

INFORMATION ABOUT THE CONDITIONS FOR REGISTRATION OF SUBJECTS AND SUBSIDIARIES

ENTERPRISE ACTIVITIES

I. ESTABLISHING COMMERCIAL OPERATION

For the establishment of a commercial operation within the request for establishment, documents required by the Article 16 of the Law on Internal Trade (Official Gazette of the Federation of Bosnia and Herzegovina No. 40/10) should be attached:

1. Certificate of permanent residence in the Federation of BiH (issued by the competent CIPS)
2. Certificate of citizenship (issued by the Registry Office)
3. Certificate of work capability (issued by the Center for Social Work)
4. The certificate of the day imposed a protective measure prohibiting the performance of the activity (issued by the competent police authority)
5. Evidence of possession of appropriate qualifications (certified copy)
6. Health certificate (issued by the Health Center)
7. Confirmation that you are not in employment (issued by the competent Labor Office)
8. Proof of ownership or lease of business premises (ZK copy or lease or use contract)
9. Statement on fulfillment of the prescribed minimum working conditions

In addition to the above, you have to deliver:

- Evidence of payment of municipal tax in the amount of 103,00 KM paid into account number: 3380002200041552, type of income: 722131

Note: You can obtain the Application Form in the Center for Permits, at the Municipality Building, STREET: Terzića bb, Bosanska Krupa or on our website

<http://www.opcinabosanskakrupa.ba/>

II. ESTABLISHING CRAFTSMENSHIP WORK AND RELATED ACTIVITIES

For the establishment of craft and related activities, along with the request for establishment, documents required by the Article 9 of the Law on Crafts and Related Activities (Official Gazette of the Federation of Bosnia and Herzegovina, No. 35/09) should be attached:

1. Certificate of permanent residence in the Federation of BiH (issued by the competent CPIS)
2. Certificate of citizenship (issued by the Registry Office)
3. Certificate of work capability (issued by the Center for Social Work)
4. Confirmation that a protective measure of prohibition of performing an activity has not been pronounced (issued by the competent police administration)
5. Evidence of possession of appropriate qualifications (certified copy)
6. Health certificate (issued by the Health Center)
7. Confirmation that you are not in employment (issued by the competent Labor Office)
8. Certified statement on the fulfilled minimum working conditions, if the condition for the performance of the requested activity is conditional upon the existence of a business premises

In addition to the above, you have to deliver:

- Evidence of payment of municipal tax in the amount of:
 - 103,00 KM paid into the account number: 3380002200041552, type of income: 722131- for the establishment of craft and related activities or activities and
 - 33,00 KM of municipal tax on account number: 3380002200041552, type of income: 722131 - for the establishment of activity domestic work

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III. ESTABLISHMENT OF CATERING ACTIVITY

For the establishment of a catering shop, along with the request for establishment, it is necessary to enclose the documents prescribed in Article 16 of the Law on catering activity (Official Gazette of the Federation of Bosnia and Herzegovina No. 32/09):

1. Certificate of permanent residence in the Federation of BiH (issued by the competent CPIS)
2. Certificate of citizenship (issued by the Registry Office)
3. Certificate of work capability (issued by the Center for Social Work)
4. Confirmation that a protective measure of prohibition of performing an activity has not been pronounced (issued by the competent police administration)
5. Evidence of possession of appropriate qualifications (certified copy)
6. Health certificate (issued by the Health Center)
7. Confirmation that you are not in employment (issued by the competent Labor Office)
8. Proof of ownership or lease of business premises (ZK copy or lease or use contract)
9. Proof of the use of the facility
10. Sound insulation attestation and sound limiter in collective housing units (prescribed by the Law on Noise Protection - Official Gazette of the Una-Sana Canton number: 3/13)

In addition to the above, you have to deliver:

- Evidence of payment of municipal tax in the amount of 103,00 KM paid into account number: 3380002200041552, type of income: 722131
- Evidence of payment of compensation for the work of the Commission for determining the prescribed minimum requirements for the activity of the requested activity in the amount of KM 100.00 per paid account number: 3380002200041552 type of revenue: 722612

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IV. At the request of the owner of the shop, a decision on changing the business seat of the shop is issued

The party with the request (in case of change of the seat of a trade and craft shop) shall submit:

- certified statement on fulfilled minimum working conditions
- proof of payment of municipal tax in the amount of KM 18.00 paid into the account number: 3380002200041552, type of income: 722131

The party with the request (when changing the seat of the catering shop) delivers:

- proof of the legal use of the facility
- evidence of ownership or lease of business premises (ZK copy or lease or use contract)
- proof of payment of municipal tax in the amount of KM 18.00 paid into the account number: 3380002200041552, type of income: 722131
- proof of payment of the fee for the work of the Commission for determining the prescribed minimum requirements for the activity of the requested activity in the amount of KM 100.00 per paid account: 3380002200041552 type of revenue: 722612

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ENTERPRISE

IV. PROCEDURE INFORMATION AND TOTAL COSTS OF THE ESTABLISHMENT OF ECONOMIC SOCIETIES

(Prescribed by the Law of Business associations (Official Gazette of the Federation of Bosnia and Herzegovina No. 81/15)

1. Preparation and drafting of the founding act (as prescribed by the Article 304 of the Law on Business Associations)

-When establishing a company (LLC), the founding act is created (if the founder is one person), and when the company is founded by several persons, the founding agreement is made, which in this case constitutes the founding act.

The notary public shall establish and verify the founding act or the founding contract.

-According to Article 305, the contract referred to in Article 304 of this Law may be signed by the proxy of the founder on the basis of a power of attorney who approaches the contract, by which the proxy is expressly authorized for the job and on which the signature of the owner is verified by law.

-The founding act of a limited liability company must contain (as prescribed by Article 306 of the Law on Business Companies):

- 1) name and surname and address of residence or firm and seat of founders;
- 2) firm, headquarters and activity of the company;
- 3) the amount of the company's share capital, the amount of money , the description and value of the deposits in the assets and rights, the number and the size of the members' share;
- 4) rights and obligations of members of the company;
- 5) the procedure in case one of the founders does not pay his / her interest to the agreed deadline or fails to fulfill another obligation;
- 6) the manner of settling the costs of founding the company;
- 7) the amount of the company's establishment costs
- 8) appointment of persons authorized to conduct business and representation of the company and application for registration of the establishment of the company in the court register;
- 9) the consequences of the unsuccessful establishment;

10) special provision if the company is established for a fixed time

2. Expenses for the establishment of an business entity:

-According to Article 307 of the Law of business associations, the share capital of a limited liability company with one or more founders amounts to at least 1000 (one thousand BAM), unless otherwise determined by other law.

-The value of the individual deposit may not be less than 100 (hundred) BAM.

-Money deposits may not be less than the amount referred to in paragraph 1 of this Article.

-Shares, in matters and rights, must be fully incorporated into the company by the date of filing the application for registration of the establishment of a company in the court register, so that the company can permanently and freely access them.

-At the date of filing the application for registration of the establishment of a company, at least half of the deposits is in money, but not less than the amount referred to in paragraph 1 of this Article, must be paid into the court register.

-According to Article 308 of the Law on Business associations, the Founding Act may also determine the obligation of a member to perform a certain function in favor of the company, the value of which can be expressed in a monetary way.

The founding act must specify the nature, content and timing of the performance, the criteria for determining its value and the contractual penalty up to the amount of the value of the act, in the event of failure or failure to fulfill the performance.

-According to Article 309 of the Companies Act, the costs of founding the company are borne by the founders in proportion to their shares, unless otherwise provided by the contract.

The establishment costs can not be paid out of the share capital, nor can they be attributed to the initial capital as a stake.

3. Company registration

Prescribed by the Law on Registration of Business Entities in the Federation of Bosnia and Herzegovina

("Official Gazette of the Federation of BiH", Nos. 27/05, 68/05, 43/09 and 63/14)

By the Article 22 of this Law:

The following documents have to be submitted to the Municipal Court (Commercial Court Register Department):

- 1) certified signature of the person authorized to represent, on the application form for registration at the court in printed form;
- 2) Notarized act on establishment or act on changes of general information of importance for legal transactions of established or registered entity of registration, which determines the establishment or change of essential data;
- 3) notary's statute of business entity;
- 4) decision on appointment of a person authorized for representation in domestic and foreign trade, if not appointed by the founding act;
- 5) confirmation of the bank about the payment made to the temporary account of deposited monetary deposits, which determines the amount of money paid in cash;
- 6) proof of the collateral for the unpaid amount of the monetary part of the founder's deposit with a one-member company of the capital;
- 7) an excerpt from the appropriate public register proving the ownership of the person who has entered into matters and rights, and the finding of an authorized court expert determining the value of the role in matters and rights;

- 8) Appropriate approval by the Securities Commission of the Federation of Bosnia and Herzegovina (hereinafter: the Securities and Exchange Commission) and the Securities Registry of the Federation of Bosnia and Herzegovina (hereinafter: the Securities Register), if prescribed by a special law;
- 9) proof of the means of insurance for an unregulated part of a non-monetary role with a one-member company of capital;
- 10) approval by the competent authority in accordance with Article 46 of this Law.

According to Article 26 of the Law on Registration of Business Entities in the Federation of Bosnia and Herzegovina, the documents required for the application for registration of founding a limited liability company are as follows:

- 1) the documents prescribed in Article 22 paragraph (1) item. 1) of this Law;
- 2) Notarized act of foundation;
- 3) confirmation of the bank about the payment of the capital in money, or proof of the monetary value of the objects and rights attached to the company;
- 4) decision on appointing a person authorized for representation if it is not appointed by the founding act;
- 5) certified signature of the person authorized for representation.

With the application for entry into the register of the establishment of a one-member limited liability company, along with the documents referred to in paragraph (1) of this Article, evidence of the collateral for the unpaid amount of the monetary part of the founder's role shall be enclosed, or the value of the uninsured non-monetary unit.

When filing the application, the court checks whether there is a misdemeanor application, and also checks the tax obligations through the Tax Administration.

Notary expenses with the establishment of a d.o.o.

1. Drafting a decision on the establishment and company statute with one founder and share capital of BAM 1,000.00 per line 7 TNNN is 300,00 BAM + VAT
2. The application for registration of the company in the court register according to Tar. 16 TNNN is 150,00 BAM + VAT

4. The procedure for issuing the identification number (prescribed by the Rulebook on the allocation of identification numbers and the tax registration of taxpayers in the territory of the Federation of Bosnia and Herzegovina, No. 39/02, 83/10, 66/11 and 104/14)

Upon registration in the Court Register, registration in the competent tax administration is followed, by which an identification number is assigned to the subject.

The tax identification number is obtained from the Tax Administration, the tax registration office in Bihać - the Cantonal Tax Office.

In order to obtain an identification number it is necessary to fill in the PPL-1 form and with a copy of the court decision it will be submitted to the Tax Administration, the Cantonal Office Bihać, the Statistical Office.

5. Stamp design

The stamp contains the name and head office of the company. Stamp design is done with an authorized stamp maker.

The cost of printing seals is around 30,00 BAM, depending on the size of the seal.

6. Bank account

Opening of a bank account is done at one of the commercial banks in BiH.

The company may have more bank accounts.

Documentation for opening a bank account:

- a certified copy of the court decision,
- company statute,
- copy of ID card,
- a copy of the identification number,
- card of deposited signatures.

7. Employee applications - Law on the Unified System for Registration of Controls and Collection of Contributions - Law on Income Tax

Decree on the conditions that an enterprise or other legal entity is obliged to fulfill regarding the number of employees employed for the purpose of performing the registered activity (Official Gazette of the Federation of Bosnia and Herzegovina, number: 15/98), the company may start work if it has employed a certain number of workers for performing registered activities.

Worker - employee is a physical person defined in accordance with the Labor Law, and the employee realizes his rights and obligations by the provisions of the same Law. The law was published in the Official Gazette of F BiH No. 43/99, 32/00 and 29/00.

The documentation required for employee registration is as follows:

- Confidential and signed labor contract (employer and employee)
- Work booklet
- tax card
- form JS 3100, for registration of employees (tax administration)
- the bank account of workers for payment of salaries
- health certificate

8. Statement on fulfillment of minimum technical conditions of business premises

The decision on fulfilled prescribed minimum working conditions is issued only for activities in the field of catering and tourism (eg Tourist agencies). After the submitted request, the municipal commissioner determines the prescribed minimum conditions for the operation of the requested type of catering facility and on that occasion it makes a record book on fulfilled working conditions.

On the basis of the record book and the following documents, a decision on the fulfilled minimum working conditions is issued at the request of the client:

- decision on the registration of the company of the cantonal court and decision on the registration of the branch, if the company does not have its headquarters in the area of the Municipality of Bosanska Krupa
- evidence of ownership over the business premises, or contract for leasing business premises (if it is a leased business space) is certified
- Solution about the use of the facility
- Evidence of payment of municipal tax in the amount of 153,00 BAM, if business space is up to 100m², 253,00 BAM if business space is of 101-200m², 303,00 BAM if business space is

of 201-500 m² , 353,00 BAM if the commercial space is of 501-1000 m² and 553,00 BAM if the commercial space is over 1000m², paid into the account number: 3380002200041552 type of revenue: 722131

- Evidence of payment of compensation for the work of the Commission for determining the prescribed minimum requirements for the activity of the requested activity in the amount of 100,00 BAM, paid into the account number: 3380002200041552, type of income: 722612

- evidence of employee registration;

Note: For other activities, the company director signs the statement on the fulfilled minimum working conditions

9. Indirect taxation authority registration VAT number - customs number

After the registration with the competent court and obtaining a Decision on the fulfilled minimum working conditions, ie sub-commencement notice, the company with a turnover of more than 50,000.00 BAM or who expects to have a taxable turnover of 50,000.00 BAM is obliged to perform the registration of the company in the system of taxpayers of Value Added Tax (VAT).

The company that deals with exports and imports must also have a customs number.

The customs number is issued after registration with the Indirect Taxation Authority - Customs Service, Indirect Taxation Authority Regional Center Banja Luka.

With the application for registration of VAT number, it is obligatory to submit the following (Article 12 of the Rulebook on Registration and Registration in the Single Register of Indirect Taxes) ("Official Gazette of BiH", No. 51/12)

The person subject to the registration obligation for VAT in accordance with Article 57 of the Value Added Tax Act (Official Gazette of BiH No. 9/05, 35/05 and 100/08), as well as the person submitting a request for voluntary registration in accordance with Article 44 . and Article 61 of the VAT Law, along with the application, in the photocopy of the presentation of the original or a certified photocopy, the following documentation:

a) legal person:

- 1) the decision on registration in the court register for all types of VAT registration;
- 2) the certificate or certificate of registration from the competent tax administration of the entity or the Brčko District of BiH;
- 3) identity card of the owners and responsible persons of the legal entity, the applicant;
- 4) a permit for work and registration of residence, issued by the competent authorities of the entity or Brčko District in BiH for the responsible person - a foreign citizen;
- 5) power of attorney authorizing a citizen of BiH to represent a taxpayer in proceedings with the ITA, in case of absence of a responsible person - a foreign citizen;
- 6) Passport for the owner and responsible person - foreign citizen and
- 7) a card of deposited signatures certified by a commercial bank with a transaction account open (for all open transaction accounts)

b) natural person-entrepreneur and natural person - a citizen:

- 1) the decision / approval of the competent administrative body on the performance of the activity, except for the natural person-citizen who wishes to register for VAT in accordance with the provisions of Article 44, paragraph 6, Article 61 and Article 57, paragraph 12 of the VAT Act -u; , (Official Gazette of BiH No. 9/05, 35/05 and 100/08)

- 2) applicant's identity card;
- 3) certificate of registration from the competent tax administration of the Entity or the Brčko District of BiH, (except for a natural person - citizens who want to voluntarily register for VAT in the sense of the provisions of Article 44, paragraph 6, Article 61 and Article 57 (12) of the VAT Law, (Official Gazette of BiH No. 9/05, 35/05 and 100/08));
- 4) a card of deposited signatures certified by the commercial bank with which the transaction account is open (for all open transaction accounts);
- 5) a permit for work and registration of residence, issued by the competent authorities of the entity or Brčko District in BiH and a passport for a natural person-entrepreneur, a foreign citizen

c) depending on the type of registration, with the application for registration for VAT, the person shall also provide:

- 1) proof of acquiring the right to dispose of goods, for cases of registration of entities (Article 57 paragraph (12) of the VAT Law, (Official Gazette of BiH No. 9/05, 35/05 and 100/08);
- 2) the last balance sheet of the related parties or the consolidated income statement for cases of joint registration of persons (Article 59 of the Law on VAT, (Official Gazette of BiH No. 9/05, 35/05 and 100/08);
- 3) lease contract, for registration of a person under Article 61, paragraphs (1), (2), (3) and (6) of the VAT Act;
- 4) property possession certificate issued by the competent authority of the entity or Brčko District of BiH, for registration pursuant to Article 61, paragraphs (1) and (4) of the VAT Act, (Official Gazette of BiH, No. 9/05, 35/05 and 100/08);
- 5) the certificate of the competent authority that the applicant is engaged in agricultural processing of the property, for registration of a person under Article 61, paragraph (1) of the VAT Law, (Official Gazette of BiH No. 9/05, 35/05 and 100/08);
- 6) the written consent of the lessee, for voluntary registration for VAT on already established leases, for registration of a person under Article 61, paragraph (3) of the VAT Law, (Official Gazette of BiH No. 9/05, 35/05 and 100/08);
- 7) contract for the purchase of an object, for registration of a person under Article 61, paragraph (4) of the VAT Law; , (Official Gazette of BiH No. 9/05, 35/05 and 100/08)
- 8) contract for the construction of a facility, and for the registration of a person under Article 61, paragraphs (4) and (6) of the VAT Law, (Official Gazette of BiH, No. 9/05, 35/05 and 100/08)

d) For registration under Article 60 of the VAT Law:

- 1) a contract on representation with a tax representative and a power of attorney with data on the name, identification number and place of residence, or place of performing the activity of a tax attorney having a permanent seat in BiH;
- 2) a contract or other document as evidence that it performs taxable turnover in the territory of BiH;
- 3) documents on entry in the registry of the domicile competent authority, officially translated into one of the official languages in BiH;
- 4) identity card of the owners and responsible persons of the tax attorney;
- 5) a permit for work and registration of residence, issued by the competent authorities of the entity or Brčko District of BiH for the responsible person of the tax attorney - a foreign citizen;
- 6) passport for the owner and responsible person of the tax proxy - the territory of the citizens and

7) a card of deposited signatures certified by a commercial bank with a special transaction account for a tax representative of a person without a head office in BiH, through which transactions related to the business transactions of the BH market (for all open transaction accounts) will be made.

According to Article 13 of the Rulebook on Registration and Registration in the Single Register of Indirect Taxes ("Official Gazette of BiH", No. 51/12)

The documentation submitted for registration for the performance of foreign trade operations, ie the registered person in BiH performing foreign trade operations, along with the application for registration, shall be submitted as the photocopy with the presentation of the original or certified photocopy the following documentation:

- a) for legal entities - the decision of the competent court, and for other persons the decision of another competent body, for the performance of the activity of foreign trade;
- b) certificate of registration from the competent tax administration of the Entity or the Brčko District of BiH;
- c) a card of deposited signatures certified by a commercial bank with a transaction account open (for all open transaction accounts);
- d) Identity card of the owners and responsible persons of the legal entity, the applicant;
- e) work permit and registration of residence, issued by the competent authorities of the entity or Brčko District of BiH for the responsible person-foreign citizen;
- f) a passport for the owner and a responsible person - a foreign citizen;
- g) power of attorney authorizing a BiH citizen to represent a taxpayer in proceedings with the Indirect Taxation Authority, in the case of the absence of a responsible person - a foreign citizen.