



INVESTPRNJAVOR

# GUIDELINES FOR THE REGISTRATION OF ENTREPRENEURS

## THE PROCEDURE FOR REGISTRATION OF ENTREPRENEURS

### STEP 1: REGISTRATION IN THE MUNICIPAL ADMINISTRATION

Registration of business in the form of a sole proprietor in the Republic of Srpska is governed by the Law on Crafts and Entrepreneurial Activity, whereas the Regulation on entrepreneurial activities contains a list of activities an entrepreneur may perform. A natural person who intends to perform entrepreneurial activity has to submit the request to the Department of Local Economic Development and Social Activities of the City Administration of the City of Prnjavor, directly, by postal service or electronically. The request form and the accompanying instruction may be obtained in the counter hall of the City Hall of Prnjavor, as well as on the official website of the City Administration of the City of Prnjavor: <http://81.93.87.47:550/eregistar/obraci/LER%201.pdf>

The following documents are to be attached to the request for registration of entrepreneurial activities:

- **Certified copy of identity card, or passport for a foreign national,**
- **Certificate issued by the competent unit of the Tax Administration of the Republic of Srpska that the natural person registering the start-up as entrepreneur does not have due and outstanding liabilities which is not older than 8 days of the day of submission of the application for the registration of entrepreneur;**
- **Certificate/attestation of the basic court with territorial jurisdiction that the natural person registering the start-up as entrepreneur was not imposed final measure of the ban on performing the required activity, which is not older than 30 days of the day of submission of the application for the registration of the entrepreneur;**
- **Proof of the paid fee for registration of start-up entrepreneur in the amount of BAM 30.00.**
- **Certificate/ attestation of the basic court with territorial jurisdiction that the natural person registering the start-up has no unpaid fines, enforced collection costs and the costs for proceedings for the committed minor offence in the field of economic or financial activities.**

The completed form and the accompanying documents are submitted in the public counter hall of the City Administration.

If the request is complete and accurate, the deadline for issuing the decision on registration is two working days.

## STEP 2: SEAL MAKING

Having obtained a decision on registration of entrepreneurial activity, the entrepreneur is obliged to have a seal made by an authorised seal maker. It is necessary to provide one certified copy of the decision on registration of entrepreneurial activity, and the deadline to make the seal is one day. Price of the seal ranges from BAM 30.00 to 60.00.

## STEP 3: REGISTRATION AT THE TAX ADMINISTRATION

The following documents must be submitted to the Tax Administration for registration of a taxpayer and/or person liable to payment of contributions:

1. **Completed application form PR-2;**
2. **Certified copy of the Decision on registration of entrepreneur;**
3. **Certified copy of identity card, or passport (for foreign nationals);**
4. **Contract on keeping the books (unless the entrepreneur himself/herself keeps the books).**

Certificate of registration of taxpayer is issued on the same day if the complete documentation was submitted.

## STEP 4: OPENING OF A BANK ACCOUNT

A bank account may be opened at any commercial bank. To open the bank account, it is necessary to submit the following documents to the bank:

1. **Decision on the registration of entrepreneur;**
2. **Specimen signature card for persons authorised to sign bank transfers, to dispose of funds on the account (the form is obtained in the bank);**
3. **Certificate on the registration of the taxpayer.**

## STEP 5: FISCALIZATION

The entrepreneur is obliged to file a fiscalization application or to purchase the fiscal register at authorised distributors. The Law on Amendments to the Law on Fiscal Cash Registers (Official Gazette of the Republic of Srpska, 65/14, 21/15, 58/19) provides for exemption from the obligation of fiscalization for (inter alia): sole proprietors pursuing old and art crafts and household industry in case of selling own products; sole proprietors pursuing crafts as small entrepreneurs in line with the law governing income taxation. (More on activities exempt from the obligation of fiscalization available in the Official Gazette of the Republic of Srpska, 65/14, <https://www.poreskaupravar.org/dokumenti/fiskalizacija/Zak.%20o%20izmj.%20i%20dop.%20zak.%20o%20fiskalnim%20kasama.pdf>).

## STEP 6: REGISTRATION WITH THE INDIRECT TAXATION AUTHORITY

Registration of a person liable to VAT is done at the regional centre of the Indirect Taxation Authority of BiH which has territorial competence. The obligation to register as liable to VAT is upon all persons whose taxable turnover in goods or services in the previous year exceeded, or is likely that it will exceed the threshold of BAM 100,000.00, as well as upon all persons pursuing foreign trade.

The application for registration and entry in the Single Register of Persons Liable to Indirect Taxes (ZR-1 form), needs to be accompanied by a copy, with original being presented, or certified copy of the following documents:

1. **Decision on registration of the entrepreneur;**
2. **Identity card of the applicant;**
3. **Certificate of registration of the taxpayer issued by the Tax Administration of the Republic of Srpska;**
4. **Specimen signature card certified by a commercial bank at which a transaction account is opened (for all opened transaction accounts);**
5. **Work permit and residence registration issued by a competent authority and passport for a natural person – entrepreneur, who is a foreign national;**
6. **Original payment slips as proof of paid total amount of BAM 40.00 (to the account of Treasury of BiH).**

## STARTING THE ACTIVITY

The entrepreneur is obliged to start his/her activity not later than 30 days of the day of delivery of the decision on registration. Verification whether the conditions for the activity have been met is done by competent inspection authority within 45 days of the day of delivery of the decision on registration of entrepreneur.

## MODIFICATIONS IN THE COURSE OF THE BUSINESS

### CHANGE OF DATA OF IMPORTANCE FOR LEGAL TRANSACTIONS

The entrepreneur is obliged to submit the SP-1 request form reporting the following change of data to the registration authority:

1. **First and last name, address, number of identity card or passport ;**
2. **Business name and registered seat ;**
3. **Time of activity (throughout the year or during a season);**
4. **Type of occupation (main or additional or supplementary);**
5. **Place of activity (business premises or residential area or without premises);**
6. **Code and name of principal activity and other activities in line with activity classification;**
7. **Opening, change of data and closing of fixed establishments;**
8. **Temporary cessation of activity and**
9. **Permanent cessation of activity.**
10. **Introduction of a partner in business and withdrawal of the partner from the business**

### TEMPORARY CESSATION OF ACTIVITY

Entrepreneur may temporarily cease activity in the total duration of up to six months within two years. Exceptionally, having presented appropriate evidence, entrepreneur may cease entrepreneurial activity in case of:

1. **disease, professional development or force majeure, for a maximum of two years continuously,**
2. **use of maternity leave, no longer than the moment the child turns three.**

The request (with the attachment of appropriate evidence for a temporary cessation) is submitted on the prescribed form SP-1, as well as supporting documents: a certified copy of the identity card, a copy of the decision on the registration of an entrepreneur, certificate for the basic court with territorial jurisdiction that the person has no unpaid fines, enforced collection costs and the costs for proceedings for the committed minor offence in the field of economic or financial activities and proof of payment of the fee in the amount of BAM 20.00. 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 CESSATION OF ACTIVITY

Entrepreneur is obliged to deregister the activity before the termination of work, by submitting the SP-1 form and accompanying documents: certified copy of identity card, copy of decision on registration of entrepreneur and proof that the fee of BAM 10.00 was paid. Entrepreneur, who beside the place of establishment also does business in fixed establishments, is obliged to deregister all fixed establishments, prior to submitting the request for deregistration of the activity.

### CHANGE OF INFORMATION

Reporting the change of information regarding business telephone, telefax, e-mail and website of entrepreneur is not obligatory. Change of such information is not subject to fee for the entrepreneur's registration procedure.

## ■ RESPONSIBILITY FOR THE BUSINESS ACTIVITY

Entrepreneur is responsible for lawful business and lawful operation of his/her employees. Responsibility for obligations incurred by performing entrepreneurial activity is not terminated by cessation of work and deletion of entrepreneur from the register of entrepreneurs.

## ■ BUSINESS SUPPORT

The following institutions support entrepreneurs in their business:

- **Government of the Republic of Srpska** – allocation of budgetary support funds within the ministries' development plans.
- **Investment and Development Bank of the Republic of Srpska (IRBRS)** – credit lines for entrepreneurs and companies for start-up and business development.
- **Guarantee Fund of the Republic of Srpska** – guarantees for entrepreneurs with quality and prospective projects, who are not able to secure guarantee with a commercial bank.
- **Employment Service of the Republic of Srpska** – granting funds per employment and self-employment projects.
- **Commercial banks** – credit funds for start-up and business.
- **RS Agency for the Development of Small and Medium Enterprises (RARS)** – offering professional services in the field of investment services, vocational education, reskilling and upskilling as well as business consultations.
- **Chamber of Crafts and Entrepreneurship of the Republic of Srpska** – having registered entrepreneurs become members of the association, representing common interests of entrepreneurs before the governmental authorities, proposing and taking part in drafting legal solutions.
- **City of Prnjavor** – supporting young people up to 35 years of age for self-employment.

## ■ ADDITIONAL INFORMATION

**Register of authorisations in business** – data on all authorisations, laws and regulations governing them, as well as all authorisations necessary for performing certain economic activities ([www.regodobrenja.net](http://www.regodobrenja.net)).

**Entrepreneurial portal of the Republic of Srpska** – a service compiling information intended for those wishing to start own business but also to existing companies and entrepreneurs who wish to develop and improve their own business ([www.preduzetnickiportalsrpske.net](http://www.preduzetnickiportalsrpske.net)).

**E-register of administrative procedures of the City of Prnjavor** – comprehensive records of administrative procedures and a central database of importance for entrepreneurs in terms of starting and conducting administrative procedures in the Municipality of Prnjavor (<http://81.93.87.47:550/eregistar/egfVwOdlukaJedinice.aspx>).

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