

**BOSNIA AND HERZEGOVINA
FEDERATION OF BOSNIA AND HERZEGOVINA
ZENICA-DOBOJ CANTON
MUNICIPALITY TEŠANJ**

Tel: 032 650 022 www.općina-tesanj.ba
032 650 390 E-mail: optesanj@bih.net.ba
Fax: 032 650 220

Trg Alije Izetbegovića 11,
74260 Tešanj

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**1. THE REGISTRATION PROCEDURE FOR ESTABLISHMENT OF A
COMPANY WITH LIMITED LIABILITY – d.o.o.
(with the participation of the domestic and foreign capital)**

The registration procedure for establishment of a limited liability company (d.o.o.) takes place in several steps that are processed further in the instructions in the following order:

I PREPARATION AND COMPILING OF THE FOUNDING ACT

To set up a limited liability company (d.o.o.) first it is necessary to write a founding act.

It is a public notary who performs composition and certification of the founding act.

A company with limited liability may be established by the Contract on Establishment or Decision on Establishment. If the founder is one person, a company is being established by the Decision on the Establishment. If more persons wish to establish a company, it is necessary to make a Contract on Establishment.

A company with limited liability may be established by the individuals (individuals-foreigners) or legal persons (foreign commercial companies).

**II REGISTRATION OF THE FOREIGN INVESTMENT IN THE MINISTRY OF
FOREIGN TRADE AND ECONOMIC RELATIONS OF B&H IN SARAJEVO
(only for the establishment of d.o.o. with the participation of foreign capital)**

The documentation to be submitted to the mentioned Ministry:

- a notarized founding act,
- an application for registration of the foreign investment in the Ministry of Foreign Trade and Economic Relations of B&H in Sarajevo,
- a document confirming the identity of a foreign investor:
 - a) for natural persons:
a certified and translated copy of the passport which must not be older than 6 months,
 - b) for legal entities:
a certified and translated excerpt from the court register and the country of origin confirming the legal status or other appropriate document, not older than six months,
- a document confirming the legal status of the authorized representative,
- a proof (copy) on the paid fee for the registration of the foreign investment to the Ministry:
 - a) 5.00 KM of fee for the request,
 - b) 50.00 KM of a fee for the Decision.

III THE REGISTRATION WITH THE MUNICIPAL COURT (FOR THE ZE-DO CANTON – THE COURT IN ZENICA)

The registration fees amount to 470.00 KM (320.00 KM is the court fee + 150,00 KM for publication of the registration in the Official Gazette of the Federation).

Required documents:

- an application for registration (forms can be found in the Court or at the website of the Court),
- a founding act (notary certified),
- a notarized statement of a founder,
- a proof of payment of the capital on a temporary bank account (min. amount of 2, 000, 00 KM),
- a proof of payment of the court tax,
- the Decision of the Ministry of Foreign Trade and Economic Relations of the registration of the foreign investment,
- a confirmation of the Tax Administration of the absence of debt (this applies to any potential tax liability of a founder),
- a notarized signature of the person authorized to represent the company in internal and external trade (this is usually a company director or manager) - the signature is verified in the Municipality,
- a statement of the director on acceptance of the duties (and the alien can also be a director of the company),
- a certified copy of ID card of the company founder and director who will represent a company,
- a confirmation of payment of fees for publishing ads on the establishment of the company in the Official Gazette of the Federation of B&H.

IV MAKING THE SEAL

Along with the request for the seal of the business company must be attached a copy of the Decision on registration of the company into the court register. The minimum content of the seal is the name and address of the company. The making the seal is performed in the authorized business companies. The costs of the seal are between 20, 00 and 50, 00 KM, depending on the content and size of the stamp.

V THE ENTRY INTO THE STATISTICAL RECORD AND PROCUREMENT OF THE TAX/IDENTIFICATION NUMBER

The registration in the Institute of Statistics of the Federation of B&H is being carried out by the competent Cantonal Institute of Statistics depending on the seat of the company. This registration is

associated with obtaining the identification number in the relevant Tax Administration. A statistical number is a number for the activity of a business enterprise.

The identification number serves as proof for the registration into the legal entities in the Tax Administration. This number must be specified in each invoice.

For the application are needed the following documents - the same need not be certified:

- a form PPL-1 (it can be found at the Institute of Statistics or at the website www.fzs.ba),
- a copy of the Decision of the registration into the Court Register,
- a seal of the firm,
- a copy of the ID card of the director and founder.

VI OPENING A BANK ACCOUNT

To open a bank account in a commercial bank it is necessary to attach the certified copies of the following documents:

- the Decision on the registration in the court register,
- the identification number,
- a confirmation of the customs and statistical number (only for the foreign trade),
- the identification document (ID card, passport) for the persons who will be authorized for the giro-account that is being opened,
- a notarized signature of the authorized persons for payments.

VII THE ENTRY INTO THE CUSTOMS RECORDS

The entry into the customs records is mandatory only for the business companies with a registered foreign trade activity. To enter into the customs records is required to submit to the Administration for Direct Taxation the following:

- a form for registration,
- a certified copy of the Decision on the entry into the court register (a complete documentation),
- a certified tax number,
- a certified card of the deposited signatures from the bank,
- a confirmation of the paid fee for the registration costs in the amount of 5,00 KM,
- a confirmation of the paid costs for issuing the certificate in the amount of 10,00 KM ,
- a confirmation of the paid costs for issuing the Decision in the amount of 10,00 KM.

VIII THE ENTRY INTO THE REGISTER FOR THE FOREIGN TRADE

Into the Register for the Foreign Trade shall be entered only the business companies that have registered the foreign trade. The request shall be filed to the Federal Ministry of Trade in Mostar.

The request must contain the following documents:

- a certified copy of the Decision on Registration into the Court Register,
- a certified copy of the statistical number,
- an excerpt from the bank account on the date of payment,
- a proof of payment of fees in the amount of 64.00 KM.

IX THE REGISTRATION OF THE BUSINESS COMPANY AND EMPLOYEES INTO PENSION DISABILITY INSURANCE (PIO) OF THE FEDERATION OF B&H

For the application of a business company the following documents are required (original or a certified copy):

- the Decision on registration into the court register,
- a confirmation of the main/identification number,
- a form R-19 (may be obtained from the Pension Disability Insurance),

For the application of the employees shall be accompanied by following documents:

- a working booklet,
- the Contract on employment for each employee,
- a form R-19.

X THE NOTIFICATION OF COMMENCEMENT OF OPERATION OF THE ACTIVITY

After registration of a business company in the Municipal Court and ensuring the minimum of technical requirements for the activity which will be performed by the company, a business company shall be obliged to submit to the body responsible for inspection supervision a notice of the commencement of work and meeting the requirements of technical equipment, safety, protection and improvement of the environment and other conditions prescribed for performing that or those activities, that is, at the Information desk of the Municipality Tešanj with a copy of the court registration forms to fill in a prepared form of the statement and a notice of starting the work which will the Department of Finance and Economics deliver ex officio to the competent inspection.

2. THE TAX FACILITIES

The income tax of the enterprises in the Federation of B&H is 10% of the assessed tax base in the tax balance.

- A company, which in the year for which the tax is assessed on the profit generated by the export over 30% of the total income, shall be exempt of paying the tax on income for that year.
- A company, which for a period of 5 consecutive years of investing in production for at least 20 million KM in the territory of the Federation of B&H, shall be exempt from profit tax for a period of 5 years starting from the first year in which the investment must be invested for at least 4 million.
- A company that employs more than 50% of disabled persons or persons with special needs longer than one year shall be exempt from profit tax for the year in which it was employed more than 50% of disabled persons or persons with special needs.
- A company – a business unit of the resident established or of which the seat or whose actual administration and supervision of the business activities are outside the territory of the Federation and are in Bosnia and Herzegovina, is exempted from paying tax on profits that realizes by the business in the territory of the Federation.

3. THE ENTRY INTO B&H

For an entry into B&H the foreign nationals need a valid identity card or a passport. The citizens of following countries do not need a visa: Andorra, Argentina, Australia, Austria, Belgium, Brazil, Brunei, Bulgaria, Montenegro, Czech Republic, Chile, Denmark, New Zealand, Panama, Paraguay, Poland, Portugal, Romania, United States, El Salvador, San Marino, Singapore, Slovakia, Slovenia, Vatican, Serbia, Spain, Sweden, Swiss Confederation, Turkey, United Kingdom, Uruguay, Venezuela, Tunisia, United Arab Emirates, Ukraine.

Staying in the country is limited to 3 months. A registration is required at the Ministry of Security - Services for Foreigners (for the Zenica-Doboj Canton - Field Office Zenica). The application is being carried out along with presentation of the passport of a foreign citizen and identity card of a landlord. The application on behalf of a foreign national may be also made by the very landlord. If a foreigner is staying in a hotel, registration will be done officially by the hotel.

4. THE RESIDENCE PERMIT

The foreign nationals, who for the sake of work want to stay longer in B&H, are obliged to the Ministry of Security - Services for Foreigners (Ze-Do Canton - Field Office Zenica) deliver the following documents:

Reason: Working on the basis of the issued work permits

- a request for approval-extension of the temporary stay in B&H,
- 100 KM of the administrative fee for approval-extension of the temporary stay,
- a photo (only when the request is submitted for the first time),

- a certified copy of the passport with validity period of at least three months longer than the period for which approval is sought 2x,
- a photocopy of the card on application of the stay of the foreigners (only when the application is submitted for the first time) 2x,
- a copy of the final decision on approved temporary residence (only when you submit a request for extension of temporary stay) 2x,
- a proof of ensured accommodation (proof of property/house or apartment/, or a contract to lease a house or flat, or other equivalent) - certified by a competent administrative authority 2x,
- a work permit issued by the competent branch of the Community for Employment provided by the employer prior to the arrival of a foreigner in B&H (original or a certified copy) 2x,
- the employment contract made with the employer, concluded after a temporary stay granted by the Department for the Foreigners (original or certified copy) 2x,
- the Decision on registration of a legal person in the court register (original or a certified copy) 2x,
- a proof of solvency of the company, issued by the relevant bank (original or a certified copy) 2x,
- an application with the Pension and Disability Insurance Fund (a certified copy) 2x,
- a proof of the insured health insurance,
- a proof that confirms the professional qualification of an alien,
- a certificate that against the foreigner there is no criminal proceedings,
- a medical certificate of the authorized health institutions to conduct medical examination in the territory of the relevant municipality, 2x.

All foreign documents must be translated into Bosnian, Serbian or Croatian language (except the countries of the former Yugoslavia).

The foreign nationals are required to submit all required documentation when applying for approval-extension of the temporary stay, except the contract of employment which can not be concluded before the alien was granted a temporary stay.

5. THE WORK PERMIT

A work permit is issued by the Institute of Employment. The employer is obliged to apply for a work permit on behalf of a foreign worker with the relevant institution, depending on the seat of the business company. The Institute of Employment will issue a work permit if the alien is qualified for a particular activity, and the Institute has no registered domestic persons qualified to perform the same actions.

A work permit is issued for one year in maximum. The foreign persons who have an unlimited residence permit can obtain a permanent work permit.

The application for a work permit is submitted along with the following documents:

- the passport of the applicant,
- a certificate of registration of a foreign national released by the Ministry of Security of B&H-Office for the foreigners (the Zenica-Doboj Canton - Field Office Zenica),
- a temporary or permanent residence permit issued by the Ministry of Security-Office for the foreigners (the Zenica-Doboj - Field Office Zenica),
- a certificate - diploma translated by a court interpreter at one of the official languages of Bosnia and Herzegovina, a certified and validated by the competent Ministry of Education (for high school education and academy is the competent the Federal ministry and for other qualifications cantonal ministries are competent).

- the Decision on the entry of the company in the court register,
- the Contract on lease of business premise or a proof of ownership (a purchase agreement, an excerpt from the Land-Registry, etc.),
- a tax and identification number,
- the Decision / Statement on the technical facilities of the object,
- a proof of payment of the tax to the competent Cantonal Employment Institute in the amount of 150,00 KM,
- a proof of payment to the Federal Employment Institute in the amount of 100.00 KM,
- a certificate of solvency of the company (when applying for extension of a work permit),
- a certificate of good conduct (translated and certified by a court translator), and
- a medical certificate.

SERVICE OF FINANCE AND ECONOMY

Trg Alije Izetbegovića. 11 74260 Tešanj

Tel.032/653-915

Fax.032/650-220

**E-mail: hamzaliya.hojkuric@municipality-tesanj.ba
or haska.hundur@municipality-tesanj.ba**