

LAW NO. 08/L-208

ON INDUSTRIAL AND TECHNOLOGICAL PARKS

The Assembly of the Republic of Kosovo;

Based on Article 65 (1) of the Constitution of the Republic of Kosovo,

Approves:

LAW ON INDUSTRIAL AND TECHNOLOGICAL PARKS

**Article 1
Purpose**

This law aims to regulate the establishment, administration, management, promotion, exploitation and monitoring of industrial parks and technological parks, including business incubators in the Republic of Kosovo.

**Article 2
Scope**

This law applies to public authorities, investors, administrators, managers and users of industrial and technological parks.

**Article 3
Definitions**

1. The expressions used in this law shall have the meanings defined by this Article:

1.1. Industrial and technological park - separated and fenced real estate where economic activities are carried out according to the conditions defined by this law. The industrial and technological park includes:

1.1.1. the space of necessary services for the users;

1.1.2. common infrastructure including roads, electricity network, telecommunication network, water supply and sewerage and other facilities according to the legislation in force.

1.2. Incubator - space inside or outside the industrial or technological park, designed to accelerate the growth of start-ups through supporting services.

1.3. The administrator - the team dealing with the administration of industrial and technological parks, including business incubators within industrial and technological parks.

1.4. User - the business organization that carries out economic activities within the industrial park.

1.5. The monitor - the body that monitors industrial and technological parks, including business incubators within industrial and technological parks.

1.6. Ministry - the ministry responsible for industry, entrepreneurship and trade.

- 1.7. The minister - the minister responsible for industry, entrepreneurship and trade.
- 1.8. KIESA - Kosovo Innovation and Enterprise Support Agency within the Ministry.
- 1.9. Agency of Investment and Exports (AIE) - agency for promotion and growth of investments and exports within the Prime Minister`s Office.

Article 4
Objectives of industrial and technological park

- 1. The industrial and technological park offers suitable infrastructure for the development of economic activity.
- 2. The industrial and technological park is established for the following purposes:
 - 2.1. the promotion of responsible and sustainable investments;
 - 2.2. the promotion of production and processing activity, innovation and the provision of value-added services;
 - 2.3. employment and training;
 - 2.4. encouraging and developing the innovative ecosystem and cooperation between business organization and their promotion;
 - 2.5. increasing competitiveness and supporting exports;
 - 2.6. promoting advanced technology;
 - 2.7. regional development;
 - 2.8. support of strategic projects with special interest.
- 3. The establishment of business incubators shall be supported in order to accelerate the growth of start-up enterprises.

Article 5
Types

- 1. The industrial and technological park can be:
 - 1.1. General park - park with or without pre-built industrial facilities, generally intended for economic activity;
 - 1.2. Specialized park - park with or without pre-built industrial facilities, intended for specific industries and related activities;
 - 1.3. Park for innovation and technology - park intended for activities related to innovation, institutions of higher education and vocational training, advanced technology and development of prototypes in function of economic activities.
- 2. In accordance with the type from paragraph 1. of this Article, the sectors and activities of the park can be defined.

Article 6

Establishment

1. The industrial and technological park is established by the decision of the Government after the recommendation of the Ministry.
2. The establishment of the industrial and technological park can be proposed by:
 - 2.1. Ministry;
 - 2.2. AIE - Agency for Investment and Export;
 - 2.3. municipality;
 - 2.4. local and international business organizations registered in the Republic of Kosovo; or
 - 2.5. local and international business associations registered in the Republic of Kosovo.
3. Industrial and technological parks can be established, built and administered through public private partnership in accordance with the relevant law.
4. The request for the establishment of a new industrial and technological park cannot be approved for the same applicant, if the existing park is not populated with at least eighty percent (80%) users.
5. Attached to the proposal shall be:
 - 5.1. conceptual project, including:
 - 5.1.1. the type, sector and activities of the industrial park according to Article 5 of this law;
 - 5.1.2. the duration of the industrial park, which can be from forty (40) to ninety-nine (99) years;
 - 5.1.3. feasibility study according to Article 8 of this law;
 - 5.1.4. proof of ownership according to Article 9 of this law;
 - 5.1.5. the proponent's financial plan for the construction and operation of industrial and technological park;
 - 5.1.6. the municipality's request for co-financing from the Ministry, in cases when applicable;
 - 5.1.7. description of compliance with the Spatial Plan of Kosovo, the municipal development plan, the zonal map or the urban regulatory plan;
 - 5.2. decisions or consents from relevant institutions:
 - 5.2.1. the ministry responsible for agriculture, forestry and rural development;
 - 5.2.2. the ministry responsible for environment, spatial planning and infrastructure;
 - 5.2.3. the ministry or other body responsible for mining;
 - 5.2.4. the ministry responsible for cultural heritage;

5.2.5. the responsible municipality;

5.3. proof of consultation with the public according to the legislation in force.

6. The request is submitted to the KIESA for review. The final assessment and recommendation is submitted to the Minister.

7. The Minister proposes to the Government the proposal-decision for approval.

8. The decision according to paragraph 7. of this Article is a final administrative act in the sense of the relevant law on the general administrative procedure.

9. The government can change or repeal the decision on the establishment or to dissolve the industrial and technological park if:

9.1. the construction of the industrial and technological park does not begin within two (2) years from its establishment;

9.2. it is not used within five (5) years from the establishment;

9.3. in case strategic or national interest appears;

10. The Government, with a by-law proposed by the Ministry, determines the procedure for the establishment of the industrial and technological park.

Article 7

Special cases of establishment and development

1. The government, based on priorities and policies, may call for the selection of the investment partner of strategic interest for the establishment and development of the industrial and technological park according to evaluation criteria in accordance with the relevant law on investments.

2. Notwithstanding paragraph 1. of this Article, the Government can select by direct negotiation the investment partner with strategic interest, for the establishment and development of specialized industrial parks, according to the evaluation criteria in accordance with the relevant law on investments.

3. The investment partner with strategic interest from paragraph 2. of this Article must also exercise economic activity in the established park.

4. The Government can select through direct negotiation an investment partner, notwithstanding paragraphs 1., 2. and 3. of this Article, when the project fulfills the criteria according to the relevant law on investments.

Article 8

Justification of the establishment

1. The initiator must justify the request for the establishment of an industrial and technological park, based on a feasibility study, which includes the following justifications:

1.1. economic justification;

1.2. fiscal;

1.3. environmental;

- 1.4. legal; and
 - 1.5. administrative.
2. Feasibility study results (proves) that the economic, fiscal and social benefits deriving from the establishment of the industrial and technological park exceeds the costs of its establishment, investment and administration.
 3. The Minister, with sub-legal act, determines the content of the feasibility study.

Article 9 Location

1. The determination of the location of the industrial and technological park is made in accordance with:
 - 1.1. Spatial Plan of Kosovo;
 - 1.2. Municipal development plan;
 - 1.3. Regional map or regulatory urban plan;
 - 1.4. Agricultural and forest land planning;
 - 1.5. Legislation on environmental protection; and
 - 1.6. Public order.
2. The industrial and technological park is established with the consent of the property owner. The property may be publicly or socially owned, registered in the name of the public authority, public enterprise or social enterprise.
3. The industrial and technological park cannot be established on the property that is disputed or does not have clear ownership.

Article 10 Administration

1. The KIESA together with the proponent for the establishment of the industrial and technological park shall administer the park, in cases where the investment is made by the Government.
2. Notwithstanding paragraph 1. of this Article, the municipality or the investor can administer the industrial and technological park, in cases where it finances its construction and operation.
3. The administrator of the industrial and technological park bears the following responsibilities:
 - 3.1. ensures the smooth running of the industrial and technological park, through promotion and supervision;
 - 3.2. selects the economic operator for construction of the industrial and technological park according to the relevant law on public procurement;
 - 3.3. selects the manager according to Article 11 of this law;
 - 3.4. sets the rent for the use of the industrial and technological park, selects the users, as well as develops other procedures, according to Articles 12 and 13 of this law;

- 3.5. promotes the industrial and technological park by itself and in cooperation with the manager;
 - 3.6. regulates services within the industrial and technological park, including incubator services, utilities and other necessary services for users, as well as determines the way of resolving disputes and proportional fees related to services;
 - 3.7. keeps records of the number, types of activities, investment value and number of employees of users and prepares the necessary statistics;
 - 3.8. reports to the Ministry on the number, types of activities, investment value and number of employees of the users;
 - 3.9. drafts and publishes the performance report of the industrial and technological park;
 - 3.10. supervises the implementation and initiates procedures for punitive measures from Article 18 of this law.
4. The KIESA performs secretarial services for the Administrator, according to paragraph 1. of this Article.
 5. The Minister, with sub-legal act, determines the administration manner of the industrial and technological park.

Article 11 Management

1. Manager of the industrial and technological park can be:
 - 1.1. public authority;
 - 1.2. business organization;
 - 1.3. non-governmental organization;
 - 1.4. public-private partnership.
2. Manager is selected by the administrator of the industrial park through an open call or upon request. The selection is made transparently.
3. Manager must meet the organizational and technical requirements for carrying out activities in the park.
4. Manager is responsible for the obligations of the park, respectively meeting the requirements and obligations of the park users in relation to the use of the park in terms of space and technical aspects, safety measures at work, environmental protection measures, the rights and obligations of the park users about the founder of the park, etc.
5. Manager is obliged, within ninety (90) days after the calendar year, to submit to the Administrator the report of activities in the park, which must contain the following data:
 - 5.1. financial statements of the manager;
 - 5.2. the number of users and the activity they perform;
 - 5.3. the total value of goods produced and services provided in the park;

- 5.4. the total volume of imports and exports in the park;
 - 5.5. the amount of foreign and local capital contributions;
 - 5.6. the number of employed persons of the users.
6. The administrator determines the form and content of the report from paragraph 5. of this Article.
 7. The Minister by by-law determines the management manner of the industrial and technological park.

Article 12 Utilization

1. The space within the industrial and technological park is given to business organizations for investment and exercise of economic activity.
2. Beneficiaries are selected through an open call or at their request, in accordance with applicable criteria. The selection is made transparently and with equal treatment of interested users.
3. The industrial and technological park can be fully or partially allocated to strategic investors according to the relevant legislation, to foreign investors, local investors oriented in export or to the diaspora.
4. Priorities can be given in selection related to objectives and priority sectors from the relevant law on investment and in accordance with public interest.
5. The administrator sets the rent for the use of the industrial and technological park per unit of area, in the amount that:
 - 5.1. covers the cost of proper operation and maintenance of the park;
 - 5.2. provides reasonable income for park management;
 - 5.3. it does not jeopardize the level of utilization of the park.
6. The Minister, with sub-legal act, determines the selection of users for the use of the industrial and technological park.

Article 13 Utilization contract

1. The user acquires the right to use the plot and/or building within the industrial and technological park after signing a contract with the administrator according to the relevant law on obligational relationship. The contract defines the type of investment and activity, the duration of use, as well as other relevant rights and obligations.
2. The user can use the building in which he invested himself and equipment within the industrial and technological park as collateral for investment loans for business development within the park for the time of duration of the contract.
3. The duration of use cannot exceed the duration of the industrial and technological park determined by the decision of the Government.
4. The right to use the industrial and technological park cannot be transferred to a third person without the administrator's consent.

5. The right to use the park expires in the following cases:

- 5.1. the contract for use expires where the administrator has not agreed to renew the contract;
- 5.2. the user does not carry out the investments within the term defined by the contract for the use of the park;
- 5.3. the contract for the use of the park is terminated in the cases provided for by the applicable legislation or with the agreement of the parties;
- 5.4. the user goes bankrupt;
- 5.5. one (1) year has passed since the Government's decision to dissolve the park.

6. The form and content of the contract for the use of the park are determined by the sub-legal act from paragraph 6. of Article 12 of this law.

Article 14 **Permitted activities**

1. The user, in industrial and technological park may develop any business activity that does not violate state security, public order, society's morals, public health, the environment and does not conflict with the legislation in force.
2. The user can carry out services necessary for the functioning of the industrial park, including banking and finance, insurance, logistics and gastronomy.

Article 15 **Incubators**

1. An incubator is a space inside or outside an industrial and technological park, designed to accelerate the growth of start-ups enterprises through support services such as leasing of space, training, administrative services, technical services and access to infrastructure.
2. Notwithstanding paragraph 1. of this Article, incubators that are established outside industrial and technological parks are treated according to the relevant law on innovation and entrepreneurship.
3. The incubator inside the industrial park shall operate according to the relevant law on innovation and entrepreneurship.

Article 16 **Register**

1. The KIESA maintains a public register for industrial and technological parks and business incubators.
2. The register from this Article can be integrated with other registers kept by the KIESA.
3. The Minister, with by-law, determines the form and content of the register.

Article 17 **Monitoring**

1. The Minister appoints a monitoring body for industrial and technological parks, including business incubators.

2. The body monitors the implementation of policies in the industrial and technological park or business incubator.
3. The monitoring body consists of:
 - 3.1. two (2) permanent representatives of the Ministry;
 - 3.2. one (1) representative from the Ministry responsible for local governing;
 - 3.3. one (1) representative from Kosovo Municipal Association;
 - 3.4. one (1) representative from industrial and technological park user associations or the representative of the business incubator.
4. The mandate of the monitoring body lasts four (4) years.
5. The monitoring body reports to the Ministry once a year or upon request.

Article 18 Punitive provisions

1. Whoever, contrary to Article 13 or 14 of this law, uses the industrial and technological park without a contract of use, or carries out prohibited activities in the park, will be fined:
 - 1.1. from one thousand (1,000) to three thousand (3,000) euros, as a natural person exercising individual business;
 - 1.2. from three thousand (3,000) to nine thousand (9,000) euros, as a legal entity;
 - 1.3. from five hundred (500) to one thousand five hundred (1,500) euros, as a responsible person of the legal entity;
2. Depending on the severity of the violation, the person from paragraph 1. of this Article may be prohibited from exercising the activity or profession in industrial and technological parks, as well as in business incubators for up to five (5) years.
3. Misdemeanor procedures according to this Article are initiated by the Administrator to the competent court in accordance with the relevant law on minor offences.

Article 19 Court

According to the opinion of the Government, lawsuit is allowed in court according to the relevant law on administrative conflicts.

Article 20 Bylaws

1. The by-laws provided for by this law shall be issued within one (1) year.
2. To the extent that they are not in conflict with this law, they apply until the following by-laws are replaced:
 - 2.1. Administrative Instruction (MTI) No. 01/2014 on setting out the procedure on submitting the application to obtain permission, its proceeding and granting the permission, and the content of the registry of economic zones;

2.2. Administrative Instruction (MTI) No. 02/2014 on content of the feasibility study;

2.3. Administrative Instruction (MTI) No. 03/2014 on the procedure, form and content of the competition and the conditions and criteria relating to the settlement of business entities within the premises of the economic zones;

2.4. Administrative Instruction (MTI) No. 15/2016 on the manner of establishing, functioning and administration of Business Incubators;

2.5. Administrative Instruction (GRK) No. 03/2014 for the determination of conditions and facilities for businesses that conduct their activity within the economic zones.

Article 21
Transitional and final provision

The Economic Zones and Incubators established according to the provisions of the Law No. 04/L-159 on Economic Zones, within eighteen (18) months of the entry into force of this Law shall be administered and managed in accordance with this law.

Article 22
Repealing provision

With the entry into force of this law, Law No. 04/L-159 on Economic Zones shall be repealed.

Article 23
Entry into force

This law shall enter into force fifteen (15) days after its publication in the Official Gazette of the Republic of Kosovo.

Law No. 08/L-208
09 November 2023

Promulgated by Decree No. DL-182/2023 dated 27.11.2023 President of the Republic of Kosovo Vjosa Osmani-Sadriu