economy and Agriculture or at link [HERE](#))
2. A certified copy of the identity card or passport for a foreign citizen;
3. Certificate of the local competent basic court that the natural person who registers the start of business in the form of an entrepreneur has not been issued a legally binding measure prohibiting the performance of the requested activity and which is not older than 30 days from the date of submission of the application for the registration of the entrepreneur;
4. Certificate of the competent unit of the Tax Administration of the Republic of Srpska that a natural person who registers the start of business in the form of an entrepreneur, has no due and outstanding obligations and is not older than 8 days from the date of application for registration of entrepreneurs;
5. Agreement on the establishment of a partnership (only if the founders are two or more natural persons);
6. Proof of fee payment for registration of the establishment of an entrepreneur, which amounts to a maximum of 15,32 EUR.

The Department for Economy and Agriculture is obligated to issue a decision on the registration of the entrepreneur no later than within two days from the date of receiving a complete application



STEP 2: STAMP MAKING

The seal can be made in any stamp cutting house, where it is necessary to submit a decision on the registration of entrepreneurs. Production of the seal is 10,00 – 30,00 EUR.



STEP 3: REGISTRATION OF ENTREPRENEURS WITH THE TAX ADMINISTRATION

The entrepreneur registers the taxpayer and / or the contribution payer with the locally competent organisational unit of the Tax Administration of the Republic of Srpska, according to the registered office of the entrepreneur, within five days from the day of issuing the decision on registration of the entrepreneur.

To register a taxpayer and / or a contribution payer, it is necessary to submit to the Tax Administration:

1. Completed application form PR2; (link [here](#)),
2. Decision on registration of entrepreneur;
3. Certified copy of ID card or passport (for foreign citizens);
4. Contract on keeping business books (unless the entrepreneurs keep business books by themselves),

Confirmation of registration of the taxpayer is obtained on the same day if the complete documentation is submitted.



STEP 4: OPENING A BANK ACCOUNT

A bank account can be opened in any commercial bank. The list of banks in Novi Grad is available [HERE](#). When opening an account, it is necessary to submit to the bank:

1. Decision on registration of entrepreneur;
2. Cards of deposited signatures of persons authorised to sign orders, for the purpose of disposing of funds from the account (the form can be obtained in the bank);
3. Certificate of registration of the taxpayer.



STEP 5: FISCALISATION

The entrepreneur is obliged to introduce a fiscal cash register before starting work. The price of the fiscal device ranges from 200,00 to 500,00 EUR. Entrepreneurs do not have this obligation if they perform craft activities and activities of old and artistic crafts and domestic handicrafts.



STEP 6: REGISTRATION WITH THE INDIRECT TAXATION ADMINISTRATION

The registration of VAT payers is done at the locally competent regional center of the Indirect Taxation Authority of BiH according to the registered office of the entrepreneur.

Obligated to register as VAT payers are all persons whose taxable turnover of goods or services in the previous year exceeds, or is likely to exceed, the threshold of 25.600,00 EUR.

Along with the Application for registration and entry in the Unified Register of Indirect Taxpayers (Form ZR-1), it is necessary to submit a copy, with the presentation of the original, or a certified copy of the following documents:

1. Decision on registration of entrepreneur;
2. Identity card of the applicant;
3. Certificate of registration of the taxpayer from the Tax Administration of the Republic of Srpska
4. Card of deposited signatures certified by the commercial bank with which the transaction account has been opened (for all opened transaction accounts);
5. Work permit and residence registration issued by the competent authority and passport for natural persons - entrepreneurs, foreign citizens;
6. Original payment slips as proof of the paid amount of a total of 40 KM (to the account of JRT TREZOR BiH), as follows:

- 5,11 EUR – Purpose of payment: Registration fee; Income type: 722801;
- 5,11 EUR – Purpose of payment: Fee for issuing a registration decision; Income type: 722802;
- 10,22 EUR – Purpose of payment: Fee for issuing a certificate of registration; Income type: 722814.

More information about registration at the Indirect Taxation Authority is available [HERE](#).



STEP 7: COMMENCEMENT OF WORK ACTIVITIES

An entrepreneur is obliged to start performing the activity no later than 30 days from the day of delivery of the decision on registration. The fulfillment of the conditions for performing the activity is verified by the competent inspection body within 45 days from the day of delivery of the decision on registration of the entrepreneur.

CHANGE OF DATA OF SIGNIFICANCE FOR LEGAL TRAFFIC

The entrepreneur is obliged, by submitting the application form [SP-1](#), to report the following data changes to the registration authority:

1. Personal name and surname, address, ID card or passport number;
2. Business name and headquarters;
3. Time of activity (year-round or seasonal);
4. Type of occupation (basic or supplementary or additional)
5. Place of activity (business premises or residential premises or no premises);
6. Code and name of the predominant activity and other activities in accordance with the classification of activities;
7. Opening, changing data and closing a separate unit;
8. Temporary cessation of activities and
9. Permanent cessation of activities.

TEMPORARY TERMINATION OF ACTIVITIES

An entrepreneur can temporarily stop performing activities for a total duration of up to six months in a period of two years. Exceptionally, an entrepreneur, with the submission of appropriate evidence, may stop performing entrepreneurial activities in the event of:

1. Illnesses, professional training or force majeure, up to two years continuously,
2. Maternity leave, up to the third year of the child's life.
- 3.

The entrepreneur is obliged to notify the competent authority in writing about the resumption of entrepreneurial activity, no later than eight days after the expiration of the temporary cessation of activity.

PERMANENT TERMINATION OF ACTIVITIES

The entrepreneur is obliged to deregister the activities before ceasing to work, by submitting the application form SP-1. The entrepreneur who, apart from the headquarters, also operates in separate units, is obliged to deregister all separate units, before submitting the application for deregistration of activities.

CHANGE OF INFORMATION

The entrepreneur is not required to report changes in information related to the business phone, fax, e-mail and website. Changing this information is not subject to the payment of the fee for the entrepreneur registration procedure.

RESPONSIBILITY FOR BUSINESS

The entrepreneur is responsible for legal business and for the legal work of the person he employs. Responsibility for the obligations arising from the performance of entrepreneurial activity does not end with the cessation of work and the deletion of the entrepreneur from the register of entrepreneurs. Financial sanctions, in the amount of 500,00 EUR to 1.500,00 EUR, are subject to an entrepreneur who, in the course of business, does not report to the competent registration authority, the change of data important for legal transactions. Sanctions are also subject to an entrepreneur who, during the registration process, reports untrue information or submits false evidence with the intention of using such information or evidence as credible.

ADDITIONAL INFORMATION

The [Register of Approvals in Economy](#) contains information about all approvals, legal and sublegal regulations that regulate them, as well as all approvals required for conducting certain economic activities.

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