

# **FRAMEWORK LAW ON REGISTRATION OF BUSINESS ENTITIES IN BOSNIA AND HERZEGOVINA**

**“Official Gazette” of Bosnia and Herzegovina, 42/04**

Pursuant to Articles I. 4. and IV. 4. a) of the Constitution of Bosnia and Herzegovina, the Parliamentary Assembly of Bosnia and Herzegovina, at its 42<sup>nd</sup> session of the House of Representatives, held on 27 July 2004, and its 27<sup>th</sup> session of the House of Peoples, held on 29 July 2004 adopted

**-unofficial translation-**

# **FRAMEWORK LAW ON REGISTRATION OF BUSINESS ENTITIES IN BOSNIA AND HERZEGOVINA**

## **I – GENERAL PROVISIONS**

### **Scope Article 1**

Framework law on registration of business entities in Bosnia and Herzegovina (hereinafter; the Law) regulates: purpose of the law; meaning of particular terms of this law; principles, subjects and objects of registration; administering and content of the Register; costs of registration; required data on subject of entry; registration of part of the business entity; subsidiary companies; change of data significant for legal traffic and status changes; registration documents; submission, form and procedure for application for registration; decision on business registration and necessary notifications; deadline for issuance of decision on business registration; establishment of the Register, implementation, and entry into force of the Law.

### **Purpose of the Law Article 2**

1. Purpose of this Law is the establishment of method of registration of business entities in Federation of Bosnia and Herzegovina and Republika Srpska (hereinafter: entities) and Brcko District of Bosnia and Herzegovina (hereinafter: Brcko District), and harmonization of this law and laws of entities and Brcko District with the EU regulations through creation of single identification of business entities.
2. The law is structured in such manner to determine fast and uniformed procedure of registration of business entities in the territory of Bosnia and Herzegovina, and is therefore applicable to all business entities established in Bosnia and Herzegovina from both domestic and foreign legal and physical persons.

### **Meaning of particular terms used in this Law Article 3**

Terms used in this law have following meaning:

- a) Register – data base that contains data and documents of subjects of entry that are obliged to register in compliance with the provisions of this law, laws of entities and Brcko District, and is comprised of Main Book of Registry and Compendium of Documents;
- b) Registration Court – any court competent for registration matters and designated as such by the laws of entities and Brcko District;
- c) Competent Registration Court – court competent for the registration of the subject of entry, and is determined by the seat of the subject of entry;
- d) Main Book of the Register – public part of the Register that contains data on the subjects of entry defined by this law, and is being kept in both electronic and printed form. Main Book of the Register in its printed form is managed by the competent registration court;
- e) Compendium of Documents of Registry - part of the Registry that contains documents based on which data on the subjects of registration were entered in the Main Book of Registry, as well as other evidences submitted and created during the procedure of entry into the register as well as decisions made during the registration procedure;
- f) Subject of Entry – business entity that is legal person whose registration is obligatory according to this law. It is a business company or the enterprise established with purpose of performing economic activity, cooperative or cooperative association and other legal person that performs economic activity, and is being established in accordance with special laws of entities and Brcko District, with purpose of creating profit;
- g) Registration Number of the Subject of entry (hereinafter: RNS) – registration identification number that is being allocated to the subject of entry during the procedure of entry into the register by Competent Registration Court, and its number is unique, unchangeable and unrepeatable;
- h) Entry into the register – is any entry of one or more data significant for legal traffic into the

Main Book of Registry;

- i) Obliteration from the Register – is any entry that is termination of the subject of the entry, or cessation of the validity of a particular data entered into the Main Book of Registry related to individual subject of the entry;
- j) Participant in the registration procedure – is the person who initiated the registration procedure, the person on whose rights and legal interests is being decided upon during procedure, and competent authority;
- k) The Applicant – is the participant in the registration procedure who initiated registration procedure;
- l) Excerpt from the Register – is a certified document issued upon request of interested party in a regulated manner, and contains required data that exist in the register for any of the subjects of entry, valid in a specific moment, that is specific time period.

### **Principles of registration**

#### **Article 4**

1. Registration of business entities is based on following principles:
  - a) obligatority – all business entities defined as such by this and special laws of entities and Brcko District are obliged, prior to commencement of intended economic activity, to register at the Competent Registration Court;
  - b) legality – registration procedure is determined by this law and laws of entities and Brcko District;
  - c) officiality – competent Registration Court shall not refuse completed application submitted in time by the applicant, and is obliged to proceed according to official obligations;
  - d) formality – registration forms have obligatory written form, and the providing data to the form, the content and availability are determined in Article 16 of this law;
  - e) priority – Competent Registration Court is obliged to process the applications in the order of their timely submission;
  - f) constitutionality – at the moment of the entry into the Register, facts related to a subject of entry become legal facts, that is at the moment of the entry into the register certain rights are being constituted as well as the effect of registration towards third parties;
  - g) uniformity – procedure of the registration of business entities shall be determined in uniform way by regulations of entities and Brcko District;
  - h) public – anyone can, without proving legal interest, get insight into the content of the Main Book of the Registry and public data from the Compendium of Documents of the Registry, and require to be provided with excerpt or a copy of public data from Compendium of Documents of the Registry, and only the law shall regulate when it is necessary to prove legal interest to get insight or to get excerpt from the Compendium of Documents of the Registry.
2. Every registration court is obliged to ensure practice of rights of access to data in the Main Book of Registry that is kept in electronic form, regardless of whether registration of the subject of entry was completed. Competent Registration Court is obliged to ensure access to the Compendium of Documents of the Registry, provided that the request is accompanied by the proof of legal interest from the person that requires access, and in line with law.

### **Subjects of registration**

#### **Article 5**

1. Entities, subjects to registration, include all subjects defined as business entities by this law and special laws of entities and Brcko District.
2. Subjects that are not established as business entities in compliance with this law, that is they are not established with purpose of creating profit through performance of the registered economic activity, are not obliged to register in accordance with provisions of this law, unless otherwise stipulated by specific laws of entities and Brcko District.

## **Object of registration**

### **Article 6**

Data entered in the Register are establishment, merging and termination of subject of entry, establishment and termination of a part of subject of entry, all status changes including changes of the form of organization of subject of entry, data about subject of entry that are relevant for legal traffic and their changes, data about bankruptcy and liquidation procedures, data on initiated procedure of obliteration of subject of entry as well as other data determined by laws of entities and Brcko District..

## **II – ORGANIZATION OF THE REGISTER**

### **Administering the register**

#### **Article 7**

1. Register is administered by the courts of entities and Brcko District competent for the registration issues, in accordance with Article 3. item b) of this law.
2. Subject of entry can be entered in the Register only in one registration court.
3. Application for registration of the subject of entry is submitted to the competent registration court.
4. Application for registration of the subject of entry can be submitted to any registration court, irrelevant of the location of the seat of subject of entry. If the application for registration is submitted to non – competent registration court, that court shall without delay, *ex officio*, forward the form, the attached documents in printed form attached to the application for registration to competent registration court, in line with Article 3. item c) of this law, which shall issue a decision on business registration, and administers the Register of that subject of entry.
5. Competent registration court is obliged to maintain and administer the Main Book of Register and Compendium of Documents in printed form in a timely and updated manner, as well as to provide appropriate conditions for the maintenance of those books.
6. In case that there are, in the subject of entry, such subjects with their seat in the area of a different registration court, all subjects shall be administered only in the Register of a competent registration court where the registration was done. Competent registration court is obliged to notify the other registration courts, as well as the authorities determined by Article 19 of this Law, on existence of such subjects, in the regions where they are.
7. Item 6 of this article is related to entry of part of subject of entry as well.
8. In case of change of place of seat of subject of entry, which results in change of jurisdiction of the registration court, printed documents related to subject of entry that changed its seat, shall be officially forwarded to the competent registration court.

### **Content of the Register**

#### **Article 8**

1. Register consists of the Main Book of the Register and Compendium of Documents. Competent registration court administers the Main Book of the Register and Compendium of Documents for every individual subject of entry.
2. Main Book of the Register is a book of data that is being kept in both printed and electronic form. Printed book of data is administered in the competent registration court, and electronic book of data is electronic database for the territory of entities and Brcko District.
3. Competent registration court is obliged to ensure that the final entry in the Main Book of the Register is available to all registration courts as well as to all electronic databases in Bosnia and Herzegovina immediately after the subject of entry is entered to the Register.
4. At the moment of submission of the registration application, available data are limited to the moment of submission of the application, as well as the subject of entry that applies for the registration. After completing the registration procedure, that is after the issuance of a decision on business registration, all data contained in the Main Book of the Register are available in printed and electronic form in accordance with item 3 of this Article.

5. Ministries of Justice of entities and Judicial Commission of Brcko District are obliged to ensure technical functionality, maintenance, immediate delivery of electronic data from Main Books, and proper functioning of the system.
6. Compendium of Documents of the Register is maintained in printed form, and could be kept in electronic form.
7. Competent registration court is responsible for the validity of data that they entered into the Register.

#### **Costs of registration**

##### **Article 9**

Each participant in the procedure of registration is obliged to cover own costs.

### **III – DATA REQUIRED IN THE REGISTER**

#### **Required data on the subject of entry**

##### **Article 10**

Obligatory public data on the subjects of entry that are entered in the Main Book of Register by the Competent registration court are as follows:

- a) firm and seat, that is family and given names of all founders / owners of subject of entry;
- b) object of entry;
- c) date of application reception;
- d) firm and seat, that is the address of the subject of entry;
- e) abbreviated name and symbol of firm subject of entry;
- f) RNS;
- g) form of the subject of entry
- h) title, number and date of foundation act of the subject of entry;
- i) full name and position of the authorised representative of subject of entry;
- j) limitations of empowerment of authorised representative of subject of entry;
- k) amount of the agreed (documented) basic capital;
- l) amount of the capital paid in money;
- m) value of the capital in assets and rights;
- n) percentage of participation of individual founders in the capital of the business entity (in money, rights and assets);
- o) economic activity of the subject of entry with codes of activities according to the valid classification of economic activities.

#### **Registration of a part of subject of entry**

##### **Article 11**

Data that are mandatory entered into the Register in case of registration of a part of subject of entry are:

- a) Firm and seat of a part of subject of entry;
- b) Activity of a part of subject of entry;
- c) Number and date of foundation act of the part of subject of entry;
- d) Family and given name and position of the authorised representative of the part of subject of entry.

#### **Subsidiary companies**

##### **Article 12**

During the registration of the subject of entry which is legally independent, but is in the mutual relations in respect to capital and management of the business with other business entity (subsidiary company) in the Main Book of the Register, excerpts and decision on business registration of the main company, competent registration court shall enter a link, by entering RNS of the subsidiary company in the

data of the major subject, that is by entering RNS of the major subject next to the data of subsidiary company.

### **Change of data important for legal traffic and status changes**

#### **Article 13**

1. Laws of entities and Brcko District shall in identical way regulate the issue of entering the change of any of mandatory data or the data relevant for legal traffic, determined in Article 10 of this law.
2. Laws of entities and Brcko District shall in identical way determine mandatory data for the Register in case of status changes of the subject of entry, in case of:
  - a) Merging of two or more subjects of entry;
  - b) Accession of one or more subjects of entry to another subject of entry;
  - c) Division of the subject of entry on two or more subjects of entry;
  - d) Changes of form of the subject of entry; and
  - e) Termination of subject of entry.
3. Procedures of obliteration of subjects of entry from Register initiated by persons who have legal interest, as well as upon the request of authorised body, shall be in identical way determined by the laws of entities and Brcko District.

## **IV – DOCUMENTS REQUIRED FOR ENTRY INTO THE REGISTER**

### **Registration documents**

#### **Article 14**

1. Laws of entities and Brcko District shall determine in identical way the list of documents necessary for determination of required public and protected data that are entered to the Register.
2. If special law provides for giving consent, approval, verification, authorisation, receipt or other appropriate acts, as a condition for registration of subject of entry, abovementioned documents are also attached to the application for registration.

## **V – PROCEDURE OF DATA ENTRY TO THE REGISTER AND PROCESSING OF THE REGISTRATION APPLICATION**

### **Submission of registration application**

#### **Article 15**

1. Founder/s of business entity can submit the registration application in person or through an authorised representative, that is legal representative.
2. The applicant is personally responsible for the accuracy of data given in the application form.

### **Application form**

#### **Article 16**

1. The applicant for business entity registration of subject of entry is obliged to complete the application for registration of subject of entry.
2. Besides data determined by the Article 10 of this law, registration application contains also number of personal identification document or passport of the applicant, founder/owner of the subject of entry and authorised representative of the subject of entry indicating the representative's capacity.
3. Registration Application form shall be available in registration court or at appropriate internet pages, and cannot therefore be subject of trade.

### **Procedure following the reception of application**

#### **Article 17**

1. Procedure following the reception of registration application shall be determined by laws of entities and Brcko District, respecting provisions from Article 7, paragraph 4 of this Law.

2. Upon reception of application, court can check only the identity of the applicant, exclusivity of the name of the subject of entry and whether the prescribed fee was paid.
3. Notification of reception of registration application in electronic form is delivered, immediately upon its reception, to the tax authorities, and if needed to customs authorities in charge according to the location of the seat of the subject of entry, in order to obtain tax identification number, or customs number.

**Decision on business registration**  
**Article 18**

1. After the review according to this law, laws of entities and Brcko District, competent registration court shall issue the Decision on business registration that is valid in the whole territory of Bosnia and Herzegovina, regardless of the location of registration.
2. Decision on business registration contains mandatory public data on the subject of entry set forth in Article 10 of this law. Symbols of distinction of the competent registration courts, that is their association to entities or to Brcko District are regulated by the laws of entities and Brcko District.
3. Decision on business registration contains RNS, tax identification number of subject of entry and customs number of subject of entry if it exists.

**Obligatory notifications**  
**Article 19**

Electronic copy of the decision on business registration of the subject of entry, is immediately, upon its issuance, delivered to:

- a) tax office, competent according to the seat of the subject of entry;
- b) municipality, according to the seat of subject of entry;
- c) entity and Brcko District statistics office;
- d) pension and disability fund, according to the seat of subject of entry, for the registration of the latter;
- e) competent customs office if the subject of entry registers foreign trade;
- f) competent regulatory bodies, in line with laws of Bosnia and Herzegovina, entities and Brcko District, that stipulate conditions for performing certain activities, if the subject of entry registers such an activity.

**VI – DEADLINES**

**Deadline for issuance of decision on business registration**  
**Article 20**

1. Competent registration court shall issue a decision on business registration not later than five working days time from the day of submission of the complete application.
2. If competent registration court determines existence of deficiency that prevent registration in line with this law and laws of entities and Brcko District, the court shall inform the applicant to remove particular deficiency within set time.
3. In case referred to in paragraph 2 of this Article, competent registration court shall issue a decision on business registration not later than five working days from the day of the removal of deficiency.

**VII - TRANSITIONAL AND FINAL PROVISIONS**

**Establishment of the register**  
**Article 21**

1. Establishment of the database that is register, and the organization of the competent registration courts in entities and Brcko District shall be implemented within 180 days from the day of entry into force of this Law.
2. Takeover of the data on existing business entities from previous registries of the competent bodies shall be implemented within 180 days from the day of entry into force of this Law. All facts based on which it is possible to create Main Book of the Register and the Compendium of Documents of Registry for

every individual subject of entry, with all required mandatory data as well as registration documents archived in previous registries shall be taken over from the previous registries. After the takeover of data and documents, the previous entries in Registers shall not be active and shall be stored and archived, in line with law.

3. In case, during the takeover of data and documents, it is found that one subject of entry is not active, competent registration court shall call for the subject of entry using the address in the available documents, that is Register, to declare on its status within time limit set forth in the laws of entities and Brcko District, that is to deliver all necessary data or documents.
4. If subject of entry fails to act in accordance with the request of the competent registration court within the time limit referred to in paragraph 3 of this Article, competent registration court shall make decision in accordance to the status of file.

### **Implementation of the law Article 22**

1. The implementation of this law shall begin not later than 180 days from the day it enters into force.
2. Entities and Brcko District shall pass regulations on the registration of business entities within 60 days from the day this law enters into force.
3. Entities and Brcko District shall harmonize all the regulations, which are not in line with this law within 30 days from the day of the implementation of this law.

### **Entry into force Article 23**

This law enters into force on the eight day from the day of its publication in the “Official Gazette of BiH”, and it shall be published in Official Gazettes of entities and Brcko District.

PS BiH No.:87/04  
29 July 2004  
Sarajevo

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House of Representatives  
Parliamentary Assembly BiH  
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CHAIRMAN  
House of Peoples  
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