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FOREWORD

Legislative activity in Kosovo in recent years has resulted in the adoption of numerous laws – pieces of primary legislation by the Kosovo Parliament, which have an impact in many areas of our daily life. The accessibility of primary legal acts is one of the preconditions for the establishment of the rule of law in Kosovo.

Moreover, a lack of legal literature prompted the GIZ Legal Reform Project to take the initiative in preparation of the first edition of the law compilation in 2009 and finally published in 2012.

In response to the questionnaire disseminated to the legal community the results were very positive. All the respondents appreciated the work GIZ- Legal Reform Project by publishing the compilations of laws. In addition, because of the dynamic development of the legislations the respondents suggested to publish the new edition of the updated set of the law compilations.

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, on behalf of the German Federal Ministry for Cooperation and Economic Development (BMZ) and in cooperation with Ibrahimaga Osmani Tigani (I.O.T) Law Firm, aiming to improve the situation with legal publications in Kosovo and providing the legal community with the effective working tool, has the pleasure of presenting the second edition of Compilation of Applicable Laws in Kosovo.

In these compilations you can find all respective laws with amendments and additions up to the date of publication of compilations.

Users may use legal texts from the compilations, as applicable versions without having the need to search for other legal texts. Legislation included in these compilations refers to the original source of law, title and the number of the law, and the date of publication in the Official Gazette of the Republic of Kosovo.

Compilation is divided in four main areas: Civil, Criminal, Administrative, and Commercial - Administrative law. For the easier reference, each of these areas is divided in sub-areas, part of the volume of the respective area.

Laws are compiled in 7 books organized by areas:

Compilation of laws in administrative area I divided in three volumes with the following content:

Volume I Legislation: State interests, Public order and security, Human rights, Civil status, Environment and construction;

Volume II Legislation: Healthcare, Work and social, Economy and Industry, Public administration, Justice, Local government;

Volume III Legislation: Media and publishing, Foreign and humanitarian affairs, Culture and sport, Communication, Education and Science, Inspectorates and International Conventions.

Compilation of laws in civil area has one volume with the following content: Systemic civil law, Procedural laws and Non- contentious procedural laws.

Compilation of criminal laws has one volume with the following content: Material laws and procedural laws.

Compilation of economic laws is divided in two volumes:

Volume I Legislation: Trade and Industry sector, Companies, Privatization, Concessions and other forms of investment, Industrial property sector, Publishing activities, Agricultural, Livestock, Waters, Forestry, Fisheries, Beekeeping and Hunting sector;

Volume II Legislation: Energy and Mines sector, banking and Finance sector, Tax and Customs Legislation, International Agreements on economic development, Public finances and Audit.

These compilations are available in printed version in Albanian language, whereas version in English and Serbian are available on CD-ROM.

GIZ – Legal Reform Project in Kosovo wishes to thank Ibrahimaga Osmani Tigani Law Firm and all their associates who assisted in this work, with hope that this and future publications of compilations will facilitate use of applicable laws to legal professionals (in their respective duties), and will enable to citizens to easily find a law of their interest.

Volkmar Theobald

Project Manager

Legal Reform Project - GIZ

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

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FRAMEWORK LAWS

LAW No. 04/L-077
ON OBLIGATIONAL RELATIONSHIPS

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Assembly of Republic of Kosovo,

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

Approves

LAW ON OBLIGATIONAL RELATIONSHIPS

BOOK 1 GENERAL PROVISIONS

PART I BASIC PRINCIPLES

Article 1 Application of present Law

1. The present Law contains the basic principles and general rules for all obligational relationships.
2. The provisions of the present Law shall apply to obligational relationships regulated by other acts of law regarding matters not regulated in such acts.

Article 2 Autonomy of the will

1. Participants in obligational relationships, in accordance with binding provisions, public order and good custom, are free to regulate their relations according to their will.
2. Participants may regulate their relations differently from what is provided by the present law, unless the provisions of the present law do not provide otherwise in the meaning and purpose of the law.

Article 3 Equality of participants in obligational relationships

Participants in obligational relationships shall be equal.

Article 4 Principle of conscientiousness and fairness

1. When concluding obligational relationships and when exercising the rights and performing the obligations deriving from such relationships the participants must observe the principle of conscientiousness and fairness.
2. Participants in obligational relationships must act in accordance with good business custom in their transactions. Participants may not exclude or restrict this obligation.

Article 5
Due diligence

1. During the fulfillment of their obligations, the parties to obligation relations have the duty to act with due diligence required in legal turnover (consider circulation) of the specific type of obligational relationship (prudence of a good head of family or the care of a good economist).
2. During the fulfillment of obligations that derive from their professional activity, the parties to obligation relations have the duty to act with enhanced diligence, according to the rules and practices of the profession (prudence of a good expert).

Article 6
Prohibition of misuse of rights

1. The rights deriving from obligational relationships shall be performed in accordance with the basic principles of the present Law and their purpose.
2. When exercising their rights participants in an obligational relationship must refrain from action by which the performance of the obligations of other participants would be rendered more difficult.
3. Any action by which the holder of a right acts with the sole or clear intention of harming another shall be deemed as misuse of the right.

Article 7
Principle of equal consideration

1. When concluding bilateral contracts the participants shall proceed from the principle of equal mutual consideration.
2. The law shall set out the cases in which infringement of this principle shall have legal consequences.

Article 8
Duty to perform obligations

1. Participants in an obligational relationship shall be obliged to perform their obligations and shall be liable for the performance thereof.
2. An obligation may be discharged only with the willful consent of the participants in the obligational relationship or pursuant to the law.

Article 9
Prohibition on causing of damage

Each person shall be obliged to refrain from action by which damage could be caused to another.

Article 10
Amicable settlement of disputes

Participants in an obligational relationship must endeavour to resolve disputes by negotiation, mediation or in any other way with conciliation of participants.

Article 11
Business customs, usages and practice

The business customs, usages and practice established between parties shall be taken into consideration in the assessment of the behaviour required and effects thereof in the obligational relationships of commercial entities.

Article 12
Commercial contracts

1. The provisions of the present Law shall apply to all types of contract, unless expressly stipulated otherwise within this Law.
2. Commercial contracts are contracts concluded by commercial entities among themselves.
3. Commercial entities established with the Law and other legal persons that perform lucrative activities shall be deemed commercial entities in the sense of the present Law.
4. Other legal persons shall be deemed commercial entities in the sense of the present Law when in accordance with legal provisions they are occasionally or during their primary activities involved in lucrative activities, if it is a matter of a contract in connection with such lucrative activities.

Article 13
Other legal transactions

The meaning of the provisions of the present Law relating to contracts shall also apply to other legal transactions.

Article 14
Analogous application of the law

For relations for which the present law does not have any particular provision, provisions of similar legal relations shall apply mutadis mutandis and in absence of such provisions the principles that derive from the basis of legal order and good custom shall apply.

**PART II
ORIGIN OF OBLIGATION**

**CHAPTER 1
CONTRACTS**

**SUB-CHAPTER 1
CONCLUSION OF CONTRACT**

I. CONSENSUS OF INTENTIONS

**Article 15
Concluding a contract**

A contract shall be deemed concluded when the contracting parties agree upon essential elements of the contract.

**Article 16
Misunderstanding**

If the parties are convinced that they agree but there has actually been a misunderstanding between them as to the essential elements of the contract, the contract shall be deemed not to have been concluded.

**Article 17
Mandatory conclusion and mandatory content of contract**

1. Whoever according to the law is obliged to conclude a contract, a person with a legitimate interest may demand that such a contract be concluded without delay.
2. The provisions of regulations by which the content of contracts is defined in part or in full shall be a constituent part of such contracts and shall supplement or replace contractual provisions that are not in accordance with them.

**Article 18
Declaration of intention**

1. The intention to conclude a contract may be declared through words, customary signs or any other action from which it can reliably be concluded that the intention exists.
2. The declaration of intention must be free and genuine.

**Article 19
Consent**

1. If the approval of a third party is required for the conclusion of a contract such may be given prior to conclusion as permission or after conclusion, as an approval, unless stipulated otherwise by law.

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2. The permission or approval must be given in the form prescribed for the contract for which it is being given.

Article 20 Negotiations

1. Negotiations prior to the conclusion of a contract shall not be binding and may be terminated by either of the parties whenever the party so desires.
2. A party that has negotiated without the intent of concluding a contract shall be liable for any damage caused during negotiations.
3. A party that negotiated with the intent of concluding a contract but abandons the intent without justifiable grounds thus inflicting damage on the other party shall also be liable for such damage.
4. If the parties otherwise fail to reach agreement the parties shall each bear their own costs for the preparations for concluding the contract, and shall bear the joint costs in equal parts.

Article 21 Time and place of contract concluded

1. A contract is concluded when the offeror receives a declaration from the offeree that the offer has been accepted.
2. The contract shall be deemed to have been concluded at the place where the offeror had its head office or his/her place of residence at the moment the offer was made.

Article 22 Offer

1. An offer is a proposal made to a specific person for the conclusion of a contract and contains all the essence of the contract, such that through the acceptance thereof a contract could be concluded.
2. If after reaching agreement on the essence of the contract the contracting parties defer any accessory points, the contract shall be deemed to have been concluded, while if the contracting parties fail to reach agreement themselves on the accessory points they shall be regulated by the court, which in so doing shall take into consideration the previous negotiations, the practice established between the parties, and custom.
3. A proposal addressed to an indeterminate number of persons that contains the essence of a contract shall be deemed an invitation to submit offers unless it follows otherwise from the circumstances.

Article 23 Display of goods

The display of goods labeled with a price shall be deemed an offer, unless it follows otherwise from the circumstances or from custom.

Article 24
Catalogues and advertisements

1. Catalogues, price lists, tariffs and other notices that are sent and advertisements in the press, on flyers, on the radio, on television or elsewhere shall not be deemed offers for the conclusion of a contract, but merely invitations to make an offer under the conditions published.
2. However, any sender of such invitations that does not accept an offer without justifiable grounds shall be liable for any damage incurred by the offeror.

Article 25
Effect of offer and withdrawal

1. The offeror shall be bound by an offer, unless the offeror excluded the obligation to adhere to the offer or if such an exclusion follows from the circumstances of the transaction.
2. The offeror may only withdraw an offer if the addressee receives the withdrawal before receiving the offer or at the same time as receiving the offer.

Article 26
Binding offer

1. An offer in which the deadline by which it must be accepted is stipulated shall be binding for the offeror until such deadline passes.
2. A period for acceptance set by the offeror in a telegram or letter shall begin on the day indicated in the letter, or if there is no date indicated in the letter from the date on the envelope or from the day the telegram was delivered to the post office. A period for acceptance set by the offeror by telephone, telex or any other direct means of communication shall begin at the moment the addressee receives the offer.
3. An offer given to a person in absentia in which a deadline for acceptance is not stipulated shall be binding for the offeror for the time usually required for the offer to reach such person so it may be studied and decided upon, and for the response to reach the offeror.
4. The offer which is made to the present person (direct offer), in which no deadline for acceptance of offer is set, shall be considered refused if it has not been accepted immediately, unless the circumstances provide that the offeree needs time to review the offer.
5. The offer, which is made by phone or directly through a radio connection or through direct communication shall be considered to be an offer to the present person.
6. If the deadline stipulated for acceptance has not yet passed the offer shall cease to be valid when the offeror receives a declaration on the rejection thereof.

Article 27
Form of offer

1. An offer for the conclusion of a contract for which a special form is required by law shall be binding for the offeror only if submitted in such form.
2. This shall also apply to the acceptance of the offer.

Article 28
Acceptance of offer

1. An offer is accepted when the offeror receives a declaration by the addressee that the latter accepts the offer.
2. An offer shall also be deemed to have been accepted if the addressee sends material, pays the price or does anything else that on the basis of the offer, the practice established between the parties, or custom can be deemed to be a declaration of acceptance.
3. Acceptance of an offer may be withdrawn if the offeror receives the declaration of withdrawal before receiving the declaration of acceptance or at the same time as receiving the declaration of acceptance.

Article 29
Acceptance of offer with suggested alteration

1. If the response to an offer expresses acceptance but at the same time suggests that something therein be altered or supplemented, the addressee shall be deemed to have rejected the offer and to have made a different offer to the former offeror.
2. A response to an offer that expresses acceptance but contains additions or alterations that do not essentially change the offer shall entail acceptance, unless the offeror immediately objects. If the offeror fails to act thus the contract shall be concluded in accordance with the content of the offer with the alterations stated in the declaration of acceptance.
3. Additions and alterations that relate to the price of, payment for, quality and quantity of goods, the place and time of submission, the extent of one party's obligations in comparison with the other or the resolution of disputes shall be deemed to essentially change an offer.

Article 30
Addressee's silence

1. The addressee's remaining silent shall not be construed acceptance of the offer.
2. Any provision in an offer whereby the silence of the addressee or any other omission thereby (e.g. if the addressee fails to reject the offer in the period stipulated or if the sent material for which the offer was made is not returned in the time specified) will apply as acceptance of the offer shall be without effect.
3. However if in respect of specific goods the addressee is in a constant commercial link with the offeror an offer relating to such goods shall be deemed to have been accepted if it is not rejected immediately or within the period stipulated.

4. Those that propose to another person that they perform specific transactions according to the latter's orders and those among whose activities the performance of such orders belongs must perform an order received, if it is not immediately rejected.
5. If the addressee in the case specified in the previous paragraph did not reject the offer or order the contract shall be deemed to have been concluded when the offer or order was received.

Article 31

Delayed acceptance and delayed delivery of declaration of acceptance

1. An offer accepted with a delay shall be deemed a new offer by the addressee, unless the offeror immediately notifies the former that the contract is concluded according to the first offer.
2. If it is clear from the document that contains the delayed acceptance that it was sent in circumstances such that the offeror would have received it on time had it been transferred ordinarily the contract shall be deemed to have been concluded, unless the offeror immediately notifies the addressee that the offer is not felt to be binding owing to the delay.

Article 32

Death or incapacity of one party

An offer shall not lose effect if the death or incapacity of one party occurs before it is accepted, unless the contrary follows from the parties' intentions, custom or the nature of the transaction.

Article 33

Precontract

1. A precontract is a contract by which an obligation to subsequently conclude a different, main contract is accepted.
2. Provisions on the form of the main contract shall also apply to precontracts if the prescribed form is a condition for the validity of the contract.
3. A precontract shall be binding if it contains the essence of the main contract.
4. At the request of the party concerned the court shall instruct the other party, if the latter does not wish to conclude the main contract, to do so by a deadline stipulated by the court.
5. The conclusion of the main contract may be demanded within six (6) months of the passing of the deadline set for the conclusion thereof of the day it was to have been concluded according to the nature of the transaction and the circumstances if such a deadline was not stipulated.
6. A pre-contract shall not be binding if since it was concluded the circumstances have altered such that it would not have been concluded had the circumstances been such at the time.

II. SUBJECT

Article 34 Subject of contractual obligation

1. A contractual obligation may be such that someone provides, acts, in-acts or endures something.
2. It must be possible, permissible and specific respectively specifiable.

Article 35 Null contract

A contract shall be null and void if the subject of the obligation is absolutely impossible, impermissible, unspecific or un-specifiable.

Article 36 Subsequent possibility

A contract concluded with a suspensive condition or deadline shall be valid if the subject of the obligation, having initially been impossible, becomes possible before the condition is completed or before the deadline passes.

Article 37 When subject of obligation is impermissible

The subject of an obligation shall be deemed impermissible if it contravenes provisions of the public order, compulsory regulations or moral principles.

Article 38 When subject is specifiable

1. The subject of an obligation shall be deemed specifiable if the contract contains information with which it is possible to specify the subject, or if the parties have left it to a third person to specify the subject.
2. If such third person does not wish to or cannot specify the subject of the obligation the contract shall be absolutely null and void.

III. BASIS

Article 39 Permissible basis

1. Each contractual obligation must have a permissible basis (grounds).
2. The basis shall be deemed impermissible if it contravenes provisions of the public order, compulsory regulations or moral principles.
3. It shall be presumed that an obligation has a basis, even if such is not expressed.
4. If there is no basis or the basis is impermissible the contract shall be null and absolutely void.

Article 40
Motives for concluding contract

1. The motives out of which a contract is concluded shall not affect its validity.
2. If an impermissible motive had a significant effect on the decision by one of the contracting parties to conclude the contract and the other contracting party knew or should have known of such the contract shall be null and void.
3. A gratuitous contract shall also be null and void when the contracting party did not know that an impermissible motive had a significant effect on the decision by the other contracting party.

IV. CAPACITY

Article 41
Contract by person without legal capacity

1. A contracting party must have the capacity to contract required for the conclusion of the contract for the contract to be valid.
2. Without the permission of their personal representative persons with limited capacity to contract may only conclude those contracts the law permits them to conclude.
3. Other contracts by such persons shall be challengeable if concluded without the permission of the personal representative but may remain valid if subsequently approved by such.

Article 42
Right of fellow contracting party of person with incapacity to contract

1. A fellow contracting party of a person with incapacity to contract that did not know of the latter's incapacity to contract may withdraw from a contract concluded therewith without the permission of the latter's personal representative.
2. A fellow contracting party of a person with incapacity to contract that did know of the latter's incapacity to contract but was misled into believing the latter's personal representative had given permission shall have the same right.
3. This right shall expire thirty (30) days after the fellow contracting party learns of the other party's incapacity to contract or learns that the latter's personal representative has not given permission, or before if the personal representative approves the contract before this deadline passes.

Article 43
Invitation of personal representative to make a declaration

1. A fellow contracting party of a person with incapacity to contract that has concluded a contract with the latter without the permission of the latter's personal representative may request the personal representative to pronounce whether the contract is approved thereby.

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2. If the personal representative fails to pronounce the contract to be approved thereby within thirty (30) days of such a request the approval shall be deemed not to have been given.

Article 44

If contracting party acquires capacity to contract after conclusion of contract

A person with capacity to contract may request the annulment of a contract concluded thereby without the necessary permission during a time of limited capacity to contract, but only if such person files a suit within three (3) months of acquiring full capacity to contract.

V. DEFECTIVE WILL

Article 45

Threat

1. If via an impermissible threat a contracting party or a third person causes justifiable fear on the part of the other party such that the latter concluded the contract for this reason the other party may request the annulment of the contract.
2. A fear shall be deemed justifiable if it appears from the circumstances that there is a serious threat of danger to the life or to the physical or other well-being of the contracting party or anyone else.

Article 46

Significant mistake

1. A mistake shall be deemed significant if it relates to the essential characteristics of the subject, to a person with whom a contract is being concluded if it is being concluded in respect of such person, or to circumstances that according to the custom in the transaction or according to the intention of the parties are deemed to be decisive, as otherwise the mistaken party would not have concluded the contract with such content.
2. The mistaken party may request the annulment of the contract for reason of a significant mistake, unless in concluding the contract the party failed to act with the diligence required in the transaction.
3. If a contract is annulled for reason of a mistake the party that acted in good faith shall have the right to demand reimbursement for damage incurred for this reason.
4. The mistaken party may not make reference to the mistake if the other party is prepared to perform the contract as if there had been no mistake.

Article 47

Mistake in motive for gratuitous contract

For a gratuitous contract a mistake in the motive that was decisive in the acceptance of the obligation shall also be deemed a significant mistake.

Article 48
Indirect declaration

A mistake by the person according to whom the party declared its intention shall be deemed equivalent to a mistake in the party's own declaration of intention.

Article 49
Fraud

1. If one party causes the other party to be mistaken or keeps the other party mistaken for the purpose of leading the latter to conclude a contract, the other party may request the annulment of the contract even when the mistake is not significant.
2. A party that was deceived in concluding the contract shall have the right to demand the reimbursement of any damage that incurs.
3. Deceit enacted by a third person shall only affect a contract if the other contracting party knew or should have known there of when the contract was concluded.
4. A gratuitous contract may also be annulled if the deceit was enacted by a third person, irrespective of whether the other contracting party knew or should have known thereof when the contract was concluded.

Article 50
Sham contract

1. A sham contract shall have no effect between the contracting parties.
2. If a sham contract conceals any other contract the latter shall be valid if the conditions for its legal validity are fulfilled.
3. It shall not be possible to apply the sham nature of a contract in respect of a third person.

VI. FORM OF CONTRACT

Article 51
Informality of contract

1. No particular form shall be required for the conclusion of a contract, unless stipulated otherwise by law.
2. Determination by law, to conclude the contract in a specific form shall also apply to all subsequent amendments thereof or additions thereto.
3. However, subsequent verbal additions to accessory points about which the formal contract makes no mention shall be valid if not in contravention of the purpose for which the form was prescribed.
4. Subsequent verbal agreements to reduce or alleviate the obligation of either of the parties shall also be valid if the special form is prescribed solely in the interest of the contracting parties.

Article 52
Form of contract on transfer of title to real estate

A contract pursuant to which the title to real estate is transferred or through which another material right is established on real estate must be concluded in written form.

Article 53
Rescission of formal contracts by agreement

It shall be possible to rescind formal contracts through an informal agreement, unless otherwise envisaged by law for the specific case or unless the purpose owing to which a form is prescribed for the conclusion of the contract requires the same form for the rescission of the contract.

Article 54
Agreed form

1. The contracting parties may agree that a specific form should be a condition for the validity of their contract.
2. It shall also be possible to rescind, supplement or otherwise alter a contract for which a specific form was agreed through an informal agreement.
3. If the contracting parties agreed upon a specific form solely in order to ensure there was proof of the conclusion or content of the contract or to achieve anything else, the contract shall be concluded when consensus on its content is reached, while at the same time the obligation on the part of the contracting parties to give the contract its agreed form shall arise.

Article 55
Sanction for lack of necessary form

1. A contract not concluded in the prescribed form has no legal effect, unless it follows otherwise from the purpose of provision by which the form is specified.
2. A contract not concluded in the agreed form has no legal effect if the parties agreed that the special form would be a condition for the validity thereof.

Article 56
Doubts over completeness of document

1. If a contract is concluded in a special form either pursuant to law or at the will of the parties only that which is expressed in such form shall apply.
2. However, simultaneous verbal agreements on accessory points about which nothing is mentioned in the formal contract shall be valid if not in contravention of the content thereof or in contravention of the purpose for which the form is prescribed.
3. Subsequent simultaneous verbal agreements to reduce or alleviate the obligation of either or both of the parties shall also be valid if the special form is prescribed solely in the interest of the contracting parties.

Article 57
Drafting of document

1. When the drafting of a document is required to enter into a contract, the contract is considered entered into when the document is signed by all parties obliged by it.
2. A contracting party who does not know to write on his own (illiterate) shall sign by placing his fingerprint on the document, to be verified by two witnesses, the court, or another authoritative institution.
3. To enter into a two-party contract, it is sufficient that both parties sign a document, or that each party signs a copy of a document destined for the other party.
4. The requirement of written form is met if the parties exchange letters or agree through other means that enable both the content and the person who made the statement(s) be established with certainty.
5. If the law does not provide otherwise, the form in writing may be replaced by electronic means, for which the provisions of the special law shall apply.

Article 58
If performed contract deficient in form was valid

A contract for which the written form is required shall be valid even if not concluded in this form if the contracting parties fully or partly perform the obligations arising there from, unless it clearly follows otherwise from the purpose for which the form was prescribed.

VII. CONDITIONS

Article 59
Conditions and effect thereof

1. A contract shall be deemed to have been concluded under a condition if its initiation or termination is dependent on an uncertain factor.
2. If a contract is concluded under a suspensive condition and the condition is fulfilled the contract shall take effect from the moment of conclusion, unless it follows otherwise from law, the nature of the transaction or the parties' intention.
3. If a contract is concluded under a dissolving condition the contract shall cease to be valid if the condition is fulfilled.
4. A condition shall be deemed to have been fulfilled if in contravention of the principle of conscientiousness and fairness the party upon whom the burden was defined prevents it from being realized, and shall be deemed not to have been fulfilled if in contravention of the principle of conscientiousness and fairness the party for whom the benefit was defined causes it to be realized.

Article 60
Retroactive effect

If according to the content of the contract, the consequences that are created with the fulfillment of condition have an effect from an earlier period, in the event of the

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fulfillment of the present condition, participants are obliged to enable to each other what has been enabled to them, also as if the consequences have arisen at an earlier moment.

Article 61
Impermissible or impossible condition

1. A contract in which a suspensive or dissolving condition is set that is in contravention to the public order, compulsory regulations or moral principles shall be null and void.
2. A contract concluded under an impossible suspensive condition shall be null and void; an impossible dissolving condition shall be deemed non-existent.

Article 62
Securing of conditioned right

If a contract is concluded under a suspensive condition the creditor whose right is conditioned may request appropriate securing of the right, if the exercise thereof is endangered.

Article 63
Protection of conditional right

1. The beneficiary of the legal affair concluded under the delayed condition, may in the event of the fulfillment of the condition seek the compensation of damage from the other party if before the fulfillment of condition with his fault he has prevented or limited the realization of the right deriving from this condition.
2. In case of the contract entered into under the termination condition, he/she in favor of whom the previous legal situation is restored enjoys the same right.

Article 64
Invalidity of availability during the duration of the condition

1. If someone has in his availability the object under the delayed condition, then every other availability which is assumed before the fulfillment of a condition becomes null and void at the moment of the fulfillment of condition, as far as the availability will prevent or damage the realization of the purpose deriving from that condition.
2. The same applies to the termination condition for the availability, which ceases for the fulfillment of this condition.
3. Provisions on the protection of rights of third persons in bona fide are applied mutadis mutandis.

VIII. DEADLINE

Article 65 Calculation of time

1. A deadline stipulated in days shall be counted from the first day after the development from which it is counted, and shall pass at the end of the last day.
2. A deadline stipulated in weeks, months or years shall pass on the day that corresponds in terms of name and number to the day the development from which the deadline is counted arose; if there is no such day in the final month it shall pass on the final day of the month.
3. If the final day coincides with a holiday under the law the next working day shall be deemed the final day.
4. The beginning of the month shall indicate the first day of the month, the middle of the month the fifteenth (15th) of the month, and the end of the month the final day of the month, unless it follows otherwise from the intention of the parties, from the nature of the contractual relationship or from custom.

Article 66 Application of rules on conditions

If a contract is to take effect at a specific time the sense of the rules on a suspensive condition shall apply; if a contract is to cease to be valid after a specific period the sense of the rules on a dissolving condition shall apply.

IX. EARNEST AND WITHDRAWAL MONEY

1. EARNEST

Article 67 Return and inclusion of earnest

1. If upon the conclusion of a contract one party gives the other party a sum of money or a net quantity of other compensatory material as a sign that the contract has been concluded (earnest), the contract shall be deemed to have been concluded when the earnest is provided, unless agreed otherwise.
2. During the performance of the contract the earnest must be returned or included in the performance of obligations.
3. Unless agreed otherwise a party that provides earnest may not withdraw from the contract by leaving the earnest for the other party; neither shall the other party be able to do such by returning double the earnest.

Article 68 Non-performance of contract

1. If the party that provided earnest is responsible for the non-performance of a contract the other party may based on its will to demand the performance of the contract if

- possible and the reimbursement of damage with the earnest counting towards the compensation or being returned, or to be satisfied with the earnest received.
2. If the party that received the earnest is responsible for the non-performance of a contract the other party may choose to demand the performance of the contract if possible, the reimbursement of damage and the return of the earnest, or the return of double the earnest.
 3. When the other party demands the performance of the contract the party shall at all times have the right to reimbursement of damage incurred because of the delay.
 4. The court may reduce an excessively large earnest at the request of an interested party.

Article 69
Part performance of obligations

1. In the part performance of obligations the creditor may not retain the earnest, but may demand either the performance of the remainder of the obligations and the reimbursement of damage owing to the delay, or the reimbursement of damage owing to incomplete performance, but in both cases shall count the earnest towards the compensation.
2. If the creditor withdraws from the contract and returns that which was received as part performance the creditor may choose among the other claims pertaining to a party if the contract remains unperformed for reasons on the part of the other party.

2. WITHDRAWAL MONEY

Article 70
Role of withdrawal money

1. The contracting parties may agree that one or both of them has the right to withdraw from the contract if withdrawal money is provided.
2. If a party that has the right to withdraw from a contract (entitled party) declares to the other party that the withdrawal money will be provided the former may no longer demand the performance of the contract.
3. The entitled party that has the right to withdraw from a contract must provide the withdrawal money at the same time as declaring the withdrawal.
4. If the contracting parties have not stipulated until when the entitled party may exercise the right to withdraw from the contract such may be done at any time until the time stipulated for the performance of the obligations.
5. The right to withdraw from a contract shall expire if the entitled party begins to perform the contractual obligations or to accept performance by the other party.

Article 71
Earnest as withdrawal money

1. If when earnest was deposited the right to withdraw from the contract was agreed the earnest shall be deemed to be withdrawal money and each party may withdraw from the contract.

2. If in this case the party that deposited the earnest withdraws such party shall forfeit the earnest; if the party that received the earnest withdraws such party must return double the earnest.

SUB-CHAPTER 2 REPRESENTATION

I. REPRESENTATION IN GENERAL

Article 72

Possibility of representation

1. Contracts and other legal transactions may be concluded via a representative.
2. The entitlement to representation shall be based on the law, on other legal acts and on the declaration of intention by the person represented (authorization).

Article 73

Effects of representation

1. A contract concluded by a representative on behalf of a represented person and within the limits of the representative's authorizations shall be immediately binding for the represented person and the other contracting party.
2. Other legal actions by the representative shall have immediate legal effect for the represented person under equal conditions.
3. The representative must notify the other party regarding the representative's appearance on behalf of the represented person; however the contract shall also have legal effect for the represented person and the other party if the representative fails to do so if the other party knew or should have known from the circumstances that the representative was appearing as a representative.

Article 74

Transfer of authorizations

1. Representative may not transfer his authorizations to another person unless permitted to do so by law or by contract.
2. In exceptional cases they may do so if circumstances prevent them from conducting a transaction in person and the interests of the represented person demand that the transaction be conducted without delay.

Article 75

Transgression of authorizations

1. If a representative exceeds the authorizations the represented person shall only be bound insofar as the latter approves the transgression.
2. If the represented person fails to approve the contract within the period customarily required for a contract to be studied and assessed approval shall be deemed not to have been given.

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3. The approval specified in the previous paragraph shall have retrospective effect unless the parties stipulate otherwise.
4. If the other party did not know and was not obliged to know about the transgression of authorizations, upon learning of them such party may immediately declare that the contract is not felt to be binding without waiting for the represented person to say anything on the matter.
5. If the represented person does not wish to approve the contract the representative and the represented person shall be jointly and severally liable for damage incurred by the other party if it did not know and was not obliged to know about the transgression of authorizations.

Article 76
Contract concluded by unauthorized person

1. A contract concluded by a person as an authorized person on behalf of another without the latter's authorization shall be binding for the person represented without authorization only if subsequently approved thereby.
2. The party with whom the contract was concluded may request that the person represented without authorization pronounce whether the contract is approved thereby by a suitable deadline.
3. If the person represented without authorization fails to approve the contract by the deadline stipulated the contract shall be deemed never to have been concluded.
4. In this case the party with whom the contract was concluded may demand reimbursement for damage from the person that concluded the contract as an authorized person without authorization if the former did not know and was not obliged to know that the latter did not hold the authorization.

II. ADDITIONAL PROVISIONS REGARDING THE AUTHORIZATION

Article 77
Process of authorization

1. An authorization is the entitlement to act as representative conferred upon the authorized person by the authorizer via a legal transaction.
2. The existence and extent of an authorization shall be dependent on the legal relationship upon which it is based.
3. Legal persons may also be authorized persons.

Article 78
Specific form of authorization

The form prescribed by law for a specific contract or any other legal transaction shall also apply to the authorization for concluding such a contract or transaction.

Article 79
Extent of authorization

1. An authorized person shall only be allowed to conduct those legal transactions for which the authorization was given.
2. An authorized person that holds a general authorization shall only be allowed to conduct those legal transactions classed among ordinary business.
3. A transaction not falling within the sphere of regular business may be undertaken by the authorized person only after his being particularly authorized to undertake such transaction that is such kind of business transaction.
4. Without a special authorization for each individual case authorized persons may not assume an obligation under a bill of exchange, conclude a contract of surety, a contract on settlement, or a contract on the alienation or encumbrance of real estate, become involved in a dispute, conclude an arbitration agreement, or waive any right without recompense.

Article 80
Revocation and limitation of authorization

1. Authorizers may of their own volition narrow or revoke an authorization, even if such a right has been waived by contract.
2. The authorizer may revoke or narrow any authorization through a declaration of no special form.
3. If the revocation or narrowing of an authorization violates an order contract, a work contract or any other contract the authorized person shall have the right to reimbursement for any damage incurred.

Article 81
Effect of termination and narrowing of authorization in respect of third person

1. The revocation or narrowing of an authorization shall have no effect in respect of a third person that concluded a contract or conducted any other legal transaction with the authorized person and did not know and was not obliged to know that the authorization was revoked or narrowed.
2. In such a case the authorizer shall have the right to demand that the authorized person reimburse any damage incurred for this reason, unless the authorized person did not know and was not obliged to know that the authorization was revoked or narrowed.
3. This shall also apply in other cases of the termination of an authorization.

Article 82
Other cases of termination of authorization

1. Authorizations shall terminate with the winding-up of the authorized person if such is a legal person, unless stipulated otherwise by law.
2. Authorizations shall terminate with the death of the authorized person.

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3. Authorizations shall terminate with the winding-up or death of the person that issued it, unless the transaction embarked upon cannot be interrupted without damage to the legal successors or if the authorization also applies in the event of the death of the person that issued it, either according to such person's intention or with regard to the nature of the transaction.

III. COMMERCIAL AUTHORIZATION

Article 83

Employee authorization

Persons who on the basis of a contract with a company or sole trader perform work that requires the conclusion or performance of specific contracts, such as retailers in shops, persons that perform specific work in the catering and hospitality sector, and tellers at post offices and banks, shall thereby have the right to conclude and perform such contracts.

Article 84

Travelling sales representative's rights

1. A travelling sales representative for a company or sole trader shall only be authorized for those legal transactions relating to the sale of goods and cited in the authorization.
2. If it is not certain, a travelling sales representative shall be deemed not to have the right to conclude contracts, but merely to collect orders.
3. Travelling sales representatives authorized to conclude contracts on the sale of goods shall not be authorized to conclude contracts on credit or the acceptance of sales revenue, unless they hold a special authorization for credit sales or the acceptance of sales revenue.
4. Travelling sales representatives shall have the right to accept for the authorizer declarations regarding faults in goods and other declarations in connection with the performance of a contract concluded with their involvement, and to take measures on behalf of the authorizer necessary to preserving the authorizer's contractual rights.

SUB-CHAPTER 3

INTERPRETATION OF CONTRACTS

Article 85

Application of provisions and interpretation of disputed provisions

1. The provisions of a contract shall be applied as they read.
2. In the interpretation of disputed provisions it shall not be necessary to adhere to the literal meaning of the expressions used, but shall be necessary to identify the contracting parties' common intentions and interpret the provision so as to comply with the principles of obligation law set out in the present Law.

Article 86
Unclear provisions in special cases

If a contract was concluded using content printed in advance or the contract was otherwise prepared and proposed by one of the contracting parties it shall be necessary to interpret unclear provisions in favor of the other party.

Article 87
Supplementary rules

It shall be necessary to interpret unclear provisions in a gratuitous contract in terms of the meaning that is less of a burden for the debtor; it shall be necessary to interpret unclear provisions in a lucrative contract in such a sense that mutual performance is in the correct ratio.

Article 88
Extra-judicial interpretation of contracts

1. The contracting parties may stipulate that in the event of disagreement regarding the meaning and intention of contractual provisions interpretation of the contract shall fall to a third person.
2. Unless stipulated otherwise in the contract the parties may not in such a case initiate a dispute before a court or any other relevant authority without previously obtaining an interpretation, unless the third person does not wish to provide the interpretation.

SUB-CHAPTER 4
INVALIDITY OF CONTRACT

I. NULL AND VOID CONTRACT

Article 89
Nullity

1. A contract that contravenes the public order, compulsory regulations or moral principles shall be null and void if the purpose of the contravened rule does not assign any other sanction or if the law does not prescribe otherwise for the case in question.
2. If one party alone is prohibited from concluding a specific contract the contract shall remain in force unless stipulated otherwise by law for the case in question, while the party that infringed the legal prohibition shall bear the appropriate consequences.

Article 90
Consequences of nullity

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1. If a contract is null and void each contracting party must return everything to the other party that was received on the basis of the contract; if this is impossible or if return is prevented by the nature of that which was performed appropriate monetary compensation must be provided according to the prices at the time the court ruling was issued, unless stipulated otherwise by law.
2. If a contract is null and void because in terms of its content or purpose it contravenes fundamental moral principles the court may entirely or partly reject a claim by the dishonest party for the reimbursement of that provided to the other party; in ruling the court shall consider the extent to which one or both of the parties acted in good faith and the significance of the interests under threat.

Article 91 **Partial nullity**

1. The contract itself shall not be null and void owing to the nullity of any contractual provision if it can stand without the null provision and if the provision was not a contractual condition or a decisive motive for reason of which the contract was concluded.
2. Nevertheless a contract shall remain in force even when the null provision was a condition therefore or a decisive motive if the purpose of determining nullity is to rid the contract of the provision and it would be valid without it.

Article 92 **Conversion of invalid contract**

If a null and void contract fulfils the conditions for the validity of another contract the other contract shall apply between the contracting parties if in accordance with the purpose viewed by the contracting parties when they concluded the contract and if the contract can be deemed to have been concluded when they learnt of the nullity of their contract.

Article 93 **Subsequent cessation of grounds for nullity**

1. A null and void contract shall not become valid if the prohibition or other grounds for nullity later ceases.
2. If the prohibition is of minor significance and the contract was performed nullity may not be applied.

Article 94 **Liability of person culpable for nullity of contract**

The contracting party culpable for the conclusion of a null and void contract shall be liable to the other contracting party for damage incurred thereby because of the nullity of the contract if the latter did not know and was not obliged to know of the grounds for nullity.

Article 95
Application of nullity

The court shall attend to nullity as an official duty and any person concerned may make reference to it.

Article 96
Unlimited application of nullity

The right to apply nullity shall not expire.

II. CHALLENGEABLE CONTRACT

Article 97
A challengeable contract

A contract shall be challengeable if concluded by a party that has limited capacity to contract, if during conclusion there were errors regarding the parties' intention, or if so stipulated in the present Law or any other act of law.

Article 98
Annulment of contract

1. A contracting party in whose interest challenge ability is defined may request that the contract be annulled.
2. The other contracting party may request that the first contracting party declare, within a set period that may not be shorter than thirty (30) days, whether the latter is adhering to the contract, otherwise the contract shall be deemed to have been annulled.
3. If the related contracting party fails to declare or declares that such party is not adhering to the contract the contract shall be deemed to have been annulled.

Article 99
Consequences of annulment

1. It shall be necessary to return anything that was performed on the basis of a challengeable contract that was annulled; if this is impossible or if return is prevented by the nature of that which was performed appropriate monetary compensation must be provided.
2. Monetary compensation shall be provided according to the prices at the time of return or at the time the court ruling was issued.

Article 100
Liability for annulment of contract

The contracting party that caused the challengeability shall be liable to the other contracting party for the damage incurred thereby owing to the annulment of the contract if the latter did not know and was not obliged to know of the grounds for the challengeability of the contract.

Article 101
Liability of person with limited capacity to contract

A person with limited capacity to contract shall be liable for the damage incurred in the annulment of the contract if a ruse was employed to convince the other contracting party that the former had the capacity to contract.

Article 102
Expiry of right

1. The right to request the annulment of a challengeable contract shall expire one year from the day the entitled person learnt of the grounds for challengeability, or one (1) year after the end of duress.
2. In any case this right shall expire three (3) years after the day the contract was concluded.

SUB-CHAPTER 5
BILATERAL CONTRACTS

I. LIABILITY FOR MATERIAL AND LEGAL ERRORS IN PERFORMANCE

Article 103
Liability for material and legal errors

1. In a bilateral contract each contracting party shall be liable for material errors in the party's own performance.
2. A contracting party shall also be liable for legal errors in performance, and must protect the other party against the rights and claims of third persons by which the party's right would be excluded or restricted.
3. The provisions of the present Law on the seller's liability for material and legal errors shall apply to these debtor's obligations, unless prescribed otherwise for the particular case.

II. OBJECTION TO NON-PERFORMANCE OF CONTRACT

Article 104

Rule of simultaneous performance

1. In bilateral contracts neither party shall be obliged to perform their own obligations if the other party is not simultaneously performing the latter's obligations or is unwilling to do so, unless agreed otherwise or stipulated otherwise by law, or unless it follows otherwise from the nature of the transaction.
2. If one party claims in court that such party was not obliged to perform the obligations until the other party performed the other party's obligations the court shall instruct the former to perform the obligations when the latter does so.

Article 105

If performance of obligations by one party is uncertain

1. If it is agreed that one party will perform such party's obligations first and after the contract is concluded the material circumstances of the other party deteriorate to the extent that it is uncertain that the latter will be able to perform the latter's obligations, or this is uncertain for other serious reasons, the party that undertook to perform the obligations first shall defer performance until the other party performs the other party's obligations or until the other party provides sufficient security that the obligations will be performed.
2. This shall also apply if the material circumstances of the other party were so serious before the contract was concluded and the other party did not know and was not obliged to know of such.
3. In such cases the party that undertook to perform the obligations first may request security by a suitable deadline; if the deadline is not met the party may withdraw from the contract.

III. TERMINATION OF CONTRACT OWING TO NON-PERFORMANCE

Article 106

Party's right if other party fails to perform obligations

If in a bilateral contract a party fails to perform such party's obligations and it is not stipulated otherwise the other party may demand the performance of the obligations or withdraw from the contract under the conditions set out in the following articles through an ordinary declaration if the contract is not rescinded by law alone. In any case the same is entitled to the indemnity.

Article 107

If performance on time is an essential component of the contract

1. If the performance of obligations by a specific deadline is an essential component of the contract and the debtor fails to perform them by the deadline the contract shall be rescinded by law alone.

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2. Nevertheless the creditor may retain the contract in force if after the deadline the creditor notifies the debtor without delay that performance of the contract is demanded.
3. A creditor that demands the performance of the contract and does not obtain it within a suitable period may withdraw from the contract.
4. These rules shall apply both if the contracting parties agreed that the contract would be deemed rescinded if not performed by a specific deadline and if the performance of the contract by a specific deadline is an essential component of the contract by the nature of the transaction.

Article 108

If performance on time is not an essential component of the contract

1. If the performance of obligations by a specific deadline is not an essential component of the contract the debtor shall retain the right to perform the debtor's obligations and the creditor shall retain the right to demand performance.
2. A creditor that wishes to withdraw from the contract must allow the debtor a suitable additional period for performance.
3. If the debtor fails to perform the obligations within the additional period the same consequences as if the deadline was an essential component of the contract shall arise.

Article 109

Withdrawal from contract without additional period

The creditor may withdraw from the contract without allowing the debtor an additional period for performance if it follows from the debtor's behavior that the obligations will not be performed within the additional period.

Article 110

Withdrawal from contract before deadline

If before the deadline for the performance of obligations it is clear that one party will not perform such party's contractual obligations the other party may withdraw from the contract and demand the reimbursement of damage.

Article 111

Withdrawal from contract with series of obligations

1. If in a contract with a series of obligations one party fails to perform an obligation the other party may within a suitable period withdraw from the contract in respect of all future obligations if it is clear from the circumstances that these will also not be performed.
2. The party may withdraw from the contract in respect of not only the future obligations but also obligations already performed if the performance thereof without the missing obligations has no significance for the party.
3. The debtor may retain the contract in force by providing appropriate security.

Article 112
Obligation to notify

A creditor that withdraws from a contract owing to the non-performance of a debtor's obligation must notify the debtor of such without delay.

Article 113
Impossible withdrawal from contract

It shall not be possible to withdraw from a contract owing to the non-performance of an insignificant part of an obligation.

Article 114
Effects of rescinded contract

1. If a contract is rescinded the two parties shall be released from their obligations, with the exception of an obligation to reimburse any damage.
2. A party that has fully or partly performed the contract shall have the right to the return of everything provided.
3. If both parties have the right to demand the return of everything provided the rules applying to the performance of bilateral contracts shall apply to the mutual return.
4. Each party shall owe the other party reimbursement for the benefits the party enjoyed in the meantime from that which the party is obliged to return or reimburse.
5. A party returning money must pay interest from the day the payment was received.

Article 115
Statement of termination

The termination shall be made with the statement to another party.

IV. RESCISSION OR AMENDMENT OF CONTRACT OWING TO CHANGE OF CIRCUMSTANCES

Article 116
Rebus Sic Stantibus Clausula

1. If after the conclusion of a contract circumstances arise that render the performance of obligations by one party more difficult or owing to which the purpose of the contract cannot be achieved and in both cases to such an extent that the contract clearly no longer complies with the expectations of the contracting parties and in the general opinion it would be unjust to retain it in force as it is, the party whose obligations have been rendered more difficult to perform or the party that owing to the changed circumstances cannot realize the purpose of the contract may request the rescission or the revision of the contract.
2. It shall not be possible to request the rescission of a contract if the party making reference to the changed circumstances should have taken such circumstances into

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- consideration when the contract was concluded, or could have avoided them or could have averted the consequences thereof.
3. The party requesting the rescission of the contract may not make reference to changed circumstances that arose after the deadline stipulated for the performance of such party's obligations.
 4. A contract shall not be rescinded if the other party offers to have the relevant contract conditions justly amended or allows such.
 5. If a court rescinds a contract owing to changed circumstances it shall at the request of the other party instruct the party that requested the rescission to reimburse the other party for an appropriate part of the damage incurred for reason of the rescission of the contract.

Article 117
Obligation to notify

A party that owing to changed circumstances is entitled to request the rescission of a contract must notify the other party regarding the intention to request a rescission as soon as the former learns that such circumstances have arisen. A party that fails to do such shall be liable for damage incurred by the other party because notification regarding the request was not provided on time.

Article 118
Circumstances significant to court ruling

In ruling on a request to rescind or amend a contract for reason of changed circumstances the court shall primarily take into consideration the purpose of the contract, the risks customary for contracting parties in commercial transactions during the performance of contracts of the same type, and the balance of the interests of the two contracting parties.

Article 119
Waiver of reference to changed circumstances

Through a contract the parties may waive any reference to specific changed circumstances in advance, unless such is opposed to the principle of conscientiousness and fairness.

V. IMPOSSIBILITY OF PERFORMANCE

Article 120
Impossibility of performance for which neither party is responsible

1. If the performance of obligations becomes impossible for one party to a bilateral contract because of a development for which neither of the parties was responsible the obligation of the former shall expire while a party performing part of his obligation may request restitution according to the rules of restitution in case of unjust acquisitions.

2. Should partial impossibility of performance be due to events not attributable to either party, one party may rescind the contract if partial performance fails to meet his needs; otherwise the contract shall remain valid, while the other party shall be entitled to request proportionate reduction of his obligation.

Article 121

Impossibility of performance for which party is responsible

1. If the performance of obligations becomes impossible for one party to a bilateral contract because of a development for which the other party was responsible the obligation of the former shall expire while the former's claim on the other party shall remain; the claim shall be reduced only insofar as the former benefited from being released of the obligation.
2. In addition all the rights that the former would have held in respect of third persons in connection with the subject of the obligations whose performance became impossible must be ceded to the other party.
3. If the performance of obligations becomes impossible for one party to a bilateral contract because of a development for which such party was responsible the other party may choose to demand compensation for the non-performance or to withdraw from the contract and demand the reimbursement of damage.

VI. EXCESSIVE DEPRIVATION

Article 122

Clear disproportion in mutual performance

1. If there was clear disproportion between the contracting parties' obligations when a bilateral contract was concluded the injured party may request the rescission of the contract if such party did not know and was not obliged to know of the true value at the time.
2. The right to request the rescission of the contract shall expire one (1) year after the contract is concluded.
3. The waiver of this right in advance shall have no legal effect.
4. The contract shall remain in force if the other party offers to supplement to the true value.
5. The rescission of chance bargains, contracts concluded on the basis of a public auction and contracts in which a higher price was given for the material out of a special inclination may not be requested for reason of such disproportion.

Article 123

Usurious contract

1. If anyone exploits another's distress, the severity of the assets situation thereof, or the inexperience, recklessness or dependence thereof, and reserves for the former or for a third person benefits that are in clear disproportion to what the former provided or did or undertook to provide or do, such a contract shall be null and void.

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2. The sense of the provisions of the present Law on the consequences of nullity and on partial nullity of contracts shall apply to usurious contracts.
3. If the injured party requests that obligations thereof be reduced to a just size, the court shall grant such a request if possible; in such an event the contract shall remain in force with an appropriate amendment.
4. The injured party may lodge a request for the reduction of obligations to a just size within five (5) years of the contract being concluded.

VII. GENERAL TERMS AND CONDITIONS OF CONTRACT

Article 124

Obligation

1. The general terms and conditions set out by one contracting party, whether contained in a formulaic contract or referred to by the contract, shall supplement the special agreements between the contracting parties in the same contract and shall as a rule be equally binding.
2. The general terms and conditions of a contract must be published in the customary manner.
3. The general terms and conditions shall be binding for a contracting party that knew or should have known thereof when the contract was concluded.
4. If there is any discrepancy between the general terms and conditions and the special agreements the latter shall prevail.

Article 125

Nullity of certain general terms and conditions

1. Any provisions of general terms and conditions that oppose the actual purpose for which the contract was concluded or good business customs shall be null and void, even if the general terms and conditions they are contained in were approved by the relevant authority.
2. The court may reject the application of individual provisions of general terms and conditions that remove another party's right to object or appeal, or provisions based on which a party loses contractual rights or deadlines or that are otherwise unjust or too strict for the party.

Article 126

Collision between general conditions

1. If the parties have reached an agreement where the offer and the acceptance of offer refer to the general conditions, which are in collision with each other, the contract shall be considered as entered into. The general conditions are part of contract to the extent they are common in their substance.
2. The contract cannot be concluded if one of the parties:
 - 2.1. preliminarily has made it known explicitly and not through the general conditions his intention not to be part of the contract under paragraph 1. of the present article; or
 - 2.2. without delay, he notified the other party about such intention.

VIII. TRANSFER OF CONTRACT

Article 127

Conditions for transfer

1. Either party to a bilateral contract may transfer the contract to a third person, who shall thereby become the holder of all the former's rights and obligations deriving from the contract, if the other party consents there to.
2. Via the transfer of a contract the contractual relationship between the transferring party and the other party shall pass to the recipient and the other party when the other party consents to the transfer; if the consent is given in advance the transfer shall be deemed to take place when the other party is notified of the transfer.
3. Consent to the transfer of a contract shall only be valid if given in the form prescribed by law for the conclusion of the transferred contract.
4. The meanings of the provisions on parties' rights in connection with a contract on takeover of debt shall also apply to the transfer of a contract.

Article 128

Transferring party's responsibilities

1. The transferring party shall be liable to the recipient for the validity of the transferred contract.
2. The transferring party shall not guarantee to the recipient that the other party will perform the other party's obligations deriving from the transferred contract, unless the transferring party specifically undertakes to do so.
3. The transferring party shall not guarantee to the other party that the recipient will perform the contractual obligations, unless the transferring party specifically undertakes to do so.

Article 129

Objections

The other party may exercise all the objections deriving from the transferred contract against the recipient, and all those from other relationships with the recipient; the other party may not exercise objections held against the transferring party.

SUB-CHAPTER 6

GENERAL EFFECTS OF CONTRACT

I. GENERATION OF OBLIGATION FOR CONTRACTING PARTIES

Article 130

Effects of contract between contracting parties and legal successors thereof

1. A contract shall generate rights and obligations for the contracting parties.
2. A contract shall also have effect for the universal legal successors of the

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contracting parties, unless stipulated otherwise in the contract or unless it follows otherwise from the nature of the contract itself.

3. A right in favor of a third person may be established via a contract.

II. CONTRACT IN FAVOR OF THIRD PERSON

Article 131

Direct right of third person

1. If a contract establishes a right in favor of a third person the third person acquires the right directly against the debtor, unless agreed otherwise or unless it follows otherwise from the circumstances of the transaction.
2. A contracting party shall have the right to request that the other contracting party perform the obligation towards the third person that the contracting party undertook to perform in the third party's favor.

Article 132

Revocation of right in favor of third person

1. A contracting party that is entitled to request that the fellow contracting party perform an obligation to a third person may revoke or amend the right established in favor of the third person at any time until the third person declares that the right is accepted.
2. If it is agreed that the fellow contracting party that committed in favor of the third person will only perform the obligation after the contracting party's death, the contracting party may at any time, including via his/her will, revoke the right in favor of the third person, unless it follows otherwise from the contract itself or from the circumstances.

Article 133

Debtor's objections against third person

The debtor may exercise all objections against the third person that the former holds against the contracting party from the contract in favor of the third person.

Article 134

Refusal by third person

If the third person refuses the right established in favor thereof or if the contracting party revokes it the right shall pertain to the contracting party, unless agreed otherwise or unless it follows otherwise from the nature of the transaction.

Article 135

Promise of action by third person

1. A promise made to another that a third person will do something or refrain from

something shall not bind the third person; the person that made the promise shall be liable for any damage incurred by the other person because the third person did not wish to commit to doing such or refraining from such.

2. The person that makes the promise shall not be liable if the promise made to the other person was solely that the former would endeavor to have the third person undertake to do something or refrain from something and in the event the person failed despite all the necessary endeavors.

CHAPTER 2 CAUSING OF DAMAGE

SUB-CHAPTER 1 GENERAL PRINCIPLES

Article 136 Basis for liability

1. Any person that inflicts damage on another shall be obliged to reimburse it, unless it is proved that the damage was incurred without the culpability of the former.
2. Persons shall be liable for material damage and activities that result in major risk of damage to the environment, irrespective of culpability.
3. Persons shall also be liable for damage irrespective of culpability in other cases defined by law.

Article 137 Damage

Damage comprises the diminution of property (ordinary damage), prevention of the appreciation of property (lost profits), the infliction of physical or mental distress or fear on another person, and encroachment upon the reputation of a legal person.

Article 138 Request for disposal of risk of damage

1. Any person may request that another person dispose of a source of danger that threatens major damage to the former or an indeterminate number of persons and refrain from the activities from which the alarm or risk of damage derives, if the occurrence of alarm or damage cannot be prevented by appropriate measures.
2. At the request of an interested person the court shall order appropriate measures to prevent the occurrence of damage or alarm or to dispose of a source of danger to be taken at the expense of the possessor thereof should the latter fail to do so.
3. If damage arises during the performance of generally beneficial activities for which permission has been given by the relevant authority it shall only be possible to demand the reimbursement of damage that exceeds the customary boundaries.
4. Nevertheless, appropriate measures to prevent the occurrence of damage or to reduce damage may also be demanded in such a case.

Article 139
Request to cease infringement of personal rights

1. All persons shall have the right to request the court or any other relevant authority to order that action that infringes the inviolability of the human person, personal and family life or any other personal right be ceased, that such action be prevented or that the consequences of such action be eliminated.
2. The court or other relevant authority may order that the infringer cease such action, with failure to do so resulting in the mandatory payment of a monetary sum to the person affected, levied in total or per time unit.

SUB-CHAPTER 2
CULPABLE LIABILITY

Article 140
When culpability is given

Culpability is given when the injurer inflicts damage intentionally or out of negligence.

Article 141
Non-liable person

1. Any person who for reason of disturbances in mental development or mental health problems or on any other grounds is not capable of accounting for his/her actions shall not be liable for damage inflicted on another.
2. Any person who inflicts damage on another in a temporary state of being of unsound mind shall be liable for the damage, unless it is shown that the person did not enter such state through any fault of his/her own.
3. If a person enters such state through the fault of another, the person that caused the former to enter such state shall be liable for the damage.

Article 142
Liability of minors

1. Minors under the age of seven (7) shall not be liable for any damage they inflict.
2. Minors aged seven and over but under fourteen (14) shall not be liable for damage, unless it is shown that they were capable of accounting for their actions when the damage was inflicted.
3. Minors aged fourteen (14) and over shall be liable according to the general rules on liability for damage.

Article 143
Self-defence, emergency, aversion of damage to other

1. Any person who in self-defence inflicts damage on an assailant shall not be obliged to reimburse the damage, except in the case of unreasonably excessive self-defence.

2. If a person inflicts damage in an emergency the injured party may demand compensation from the person liable for the occurrence of the risk of damage or from those from whom damage was averted, but may not request compensation from the latter greater than the benefit they had therefrom.
3. Any person that incurs damage when the risk of damage is averted from another shall have the right to demand therefrom the reimbursement of the damage to which the latter was reasonably exposed.

Article 144
Allowed self-help

1. Any person that during allowed self-help inflicts damage on the person that caused the need for self-help shall not be obliged to reimburse.
2. The term “allowed self-help” entails the right of any person to avert the infringement of a right when immediate danger is threatened, if such protection is necessary and if the manner in which the infringement is averted accords with the circumstances in which the danger arises.

Article 145
Injured party’s consent

1. Any person that allows another person to do something to the former’s detriment may not demand from the latter the reimbursement of the damage that the latter thereby inflicted.
2. A declaration by which an injured party consents to another inflicting damage thereto by an act prohibited by law shall be null and void.

SUB-CHAPTER 3
LIABILITY FOR OTHER

Article 146
Persons with disturbances in mental development and mental health problems

1. The person that according to law, according to a ruling by the relevant authority or according to a contract is obliged to supervise a person who for reason of disturbances in mental development or mental health problems or for any other reason is not capable of accounting for his/her actions shall be liable for any damage inflicted thereby.
2. Such person may be released from liability if it is shown that such person conducted the obligatory supervision or that the damage would have occurred even under careful supervision.

Article 147
Parental liability

1. Parents shall be liable for damage inflicted on another by their child until the child reaches the age of seven, irrespective of culpability.

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2. They shall be released from liability if grounds for the exclusion of liability according to the rules on liability irrespective of culpability are given.
3. Parents shall not be liable if the damage occurred while the child was entrusted to another and such person was liable therefore.
4. Parents shall be liable for damage inflicted on another by a child of theirs who is aged over seven but is not yet of age, unless it is shown that the damage occurred through no culpability of their own.

Article 148
Joint and several liability

If in addition to the parents a child is liable for damage, they shall be jointly and severally liable.

Article 149
Liability of others for minors

1. The guardian, school or other institution shall be liable for damage inflicted by a minor while under the supervision of the guardian, school or other institution, unless it is shown that the supervision was conducted with due care or that the damage would have occurred even under careful supervision.
2. If the minor is also liable for damage, they shall be jointly and severally liable.

Article 150
Special parental liability

1. If supervision of a minor is not the responsibility of the parents but another person the injured party shall have the right to demand compensation from the parents if the damage occurred for reason of the poor upbringing of the minor or the poor example or bad habits set by the parents, or if the damage can otherwise be attributed to their culpability.
2. If the person responsible for supervision in this case must pay compensation to the injured party such person shall have the right to demand that the parents reimburse the sum paid out.

Article 151
Just liability

1. If damage was inflicted by a person not liable therefore and compensation cannot be obtained from the person that should have supervised the former the court may order the injurer to reimburse all the damage or a part thereof if justice demands such, particularly in respect of the financial situation of the injurer and the injured party.
2. If the damage was inflicted by a minor capable of accounting for his/her actions who cannot reimburse it the court may if justice demands such, particularly in respect of the financial situation of the parents and the injured party, order the parents to reimburse all the damage or a part thereof, even if not liable therefore.

SUB-CHAPTER 4
LIABILITY FOR EMPLOYEES

Article 152
Employer liability

1. The legal or natural person with whom an employee was working at the time the damage was inflicted shall be liable for damage inflicted on a third person by an employee during work or in connection with work, unless it is shown that the employee acted as was necessary under the given circumstances.
2. The injured party shall have the right to demand the reimbursement of damage directly from the employee if such damage is inflicted intentionally.
3. Any person that reimburses an injured party for damage inflicted by an employee intentionally or out of gross negligence shall have the right to demand the reimbursement of the sum paid out from the employee.
4. This right shall expire six (6) months after the day the compensation was paid.
5. The provision of the paragraph 1. of this article shall not encroach upon the rules on liability for damage originating from dangerous objects or dangerous activities.

Article 153
Legal person's liability for damage inflicted by body thereof

1. A legal person shall be liable for damage inflicted on a third person by a body of the legal person during the performance of its functions or in connection therewith.
2. Unless stipulated otherwise by law for the individual case, the legal person shall have the right to demand reimbursement of the sum paid out from a person that inflicted the damage intentionally or out of gross negligence.
3. This right shall expire six (6) months after the day the compensation was paid.

SUB-CHAPTER 5
LIABILITY FOR DAMAGE FROM DANGEROUS OBJECT OR DANGEROUS
ACTIVITIES

I. GENERAL PROVISIONS

Article 154
Presumption of causality

Damage occurring in connection with a dangerous object or dangerous activities shall be deemed to originate from the dangerous object or dangerous activities unless it is shown that such was not the cause.

Article 155
Who is liable for damage

The holder of a dangerous object shall be liable for damage therefrom; the person involved in the dangerous activities shall be liable for damage therefrom.

Article 156
Unlawful removal of dangerous object from holder

If a dangerous object was removed unlawfully from the holder, not the holder but the person that took the dangerous object shall be liable for any damage originating therefrom, unless the holder was responsible therefore.

Article 157
Delivery of object to third person

1. A person entrusted with the use of a dangerous object by its holder or a person otherwise responsible for supervising the object that is not employed by the holder shall be liable instead of the holder, as the holder would be.
2. However in addition thereto the holder of the object shall also be liable if the damage was the result of any concealed faults or hidden attributes of the object to which the holder drew no attention.
3. In such a case the liable person that paid compensation to the injured party shall have the right to demand the entire sum from the holder.
4. A holder that entrusts a dangerous object to a person who is not capable of handling it or entitled to do so shall be liable for damage originating therefrom.

Article 158
Exemption from liability

1. The holder shall be exempted from liability if it is shown that the damage originated from any cause outside the object whose effect could not be foreseen, avoided or averted.
2. The holder of an object shall also be exempted from liability if it is shown that the damage occurred exclusively because of action by the injured party or a third person that could not be foreseen and the consequences of which could not be avoided or eliminated.
3. The holder shall be partly exempted from liability if the injured party contributed to the occurrence of the damage.
4. If a third person contributed to the occurrence of the damage such person shall be jointly and severally liable therefor to the injured party together with the holder of the object.
5. A person assisting the holder in the use of the object shall not be deemed a third person.

II. LIABILITY FOR MOTOR VEHICLES

Article 159
Liability During Accident Caused by Moving Motor Vehicles

1. The rules on culpable liability shall apply to an accident involving moving motor vehicles caused exclusively through the fault of one vehicle holder.

2. If the fault is mutual the holders shall each be liable for all the damage incurred thereby, in proportion to each holder's level of fault.
3. If nobody is at fault the holders shall be liable for equal shares, unless justice demands otherwise.
4. If the two (2) holders of the motor vehicles are partly or fully liable for damage suffered by others the liability shall be joint and several.

III. LIABILITY FOR FAULTY OBJECTS

Article 160

Liability of Manufacturer of Faulty Object

1. A person that markets any object manufactured by the person that entails a risk of damage to people or property for reason of any type of fault shall be liable for the damage occurring because of such fault.
2. Any manufacturer that has failed to do everything necessary to prevent any damage that could be foreseen through a warning, safe packaging or any other appropriate measure shall also be liable for the dangerous attributes of an object.

SUB-CHAPTER 6

SPECIAL CASES OF LIABILITY

Article 161

Liability for acts of terrorism, public demonstrations and events

The state or the person that should have prevented such according to regulations shall be liable for damage caused by death or physical injury as a result of acts of terrorism or during public demonstrations and events.

Article 162

Event organizers' liability

The organizer of an assembly of a large number of people in a closed area or in the open air shall be liable for damage caused by death or physical injury occurring because of the extraordinary circumstances that can arise in such opportunities such as mass movement and general disorder.

Article 163

Liability of holder of animal

1. The holder of a dangerous animal shall be liable for damage inflicted thereby.
2. The possessor of the domestic animal shall be responsible for the damage caused from it, unless it is proven that the possessor has exhibited the necessary care and supervision.

Article 164
Liability of holder of building

The holder of the building or area from which the object fell shall be liable for damage occurring if a dangerously positioned or discarded object falls from a building.

Article 165
Liability for demolition of structure

The holder of the structure shall be liable for damage occurring if part of a structure is demolished or collapses, unless it is shown that the event was not the result of inadequate quality of construction and that the holder did everything to avert the danger.

Article 166
Liability because of omission of emergency aid

1. Any person who without any risk to himself/herself fails to aid anyone whose life or health is clearly endangered shall be liable for damage thus occurring, if given the circumstances of the case the damage should have been foreseen.
2. The court may exempt such person from reimbursing the damage if justice so demands.

Article 167
Liability in connection with obligation to conclude contract

Any person obliged by law to conclude any contract must reimburse the damage if such person fails to conclude the contract without delay at the request of a person concerned.

Article 168
Liability in connection with performance of transactions of general importance

Any person that performs municipal or other similar activities of general importance shall be liable for damage if such person ceases to perform the services or performs the services irregularly without justifiable grounds.

SUB-CHAPTER 7
REIMBURSEMENT OF DAMAGE

I. REIMBURSEMENT OF MATERIAL DAMAGE

Article 169
Re-establishment of previous situation and monetary compensation

1. The liable person shall be obliged to re-establish the situation prior to the occurrence of the damage.

2. If through the re-establishment of the previous situation the damage is not entirely rectified the liable person shall be obliged to pay monetary compensation for the remainder of the damage.
3. If the re-establishment of the previous situation is impossible or if the court is of the opinion that it is not necessary for the liable person to do such, the court shall order the liable person to pay appropriate monetary compensation to the injured party.
4. The court shall award monetary compensation to the injured party if the latter so demands, unless the circumstances of the case in question justify the re-establishment of the previous situation.

Article 170

When obligation to compensate falls due

The obligation to compensate shall be deemed to have fallen due at the moment the damage occurred.

Article 171

Compensation for destroyed thing removed in illicit manner

If a thing that was removed from the holder in an illicit manner is destroyed because of force majeure the liable person shall be obliged to provide monetary compensation therefor.

Article 172

Compensation in form of monetary annuity

1. In the event of death, physical injury or damage to health the compensation shall as a rule have the form of a monetary annuity, either lifelong or for a specific period.
2. A monetary annuity awarded as compensation shall be paid monthly in advance, unless the court stipulates otherwise.
3. The creditor shall have the right to request the necessary security for the payment of the annuity, unless such would not be justified given the circumstances of the case.
4. If the debtor fails to provide the security stipulated by the court the creditor shall have the right to demand that a one-off sum be paid thereto instead of the annuity; this shall be levied in respect of the size of the annuity and the creditor's probable lifespan, with a rebate for the appropriate interest.
5. On serious grounds the creditor may also request that the debtor immediately or subsequently pay a one-off sum instead of the annuity in other cases.

II. AMOUNT OF REIMBURSEMENT OF MATERIAL DAMAGE

Article 173

Real damage and lost profit

1. The injured party shall have the right to the reimbursement of ordinary damage and the reimbursement of lost profit.
2. The reimbursement of damage shall be levied according to the prices when the court ruling is issued, unless stipulated otherwise by law.
3. In the estimation of lost profit the profit that could justifiably have been expected given the normal course of events or given the special circumstances but could not be achieved owing to the injurer's action or omission shall be taken into consideration.
4. If an object was destroyed or damaged intentionally the court may levy compensation with regard to the value the object had for the injured party.

Article 174

Full compensation

When considering the circumstances arising after the infliction of damage the court shall award the injured party compensation in the amount necessary to restore the injured party's financial situation to what it would have been without the damaging act of omission.

Article 175

Reduced compensation

1. Having taken the injured party's financial situation into consideration the court may order the liable person to pay a compensation sum lower than the amount of damage if the damage was not inflicted intentionally or out of gross negligence, the liable person is in a weak financial situation and the payment of full compensation would entail great hardship for the liable person.
2. If the injurer inflicted the damage when acting for the benefit of the injured party the court may levy reduced compensation; in so doing the court shall take the diligence shown by the injurer in the injurer's own matters into consideration.

Article 176

Shared liability

1. The injured party, who has contributed to the damage created, or made the damage greater than it would be otherwise, has the right only to accordingly lower compensation.
2. For the previous paragraph, the provisions on the liability of the legal representative and his assistant shall apply mutadis mutandis.
3. When it is impossible to verify which part of the damage results from the action of the damaged party, the court shall rule on compensation by taking the circumstances of the case into account.

4. The perpetrator and the injured party bear the burden of proof of each's contribution to the damage caused, and the causality of the contribution to the damage and its weight.

III. RULES FOR REIMBURSEMENT OF MATERIAL DAMAGE IN CASE OF DEATH, INJURY AND DAMAGE TO HEALTH

Article 177

Loss of earnings, treatment costs and funeral expenses

1. Any person that causes someone to die must reimburse the latter's funeral expenses.
2. Such person must also reimburse costs of treatment owing to the injuries caused, other necessary expenses in connection with treatment, and the earnings lost because of incapacity to work.

Article 178

Right of person maintained by deceased

1. A person maintained or regularly supported by the deceased and a person that by law had the right to request maintenance therefrom shall have the right to the reimbursement of the damage suffered because of the loss of maintenance or the support.
2. Such damage shall be reimbursed thereto by the payment of a monetary annuity; the amount shall be levied with regard to all the circumstances of the case and may not be larger than the sum the injured party would have obtained from the deceased had the deceased lived.

Article 179

Reimbursement of damage in case of physical injury or damage to health

1. Any person that causes another physical injury or damages the health of another must reimburse the latter with the costs in connection with treatment, other necessary expenses there to connected and the earnings lost because of incapacity to work during treatment.
2. If owing to full or partial incapacity to work the injured party loses earnings, the injured party's needs are permanently increased, or the possibilities for the injured party's further development and progress are destroyed or reduced the liable person must pay a specific monetary annuity thereto as reimbursement for the damage.

Article 180

Change in compensation awarded

The court may thenceforth increase an annuity at the request of the injured party or may reduce or cancel it at the request of the injurer if there is a significant change in the circumstances presented before the court when the previous ruling was issued.

Article 181
Non-transferability of rights

1. It shall not be possible to transfer a right to compensation in the form of a monetary annuity for the death of a close associate or for physical injury or damage to health to another person.
2. Sums of compensation that have fallen due may be transferred to another person if the compensation sum was set by a written agreement between the parties or by a final court ruling.

IV. REIMBURSEMENT OF IMMATERIAL DAMAGE

Article 182
Publication of judgment or correction

In a case of the infringement of a personal right the court may order the publication of the judgment or a correction at the injurer's expense or order that the injurer must retract the statement by which the infringement was committed or do anything else through which it is possible to achieve the purpose achieved via compensation.

Article 183
Monetary compensation

1. Just monetary compensation independent of the reimbursement of material damage shall pertain to the injured party for physical distress suffered, for mental distress suffered owing to a reduction in life activities, disfigurement, the defamation of good name or reputation, the truncation of freedom or a personal right, or the death of a close associate, and for fear, if the circumstances of the case, particularly the level and duration of distress and fear, so justify, even if there was no material damage.
2. Upon the decision on the request for the compensation of immaterial damage, as well as for the amount of the compensation, the court shall evaluate the importance of the violation of goods and the purpose to which this compensation shall serve, also in order not to support the tendencies that are not compatible with the nature and the social purpose thereof.

Article 184
Persons entitled to monetary compensation in case of death or serious disability

1. If a person dies the court may award just monetary compensation to his/her immediate family members (spouse, children and parents) for their mental distress.
2. Such compensation may also be awarded to siblings if there was a long-term union for life between them and the deceased or injured party.
3. In the event of a person becoming seriously disabled the court may award his/her spouse, children or parents just monetary compensation for their mental distress.
4. The compensation specified in paragraph 1. and 3. of this article may be awarded

by the court to an extra-marital partner if there was a union for life between the partner and the deceased or injured party.

Article 185

Monetary compensation in other special cases (violation of dignity)

A person who was forced into punishable sexual intercourse or another sexual act using fraud, force or the abuse of a relationship of subordinacy or dependence and a person against whom another criminal act against the dignity of the person or the person's morals was committed shall have the right to just monetary compensation for the mental distress suffered.

Article 186

Reimbursement of future damage

At the request of an injured party the court may also award compensation for future immaterial damage if according to the customary course of events it is certain that the damage will last into the future.

Article 187

Monetary compensation for legal person

The court shall award a legal person just monetary compensation for the defamation of reputation or good name, independent of the reimbursement of material damage, if it finds that the circumstances so justify, even if there is no material damage.

Article 188

Inheritance and assignment of claim for reimbursement of immaterial damage

1. A claim for the reimbursement of immaterial damage shall pass to heirs only if it was recognized by a final legal ruling or a written agreement.
2. Such a claim may be the subject of assignment, offset and execution under equal conditions.

Article 189

Shared liability and reduced compensation

The sense of the provisions on shared liability and reduced compensation applying to material damage shall also apply to immaterial damage.

**SUB-CHAPTER 8
SEVERAL PERSONS' LIABILITY FOR SAME DAMAGE**

**Article 190
Joint and several liability**

1. All those involved shall be jointly and severally liable for damage inflicted by several persons together.
2. Those who aid or abet the liable person or who help the liable person evade detection shall be jointly and severally liable therewith.
3. All those that inflicted damage but acted independently shall also be jointly and severally liable for the damage inflicted, if it is not possible to determine their share of the damage inflicted.
4. If there is no doubt that damage was inflicted by one of two or more specific persons that are in some way connected and it cannot be determined which of them inflicted the damage such persons shall be jointly and severally liable.

**Article 191
Joint and several liability of contracting authority and contractor**

The contracting authority and the contractor for works on real estate shall be jointly and severally liable to a third person for damage they inflict in connection with the execution of such works.

**Article 192
Payer's recourse**

1. A jointly and several debtor that pays more than such person's share of the damage may demand that each of the other debtors reimburse the payment made therefor.
2. The size of the share of each individual debtor shall be stipulated by the court with regard to the gravity of such person's culpability and the gravity of the consequences following from such person's actions.
3. If it is impossible to determine the debtors' shares each shall have an equal share, unless justice demands a different decision in the given case.

**SUB-CHAPTER 9
INJURED PARTY'S RIGHT AFTER RIGHT TO DEMAND COMPENSATION
EXPIRES**

**Article 193
Right to Demand Compensation Expires**

After the right to demand compensation expires the injured party may, according to the rules applying to the case of unjust acquisition demand that the liable person cede that which was acquired by the act through which the damage was inflicted to the injured party.

**CHAPTER 3
UNJUST ACQUISITION**

**SUB-CHAPTER 1
GENERAL RULE**

**Article 194
General rule**

1. Any person that without a legal basis becomes enriched to the detriment of another shall be obliged to return that which was received or to otherwise compensate the value of the benefit achieved.
2. The term enrichment also covers the acquisition of benefit through services.
3. The obligation to return or compensate shall also arise if a person receives something in respect of a basis that is not realized or subsequently disappears.

**SUB-CHAPTER 2
RULES OF RETURN**

**Article 195
When return cannot be demanded**

Any person that pays something despite knowing there is no obligation to pay shall not have the right to demand return unless the right to return is reserved or unless the payment was made under duress.

**Article 196
Performance of natural obligation or moral duty**

It shall not be possible to demand the return of that provided or done to perform any type of natural obligation or moral duty.

**Article 197
Extent of return**

When that which was unjustly acquired is being returned it shall be necessary to return all the fruits thereof and to pay penalty interest from the day the claim was lodged or from the day of acquisition if the acquirer acted in bad faith.

**Article 198
Reimbursement of expenses**

The acquirer shall have the right to the reimbursement of necessary and beneficial expenses; an acquirer that acted in bad faith shall only be entitled to beneficial expenses up to a sum entailing the increase in value upon return.

Article 199
When that received can be kept

1. It shall not be possible to demand the return of compensation sums baselessly paid out for physical injury, damage to health or death if they were paid to a recipient that acted in good faith.
2. As a baselessly paid sum shall be counted also the payment on the basis of a judicial decision that was later changed or abolished.

Article 200
Use of thing for another's benefit

If a person used a thing of such person or another person to benefit a third person and there are no conditions for applying the rules on management without mandate the third person shall be obliged to return the thing if it is not possible to compensate for its value.

Article 201
Expense for another

Any person that spends something or does anything for another that the latter would be obliged to do under law shall have the right to demand return therefrom.

Article 202
Use of another's thing for own benefit

If a person used a thing of another person for the former's own benefit the holder may demand, irrespective of the right to compensation and even if there is no such right, that the former compensate the holder for the benefit gained from use.

CHAPTER 4
MANAGEMENT WITHOUT MANDATE

SUB-CHAPTER 1
GENERAL RULE

Article 203
Definition and conditions

The transaction of another may only be embarked upon by someone uninvited if it cannot be deferred without damage occurring or without a clear benefit being delayed.

SUB-CHAPTER 2
RIGHTS AND OBLIGATIONS OF MANAGER WITHOUT MANDATE

Article 204
Obligations of manager without mandate

1. A manager without mandate must where possible immediate notify the person whose transaction is being conducted regarding the former's action, and must continue the transaction insofar as is reasonably possible until the latter is able to take over attendance thereto.
2. After a transaction is completed the manager without mandate must give accountability and to transfer everything that was acquired through the transaction to the person whose transaction was conducted.
3. Unless stipulated otherwise by law the manager without mandate shall have the obligations of a mandatory.

Article 205
Due diligence and liability

1. When conducting the transaction of another a manager without mandate must act according to the actual and probable intentions and needs of the person whose transaction is being conducted.
2. The manager without mandate shall be obliged to act with the diligence of a good business person or the diligence of a good manager.
3. With regard to the circumstances in which the uninvited person embarked upon the transaction of another the court may reduce the former's liability or totally exempt the former from liability for negligence.
4. The rules on such person's contractual and non-contractual liability shall apply to the liability of a manager without mandate with incapacity to contract.

Article 206
Rights of manager without mandate

1. A manager without mandate that acted throughout as was necessary and did what was demanded by the circumstances shall have the right to request that the person whose transaction was conducted release the former from all liabilities taken on because of the transaction, take over all liabilities concluded in the latter's name and reimburse all the necessary and beneficial expenditure and the damage that occurred, even if the anticipated successful outcome was not achieved.
2. If the manager without mandate averted damage from the person whose transaction was conducted or acquired a benefit therefor that entirely accords with the latter's intentions and needs, the former shall be due an appropriate payment for such endeavours.

Article 207
Performance of works to assist another party

Whoever performs work to assist another party, when the conditions for performance of works without an order have not yet been fulfilled, he or she is entitled to the right to compensation for expenses incurred, but not more than the value of the gain realized by the other party.

Article 208
Removal of additions

Each manager without mandate shall have the right to remove things by which the assets of the other were increased and for which no reimbursement of expenses was obtained, if they can be separated without damaging the thing to which they were added; but the person in whose transactions was involved may keep such additions if the current value thereof is returned.

SUB-CHAPTER 3
CONDUCT OF ANOTHER'S TRANSACTIONS DESPITE PROHIBITION

Article 209
The responsibility of a manager without mandate

1. Any person that interferes with the transaction of another despite a prohibition from the person whose transaction was embarked upon and that knew or should have known of the prohibition shall not have the rights pertaining to a manager without mandate.
2. Such person shall be liable for damage inflicted by the interference in the transactions of another, even if it occurs through no fault of the former.
3. If the prohibition from conducting a transaction contravenes the law or morality, particularly if someone prevented another from performing any legal obligation that could not be deferred, the general rules on management without mandate shall apply.

SUB-CHAPTER 4
FALSE MANAGEMENT

Article 210
False management

1. Any person that conducts the transaction of another with the intention of keeping all the benefits achieved despite knowing that the transaction is another's must at the request of the person whose transaction was conducted provide a bill as a manager without mandate and must deliver all the benefits achieved to the latter.
2. A person whose transaction was conducted by another may also demand the return of things to the previous situation and the reimbursement of damage.

**SUB-CHAPTER 5
APPROVAL**

**Article 211
Approval**

If the person whose transaction was conducted subsequently approves what was conducted the manager without mandate shall be deemed a mandatory that has acted according to the former's mandate from the beginning.

**CHAPTER 5
UNILATERAL DECLARATION OF INTENTION**

**SUB-CHAPTER 1
PUBLIC PROMISE OF REWARD**

**Article 212
Binding promise**

1. A promise made via a public tender to reward a person that performs a specific action, achieves a certain success or reaches a specific position or a promise made under any other condition shall bind the person that made it to performing it.
2. Any person that promises a reward or makes an invitation to a prize competition must stipulate a deadline for the competition; if such person fails to do so any person that wishes to participate in the competition shall have the right to request that the court stipulate an appropriate deadline.

**Article 213
Retraction of promise**

1. A promise may be retracted in the manner it was made or via a personal message; however those that have performed the action and did not know and were not obliged to know that the promise of the reward had been retracted shall have the right to demand the reward promised, while those that before the retraction had expenses necessary for the action specified in the public tender shall have the right to be reimbursed therefor, unless the person that promised the reward shows that the expenses were in vain.
2. A promise to reward may not be retracted if in the tender a deadline was stipulated for the action or for notification of the achievement of success or of the implementation of a specific concept.

**Article 214
The right to reward**

1. The person that first performs the action for which the reward was promised shall have the right to the reward.

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2. If several persons perform the action simultaneously each shall have a share of the reward, unless justice demands different division.

Article 215 **Case of tender**

1. The conferral of a reward shall be decided upon by the organizer of the tender or by one or more persons designated thereby.
2. If the rules according to which the reward is to be conferred are set out in the conditions of tender or any other general regulations applying to the specific tender each participant in the tender shall have the right to request the annulment of a decision on the conferral of the reward if the reward was not conferred in accordance with such rules.
3. The organizer of the tender shall acquire the ownership or any other right on the work rewarded in the tender only if this was stipulated when the tender was published.

Article 216 **Termination of obligation**

The obligation of the person that promised the reward shall terminate if by the deadline stipulated in the tender no notification is received from anyone that has performed the action, achieved the success or performed the conditions set out in the public tender; if no deadline was stipulated the obligation shall terminate one (1) year after the publication of the tender.

SUB-CHAPTER 2 **SECURITIES**

I. GENERAL PROVISIONS

Article 217 **Definition**

1. A security is a written document by which the issuer undertakes to perform the obligation recorded thereon to the lawful holder thereof.
2. A written record on another medium shall be deemed a security if so stipulated by a separate act of law.

Article 218 **Essential components**

1. Securities must have the following essential components:
 - 1.1. an indication of the type of security;
 - 1.2. the business name and head office address or name and address of residence of the issuer of the security;

- 1.3. the business name or name of a person to whom it is payable or who orders to whom the security is payable, or an indication that the security is payable to the bearer;
 - 1.4. a precise indication of the issuer's obligation deriving from the security;
 - 1.5. the place and date the security was issued, and the serial number for those securities issued in a series;
 - 1.6. the signature of the issuer of the security or a facsimile of the signature of the issuer of a security issued in a series.
2. Other essential components for particular securities may be stipulated by a separate act of law.
 3. Any document that does not contain all of the essential components is not a security.

Article 219 **Types of securities**

A security may be declared in favor of the bearer, a registered name or by order.

Article 220 **Origin of obligation**

The obligation specified in a security shall originate at the moment the issuer delivers the security to the beneficiary.

Article 221 **Special conditions for issuance of serial securities**

The special law provides for the setting and other conditions of issuance of serial securities.

II. RIGHTS DERIVING FROM SECURITIES

Article 222 **To whom right deriving from security pertains**

1. The receivable deriving from a security shall be tied to the paper itself and shall pertain to its lawful bearer.
2. It shall be presumed that the bearer is the lawful holder of a bearer security.
3. The lawful holder of a registered security or a security by order is the person to whom the security is payable or a person to whom it has been correctly transferred.
4. An acquirer of a bearer security that acted in good faith shall become its lawful holder and shall acquire the right to the receivable recorded thereon, even if the security left the hands of the issuer or previous holder against the will of such.

Article 223 **Request for fulfillment**

The fulfillment of the receivable specified in a security may only be requested upon submission by the lawful holder or a person authorized thereby.

III. TRANSFER OF SECURITY

Article 224

Transfer of right in bearer security

The right specified in a bearer security shall be transferred via the delivery thereof.

Article 225

Transfer of right in registered security

1. The right specified in a registered security shall be transferred via cession.
2. A separate act of law may stipulate that the right specified in a registered security may also be transferred by endorsement.
3. The right specified in a registered security shall be transferred by recording the business name or name of the new holder on the paper itself, adding the signature of the transferor and entering the transfer in the securities register administered by the issuer.

Article 226

Transfer of right in security by order

The right specified in a security by order shall be transferred by endorsement.

Article 227

Types of endorsement

1. Endorsements may be full, in blank or to the bearer.
2. The full endorsement shall include the statement of transfer (ceding), title and name of the person to whom the right arising from the security is transferred (indosatar) and signature of transferor (indosant), but can also include other data (place, date etc.).
3. An endorsement in blank shall only contain the endorser's signature.
4. In the transfer of a security by endorsement to the bearer the word "bearer" or any other sign entailing the same shall be recorded instead of the name of the endorsee.
5. Endorsement to the bearer shall apply as an endorsement in blank.
6. A partial endorsement shall be null and void.

Article 228

Transfer of authorization and transfer into pledge

1. The securities may be transferred and the authorization shall be transferred as the transfer of pledge shall be transferred too.
2. In a transfer of authorization the words "value in authorization" or similar shall be recorded, and in a transfer into pledge the words "value into pledge" or similar shall be recorded.

Article 229
Effect of transfer of rights

1. Through the transfer of the rights specified in a security the new holder shall acquire all the rights that were held by the previous holder.
2. The transfer of rights specified in a registered security either by cession or by endorsement shall have no effect against the issuer until the issuer receives notification of such or until the transfer is entered in any securities register that the issuer administers.
3. The assignor or endorser shall not be liable for the non-performance of obligations by the issuer, unless stipulated otherwise by law or unless a provision to the contrary is recorded on the security itself.

Article 230
Effect of transfer of authorization and transfer into pledge

The holder of a security that was transferred thereto as a “transfer in authorization” or a “transfer into pledge” may execute all the rights deriving therefrom, but may only transfer the security to another as a transfer of authorization.

Article 231
Evidence of legality of transfer

1. The last endorsee shall prove the right specified in the security using an uninterrupted chain of endorsements.
2. The sense of this rule shall also apply to the last assignee.

Article 232
Prohibition of transfer

1. The transfer of a security by order via an endorsement shall be prohibited using the phrase “not by order” or a similar phrase of the same meaning.
2. The right specified in a security for which transfer by endorsement has been prohibited may only be transferred by cession.
3. Transfer by endorsement may be prohibited by the issuer or the endorser.
4. The transfer of a registered security may be prohibited via a separate act of law or a declaration by the issuer recorded on the security itself.

IV. CHANGES TO SECURITIES

Article 233
Changes made by issuer

1. At the holder’s request and expense the issuer of a bearer security or a security by order may change it into a registered security.
2. Unless the change is expressly prohibited, at the holder’s request and expense the

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issuer of a registered security may change it into a bearer security or a security by order.

Article 234
Changes made by holder during transfer

1. The endorser may transfer a security by order via an endorsement to a bearer, unless stipulated otherwise by a separate act of law.
2. The assignor or endorser may only transfer a registered security to a specific person.
3. A bearer security may also be transferred by an endorsement to a specific person.

Article 235
Merger and split of securities

1. At the holder's request and expense securities issued in a series may be merged into a single security or several securities.
2. At the holder's request and expense a security may be split into several securities for a smaller amount, which may not be lower than the lowest denomination issued in the series.

V. PERFORMANCE OF OBLIGATION IN SECURITY

Article 236
Termination of obligation

1. The obligation in a security shall terminate when performed by the issuer for the lawful holder.
2. The receivable specified in a security shall also terminate if the security pertains to the issuer, unless stipulated otherwise by a separate act of law.
3. An issuer of a bearer security that acted in good faith when performing it for the bearer shall also be released from the obligation if the latter was not the lawful holder.

Article 237
Prohibition of performance

1. If the issuer of a bearer security knows or should have known that the bearer is not the lawful holder and has not been authorized thereby the issuer must refuse performance or be liable for the damage.
2. The issuer of a security may not validly perform the obligation if the relevant authority so prohibits or if the issuer knows or should have known that a procedure to have the security amortized or invalidated was introduced.

Article 238

Payment of interest and other yield after payment of principal

A debtor that paid the principal to the holder of a security must pay the coupon interest and other yield on the same security submitted for payment after payment of the principal, unless such claims have become statute-barred.

Article 239

Objection to claim for performance of obligation

1. Against a claim by the holder of a bearer security or security by order the issuer may only exercise those objections that concern the issue of the security itself, such as forgery, then objections deriving from the content of the security itself such as the deadline and conditions, and finally objections held against the holder of the security, such as offsetting, deficiencies in the legally prescribed procedure for acquiring the security and a deficiency of authorization.
2. Against a claim by the holder to whom the security was delivered the issuer may exercise objections to errors in the legal transaction based on which the transfer was conducted, but may not exercise such objections against a claim by a subsequent holder.
3. If the holder of a security knew or should have known when receiving the security from the predecessor that the latter was handing over the security in order to avoid an objection against the latter by the issuer, the issuer may also exercise this objection against the holder of the security.
4. Other types of objection for individual types of security may be set out by a separate act of law.

VI. IDENTIFICATION PAPERS AND SIGNS

Article 240

Identification papers

The sense of the relevant provisions on securities shall apply to railway tickets, theatre tickets and other types of entrance ticket, vouchers and similar documents containing a specific obligation for the issuer thereof on which the creditor is not indicated and for which it does not follow either therefrom or from the circumstances in which they were issued that they cannot be ceded to another.

Article 241

Identification signs

1. Cloakroom tags and similar signs consisting of a piece of paper, metal or other material on which a number is customarily inscribed or the number of articles handed over is customarily indicated and that do not contain anything specific on the issuer's obligation are intended solely for identifying the creditor in the relationship for whose occurrence they were issued.

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2. The issuer of an identification sign shall be released from the obligation if it is performed for the bearer in good faith; however it shall not be presumed that the bearer is the true creditor and is entitled to demand performance, and this must be proved in a dispute.
3. The creditor may demand performance of the obligation even though the identification sign has been lost.
4. Otherwise it shall be necessary in each case to consider the joint intention of the issuer and the recipient of the sign, and what is customary.

VII. OTHER PROVISIONS

Article 242

Replacement of damaged security

The holder of a damaged security that is not suitable for a transaction but whose authenticity and content can be precisely determined shall be entitled to request a new security in the same amount, and must return the damaged security and reimburse the costs.

Article 243

Amortization of security

1. A lost security may be declared invalid (amortized).
2. The issuer of a security must deliver all documents to the current holder of the security at the request thereof and upon reimbursement of the costs, and provide all the information the holder requires in the amortization procedure.

Article 244

Statute-barring of receivables in security

The rules on statute-barring shall apply to receivables in securities, unless stipulated otherwise by a separate act of law.

**PART III
EFFECTS OF OBLIGATIONS**

**CHAPTER 1
CREDITOR'S RIGHTS AND DEBTOR'S OBLIGATIONS**

**SUB-CHAPTER 1
RIGHT TO REIMBURSEMENT OF DAMAGE**

I. GENERAL RULES

Article 245

Performance of obligations and consequences of non-performance

1. The creditor shall be entitled to demand the performance of the obligation by the debtor, and the debtor shall be obliged to perform it in good faith in all aspects as declared.
2. If the debtors fails to perform the obligation or is late in performing it the creditor shall also be entitled to demand the reimbursement of damage incurred thereby for this reason.
3. A debtor that was given an appropriate additional deadline for performance by the creditor shall also be liable for damage because of a delay in performance.
4. The debtor shall also be liable for the partial or full incapacity to perform, even if not culpable, if it occurred when there was a delay for which the debtor was responsible.
5. Nevertheless the debtor shall be released from liability for damage if it is shown that the thing that was the subject of the obligation would have been destroyed accidentally even if the debtor had performed the obligation on time.

Article 246

Release of debtor's liability

The debtor shall be released from liability for damage if it is shown that the debtor was unable to perform the obligation or was late in performing the obligation owing to circumstances arising after the conclusion of the contract that could not be prevented, eliminated or avoided.

Article 247

Contractual expansion of liability

A debtor's liability may be expanded by contract to cover a case in which the debtor would otherwise not be liable, unless this is not in contravention of the principle of conscientiousness and fairness.

Article 248
Limitation and exclusion of liability

1. It shall not be possible to exclude the debtor's liability for intent or gross negligence in advance by contract.
2. However, at the request of an interested party the court may also annul a contractual provision on the exclusion of liability for slight negligence if such an agreement derives from the debtor's monopoly position or in any way from the unequal nature of the relationship between the contracting parties.
3. A contractual provision that stipulates the maximum amount of compensation shall be valid if the amount stipulated is not in clear disproportion to the damage or unless stipulated otherwise by law.
4. In the case of limitation of the level of compensation the creditor shall have the right to full compensation if the debtor caused the incapacity to perform intentionally or out of gross negligence.

Article 249
Amount of compensation

1. The creditor shall have the right to the reimbursement of ordinary damage and lost profit that the debtor should have expected upon breach of contract as potential consequences of the breach of the contract given the facts that were known or should have been known.
2. In the case of fraud, intentional non-performance or non-performance owing to gross negligence the creditor shall have the right to demand that the debtor reimburse all the damage that occurred because of the breach of contract, irrespective of whether the debtor knew of the particular circumstances for which reason it occurred.
3. If during a breach of an obligation any benefit accrued to the creditor in addition to the damage it shall be necessary to take the benefit into suitable consideration when levying the compensation.
4. A party that makes a reference to a breach of contract must take all reasonable measures to reduce the damage inflicted by the breach; otherwise the other party may demand reduced compensation.
5. The sense of the provisions of this article shall also apply to the non-performance of obligations that did not arise from a contract, unless stipulated otherwise by the present Law for individual cases thereof.

Article 250
Creditor's responsibility

If the creditor or a person for whom the creditor is responsible is also responsible for the damage that occurred or the size thereof or responsible for rendering the debtor's position more difficult the compensation shall be proportionately reduced.

Article 251

Liability owing to omission of notification

A contracting party that is obliged to notify the other party regarding facts that influence their mutual relationship shall be liable for damage incurred by the other party because the latter was not notified on time.

Article 252

Application of provisions on reimbursement of damage

Unless stipulated otherwise in the provisions of this subchapter, the sense of the provisions of the present Law on the reimbursement of non-contractual damage shall apply to the reimbursement of damage occurring through the breach of a contractual obligation.

II. PENALTY

Article 253

General rules

1. The creditor and debtor may agree that the debtor will pay the creditor a specific monetary sum or will provide any other type of material benefit thereto if the debtor fails to perform their debtor's obligation or is late in performing the obligation (penalty).
2. Unless it follows otherwise from the contract the penalty shall be deemed to have been agreed for the case when the debtor is late in performing.
3. A penalty may not be agreed for a pecuniary obligation.

Article 254

Manner of stipulation

1. The contracting parties may arbitrarily stipulate the size of the penalty, either in total or as a percentage, for each day of delay or otherwise.
2. The penalty must be agreed in the form prescribed for the contract in which the obligation to which it relates originated.

Article 255

Accessory nature

1. An agreement on a penalty shall have the legal fate of the obligation to which it relates.
2. The agreement shall lose the legal effect if its non-fulfillment or delay arose because of the cause which the debtor is not responsible.

Article 256
Debtor's obligation

The creditor may not demand a penalty if the non-performance or delay occurred for a reason for which the debtor is not responsible.

Article 257
Creditor's rights

1. If a penalty is agreed for the case of non-performance of an obligation the creditor may demand performance of the obligation or the penalty.
2. The right to demand the performance of the obligation shall be lost if the payment of the penalty is demanded.
3. If a penalty is agreed for the case of non-performance the debtor shall not have the right to pay the penalty and withdraw from the contract, unless this was the contracting parties' intention when they agreed thereon.
4. If a penalty is agreed for the case of a delay in performance by the debtor the creditor shall have the right to demand both the performance of the obligation and the payment of the penalty.
5. The creditor may not demand the penalty for a delay if the creditor accepted the performance of the obligation but failed to immediately notify the debtor that the right to the penalty was being reserved.

Article 258
Reduction of penalty

At the debtor's request the court shall reduce a penalty if it finds it to be highly disproportionate to the value and importance of the subject of the obligation.

Article 259
Penalty and indemnity

1. The creditor shall have the right to demand the penalty even if it exceeds the damage incurred thereby and even if no damage was incurred thereby.
2. If the damage incurred by the creditor is greater than the penalty the creditor shall have the right to demand the difference up to the value of full compensation.

Article 260
Compensation set by law and penalty

If an amount of compensation for non-performance of an obligation or a delay in performance is set by law under the name penalties, penalty, compensation or any other name and the contracting parties in addition agreed on a penalty in the contract the creditor shall not have the right to demand both the penalty and the compensation set by law, unless such is permitted by law.

SUB-CHAPTER 2
CHALLENGE OF DEBTOR'S LEGAL ACTIONS

Article 261
General rule

1. Any creditor whose claim has fallen due for payment may, irrespective of when it arose, challenge a legal act by the debtor that was done to the detriment of creditors.
2. A legal act shall be deemed to have been done to the detriment of creditors if because of the act the debtor does not have sufficient assets to fulfill the creditor's claim.
3. The term "legal act" shall also cover an omission for reason of which the debtor lost any material right or through which any material obligation arose therefore.

Article 262
Condition for challenge

1. Lucrative disposal may be challenged if during disposal the debtor knew or should have known that creditors were thereby being damaged and if the third person with whom or for whose benefit the legal act was done knew or should have known of such.
2. If the third person is the debtor's spouse or is related in a direct line of descent or indirectly to the level of three (3) times removed or directly or indirectly by marriage to the level of once removed it shall be presumed that such person knew that through such disposal the debtor was acting to the detriment of creditors.
3. For gratuitous disposal and equivalent legal acts the debtor shall be deemed to have known that such disposal was to the detriment of creditors, and the matter of whether the third person knew or should have known of such shall not be a requirement for a challenge thereto.
4. The waiver of an inheritance shall be deemed gratuitous disposal.

Article 263
Deadline for filing of action

1. A challenging action may be filed within a year in the case of disposal specified in the first paragraph of the previous article, and within three (3) years in other cases.
2. The deadline specified in the previous paragraph shall be deemed to be from the day the challenged legal act was done or from the day it was necessary to do the omitted act.

Article 264
Exclusion from challenge

It shall not be possible to challenge customary special-occasion gifts, prize gifts or gifts made out of gratitude for reason of detriment to creditors if they are in proportion to the debtor's financial capacities.

Article 265
How to challenge

1. A challenge may be made via a suit (action) or an objection.
2. A challenging action shall be filed against the third person with whom or for whose benefit the legal act was done or against the universal legal successors thereto.
3. If the third person alienates the benefit acquired through the challenged disposal via a lucrative transaction an action may only be filed against the acquirer if the latter knew that the acquisition by the predecessors could be challenged; if the benefit is alienated via a gratuitous transaction an action may be filed against the acquirer even if the latter did not know of such.
4. The defendant may avoid the challenge if the defendant performs the debtor's obligation.

Article 266
Effect of challenge

If the court grants the claim the legal act shall only lose effect against the plaintiff and only insofar as is necessary to fulfill the plaintiff's claim.

SUB-CHAPTER 3
RIGHT OF RETENTION

Article 267
Execution of right of retention

1. The creditor of a claim that has fallen due shall have the right to retain any thing of the debtor that is in the creditor's hands until the claim is paid thereto.
2. If the debtor becomes insolvent the creditor shall have the right of retention, even if the claim has not yet fallen due.
3. The right of retention of item shall also continue after the expiry of statute of limitation of the request.

Article 268
Exceptions

1. The creditor shall not have the right of retention if the debtor demands the return of a thing that against the debtor's will is no longer in the debtor's possession or if the debtor demands the return of a thing that was delivered to the creditor for safekeeping or for loan use.
2. The creditor may not retain an authorization obtained from the debtor, other documents, cards, letters or similar things belonging to the debtor, or other things that cannot be placed on sale.

Article 269

Mandatory return of thing before performance of obligation

The creditor shall be obliged to return a thing to the debtor if the latter offers adequate security for the claim.

Article 270

Effect of right of retention

A creditor that on the basis of the right of retention holds a thing of the debtor in the creditor's hands may be repaid from the value thereof in the same manner as a pledgee, but must notify the debtor on time regarding such intention prior to deciding such.

CHAPTER 2

CREDITOR'S RIGHTS IN SPECIAL CASES

Article 271

When obligation is composed of things on kind

When the obligation is composed of things on kind and the debtor becomes delayed the creditor may, having informed the debtor of such in advance, buy a thing of the same type and quality according to the creditor's choice and demand that the debtor reimburse the purchase money and the damage, or the value of the things owed and the reimbursement of damage.

Article 272

When obligation is service

When the obligation is a service and the debtor fails to perform the obligation on time the creditor may, having informed the debtor of such in advance, do what the debtor should have done at the debtor's expense and may demand compensation therefrom for the delay and also the reimbursement of any damage incurred because of this method of performance.

Article 273

When obligation is omission

1. When the obligation is an omission the creditor shall have the right to the reimbursement of damage if the debtor acts in contravention of the obligation.
2. If anything was constructed in contravention of the obligation the creditor may demand that this be removed at the debtor's expense and that the debtor reimburse the damage incurred by the creditor in connection with the construction and removal.
3. If the court finds that such is clearly of greater benefit it may rule, having taken the general interest and the creditor's justified interest into consideration, that what was constructed should not be demolished but that the creditor should have the damage reimbursed in cash.

Article 274

Right to demand compensation instead of court award

1. If the debtor fails to perform the obligation by the deadline stipulated therefore by a final ruling the creditor may demand that the debtor perform the obligation by an appropriate additional deadline and declare that after such deadline the creditor will no longer accept performance but will demand compensation for non-performance.
2. After the additional deadline passes the creditor may only demand compensation for nonperformance.

Article 275

Judicial penalties

1. If the debtor fails to perform any non-pecuniary obligation on time as determined by a final ruling the court may at the creditor's request set an appropriate additional deadline therefore and in order to exert influence thereon, irrespective of any damage, pronounce that should the debtor fail to perform the obligation by such deadline the debtor will have to pay the creditor a specific sum of money for each day of delay from the day the deadline past or for any other unit of time.
2. If the debtor subsequently performs the obligation the court may reduce the sum so stipulated, taking the purpose for which the payment was ordered into consideration in so doing.

PART IV

TERMINATION OF OBLIGATION

CHAPTER 1

GENERAL RULES

Article 276

General rule

1. An obligation shall terminate when performed or in other cases stipulated by law.
2. Surety, pledges and other accessory rights shall expire upon the termination of the principal obligation.

**CHAPTER 2
PERFORMANCE**

**SUB-CHAPTER 1
GENERAL RULES ON PERFORMANCE**

I. PERFORMANCE AND COSTS OF PERFORMANCE

Article 277

Performance by debtor or third person

1. An obligation may be performed by the debtor and also by a third person.
2. The creditor shall be obliged to accept performance from any person that has any legal interest in the obligation being performed, even if the debtor opposes such performance.
3. The creditor shall be obliged to accept performance from a third person if the debtor consents thereto, unless according to the contract or the nature of the obligation itself the debtor must perform the obligation in person.
4. The creditor may accept performance from a third person without the debtor's conscientiousness, even if the creditor has been notified that the debtor does not wish any other person to perform the obligation.
5. However, the creditor may not accept performance from a third person if the debtor has proposed thereto that the debtor will perform the obligation.

Article 278

Performance by person with incapacity to contract

1. A debtor with incapacity to contract may validly perform an obligation if the existence of the obligation is not in doubt and if the deadline for the performance thereof has fallen due.
2. Nevertheless it shall be possible to challenge performance if such a person repays a statute barred debt or a debt deriving from gaming or betting.

Article 279

Costs of performance

The costs of performance shall be borne by the debtor, unless caused by the creditor.

II. PERFORMANCE VIA SUBROGATION

Article 280

Performing with transferring the rights to performer

1. When performing the obligation of another any performer may prior to or during performance agree with the creditor that the fulfilled claim be transferred thereto with all or some of the accessory rights.

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2. The creditor's rights may also be transferred to the performer by a contract between the debtor and the performer concluded prior to performance.
3. The subrogation of the performer in respect of the creditor's rights in these cases shall occur upon performance.

Article 281
Subrogation by law

If an obligation is performed by a person that has any legal interest therein the creditor's claim with all the accessory rights shall be transferred thereto upon performance by law alone.

Article 282
Subrogation during part performance

1. During part performance of the creditor's claim the accessory rights by which the performance of the claim is secured shall be transferred to the performer only insofar as they are not required for the performance of the remainder.
2. However, the creditor and the performer may agree to exploit guarantees in proportion to their claims, and may also agree that the performer will have priority in repayment.

Article 283
Evidence and means of security

1. The creditor shall be obliged to deliver to the performer means by which the claim can be evidenced or secured.
2. Exceptionally the creditor may deliver to the performer a thing received as a pledge from the debtor or from any other person, but only if the pledger consents thereto; otherwise the thing shall remain in the creditor's possession to be kept safe for the performer.

Article 284
How much can be demanded from debtor

The performer to whom the claim was transferred may not demand more from the debtor than was paid to the creditor.

Article 285
Exclusion of creditor's liability for existence and collectibility of claim

1. A creditor that accepted performance from a third person shall not be liable for the existence or collectibility of the claim upon performance.
2. The application of the rules on unjust acquisition shall not be excluded thereby.

III. FOR WHOM PERFORMANCE IS MADE

Article 286

The authorized person

1. An obligation must be performed for the creditor or a person designated by law, a court ruling or a contract between the creditor and debtor or designated by the creditor alone.
2. Performance shall also be valid when made for a third person if the creditor subsequently approves thereof or makes use thereof.

Article 287

Performance for creditor with incapacity to contract

1. A debtor shall only be released by performance for a creditor with incapacity to contract if the performance was beneficial to the creditor or if the subject of the performance is still in the possession thereof.
2. A creditor with incapacity to contract that acquires the capacity to contract may then approve performance received when the creditor had the incapacity to contract.

IV. SUBJECT OF PERFORMANCE

Article 288

Content of obligation

1. Performance is the execution of that which is the content of the obligation; therefore the debtor may not perform it with anything else, and the creditor may not demand anything else.
2. Performance shall not be deemed valid if that which the debtor delivered as the owed thing and the creditor accepted as such is not in fact such; the creditor shall have the right to return that which was delivered and to demand the owed thing.

Article 289

Substitutional performance

1. The obligation shall terminate if in agreement with the debtor the creditor accepts anything else in place of that which was owed thereto.
2. In this case the debtor shall be liable as a seller for material and legal errors in the thing provided in place of the thing owed.
3. Nevertheless the creditor may demand from the debtor, but no longer from the surety, the fulfillment of the original claim and compensation in place of a claim from the debtor's liability for material and legal errors in the thing.

Article 290
Delivery for sale

If the debtor delivers anything or any other right for the creditor to sell to repay the claim from the sum obtained and to deliver the remainder to the debtor, the obligation shall only terminate when the creditor has been repaid from the sum obtained.

Article 291
Part performance

1. The creditor shall not be obliged to accept part performance, unless the nature of the obligation imposes otherwise.
2. However, the creditor shall be obliged to accept part performance of a pecuniary obligation, unless the creditor has a specific interest in refusing it.

Article 292
Obligation to provide thing in kind

1. If things are defined by type alone the debtor must provide a thing of medium quality.
2. However the debtor must provide things of appropriate quality if the debtor is acquainted with the purpose thereof.

V. ACCOUNTING OF PERFORMANCE

Article 293
Order of accounting

1. When there are several obligations of the same type between the same persons and that which the debtor performs is not sufficient to be able to settle all the obligations, if the creditor and debtor have not agreed on such the obligations shall be accounted in the order stipulated by the debtor, by the time of performance at the latest.
2. If there is no declaration on accounting by the debtor the obligations shall be settled in the order that they fell due for performance.
3. If several obligations fall due at the same time those that have least security shall be settled first; if they are equally secured those that place the greatest burden on the debtor shall be settled first.
4. If the obligations are equivalent in all the above they shall be settled in the order in which they arose; if they arose at the same time that which was provided on account of performance shall be divided among all the obligations in proportion to their size.

Article 294
Accounting of interest and costs

If in addition to the principal the debtor owes interest and costs these shall be settled such that costs are repaid first, then interest and then the principal.

VI. TIME OF PERFORMANCE

Article 295
If deadline is not stipulated

If no deadline is stipulated and the purpose of the transaction, the nature of the obligation and other circumstances do not demand a specific deadline for performance the creditor may demand immediate performance of the obligation, and the debtor may demand that the creditor immediately accept performance.

Article 296
Early performance

1. If the deadline was agreed exclusively in the debtor's interest the debtor shall be entitled to perform the obligation before the agreed deadline, but must inform the creditor of this intention and ensure that it is not at an inopportune time.
2. In other cases when the debtor offers early performance the creditor may reject it, or may also accept it and reserve the right to compensation if the creditor notifies the debtor of such without delay.

Article 297
Creditor's right to demand early performance

The creditor shall have the right to demand early performance if the debtor fails to provide security as promised or at the creditor's request fails to supplement security diminished through no fault of the creditor, or if the deadline was agreed exclusively in the creditor's interest.

Article 298
Stipulation of deadline from one party

If stipulation of the time of performance is left to the volition of the creditor or the debtor and the entitled person fails to stipulate a deadline even after a reminder the other party may request that the court set an appropriate deadline for performance.

Article 299
Pecuniary obligations

1. If paid through the mediation of a bank or other organization at which the creditor has an account and unless stipulated otherwise by the contracting parties a debt

shall be deemed to have been settled when a money transfer in favor of the creditor or an order from the debtor's bank or organization to approve the amount stated therein for the creditor's account reaches the bank or organization at which the creditor has an account.

2. If payment by post is agreed upon by contract the parties shall be presumed to have agreed that by paying the stipulated sum in at the post office the debtor will have settled the liability to the creditor; if such a manner of payment is not agreed the debt shall be settled when the creditor receives the money transfer.

VII. PLACE OF PERFORMANCE

Article 300 General rules

1. The debtor shall be obliged to perform the obligation and the creditor shall be obliged to accept it at a place stipulated by the legal transaction or by law.
2. If the place of performance is not stipulated and cannot be stipulated according to the purpose of the transaction, the nature of the obligation or any other circumstances it shall be necessary to perform the obligation in the place where the debtor had a head office or residence when the obligation originated, and if the residence is missing the place where the person resides will be considering.
3. If the debtor is a legal person or sole trader that has units in different areas the place of performance shall be deemed to be the seat of the unit that must do what is required for the performance of the obligation if when the contract was concluded the creditor knew or should have known of this circumstance.

Article 301 Place of performance of pecuniary obligations

1. Pecuniary obligations shall be performed in the place where the creditor has a head office or residence, and if the residence is missing the place where the person resides will be considering
2. If the payment is made by order the pecuniary obligations shall be performed at the head office of the organization where the creditor's cash funds are.
3. If the creditor changes the place where the creditor had a head office or residence when the obligation originated and the costs of performance increase for this reason the increase in costs shall be at the creditor's expense.

VIII. RECEIPT

Article 302 Presumptions in connection with receipt

1. Any person that fully or partly performs an obligation shall have the right to request that the creditor issue a receipt at the expense of the latter.
2. A debtor that pays a pecuniary obligation via a bank or post office may only request a receipt from the creditor if there are justifiable grounds for so doing.

3. If a receipt is issued for the full payment of a principal, it shall be presumed that the interest and any court costs and other costs have also been paid.
4. If a debtor with periodic charges such as rent and other claims charged periodically such as claims originating from the use of electricity, water or telephone has a receipt for payment of claims due later it shall be presumed that those falling due for payment before have been paid.

Article 303
Refusal of receipt

If the credit refuses to provide a receipt the debtor may deposit the subject of the obligation with the court.

IX. RETURN OF IOU

Article 304
Return of IOU

1. When a debtor performs the obligation in full the debtor may request that in addition to a receipt the creditor also return the IOU thereto.
2. If the creditor is unable to return the IOU the debtor shall have the right to request that the former issue a publicly certified document stating that the obligation has terminated.
3. If the IOU has been returned to the debtor it shall be presumed that the obligation has been performed in full.
4. A debtor that has only performed the obligation in part shall have the right to request that such performance be recorded on the IOU.

SUB-CHAPTER 2
DELAY

I. DEBTOR'S DELAY

Article 305
When debtor is in delay

1. The debtor shall be deemed to be in delay if the debtor fails to perform the obligation by the deadline stipulated for performance.
2. If no deadline for performance is stipulated the debtor shall be deemed to be in delay when, verbally or in writing via an extra-judicial reminder or by initiating any procedure whose purpose is to achieve the performance of the obligation, the creditor demands that the debtor perform the obligation.

II. CREDITOR'S DELAY

Article 306

When creditor is in delay

1. The creditor shall be deemed to be in delay if without justifiable grounds the creditor refuses to accept performance or prevents it by the action thereof.
2. The creditor shall also be deemed to be in delay if when the creditor is ready to accept the performance of the debtor's simultaneous obligation the creditor fails to offer to perform the creditor's own due obligation.
3. The creditor shall not be deemed to be in delay if it is shown that at the time performance was offered or at the time stipulated for performance the debtor was not able to perform the debtor's obligations.

Article 307

Effect of creditor's delay

1. If the creditor is in delay the debtor's delay shall terminate and the risk of accidental destruction of or damage to things shall be transferred to the former.
2. Interest shall cease to be charged from the day the creditor is first in delay.
3. A creditor in delay shall be obliged to reimburse the debtor for damage incurred because of the delay for which the former is culpable, and any costs in connection with the further safekeeping of things.

SUB-CHAPTER 3

DEPOSIT OF THINGS

Article 308

Deposit of things with court

1. If the creditor is in delay or is unknown, or it is not known reliably who or where the creditor is or if the creditor has incapacity to contract and does not have a representative the debtor may deposit the owed thing with the court for the creditor.
2. Others that have a legal interest in the obligation being performed shall also have this right.
3. The debtor must notify the creditor regarding the deposit, if the debtor knows who the creditor is and knows of the creditor's place of residence.

Article 309

With which court thing is deposited

1. A thing shall be deposited with the court of jurisdiction in the place of performance, unless economy or the nature of the transaction demands the deposit be in the place where the thing is.
2. Any other court of jurisdiction must accept the thing for safekeeping, and the

debtor must provide the creditor with compensation if any damage is incurred thereby through the deposit of the thing at the other court.

Article 310

Delivery to other person for safekeeping

1. If the subject of the obligation is any kind of thing that cannot be kept at the court the debtor may request that the court designate a person to whom the thing should be delivered at the expense of and for the account of the creditor.
2. For an obligation from a commercial contract the delivery of such a thing to a public warehouse for safekeeping for the creditor's account shall have the effect of deposit with the court.
3. The debtor must notify the creditor regarding delivery into safekeeping.

Article 311

Retrieval of deposited things

1. The debtor may retrieve the deposited thing.
2. The debtor must inform the creditor that the thing has been retrieved.
3. The debtor's right to retrieve the deposited thing shall expire if the debtor declares to the court that this right is being waived, if the creditor declares that the deposited thing is accepted or if a final legal ruling determines that the deposit fulfils the conditions for correct performance.

Article 312

Effect of deposit

1. By depositing the owed thing the debtor shall be released from the obligation when the thing is deposited.
2. If the debtor was in delay the delay shall terminate.
3. After the thing is deposited the risk of the accidental destruction thereof or damage thereto shall thenceforth be transferred to the creditor.
4. Interest shall cease to be charged from the day of the deposit.
5. If the debtor retrieves the deposited thing the deposit shall be deemed never to have been made, and the debtor's fellow debtors and sureties shall remain bound.

Article 313

Costs of deposit

The costs of a valid, unconcealed deposit shall be paid by the creditor in the part that exceeds the costs of performance, which must be paid by the debtor.

Article 314

Sale instead of deposit of thing

1. If a thing is not suitable for safekeeping or if the costs required for the safekeeping or maintenance thereof are in disproportion to its value the debtor may sell it at a

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public auction in the place stipulated for performance or in any other place if such is in the creditor's interest, and after allowing for expenses shall deposit the sum thus obtained with the court in such place.

2. If the thing has a daily price or if it is of little value in comparison to the cost of a public auction the debtor may sell it out of hand.
3. If the thing is such that it could be rapidly destroyed or spoiled the debtor must sell it without delay in the most suitable manner.
4. In each case the debtor must whenever possible notify the creditor regarding the intended sale and, after the sale, regarding the price obtained and the deposit thereof with the court.

Article 315

Delivery of thing to creditor

The court shall deliver the deposited thing to the creditor under the conditions set by the debtor.

Article 316

Sale to cover costs of safekeeping

1. If the costs of safekeeping are not paid by an appropriate deadline the court shall at the request of the depositary order the sale of the thing and shall stipulate the manner of sale.
2. The costs of the sale and the costs of safekeeping shall be deducted from the sum obtained and the remainder shall be deposited with the court for the creditor.

CHAPTER 3

OTHER WAYS FOR OBLIGATION TO TERMINATE

SUB-CHAPTER 1

OFFSET (COMPENSATION)

Article 317

General conditions

The debtor may offset claims against the creditor against that which is claimed therefrom by the creditor if the two claims are declared in cash or in other replaceable things of the same type and the same quality and if both have fallen due.

Article 318

Declaration of offset

1. An offset shall originate immediately when the conditions arise, but one party must declare such to the other.
2. Following a declaration of offset the offset shall be deemed to have originated when the conditions arose.

Article 319
Absence of reciprocity

1. The debtor may not offset that which is owed to the creditor against that which the creditor owes to the debtor's surety.
2. However, the surety may offset the debtor's obligations to the creditor against the debtor's claim on the creditor.
3. Any person that placed a thing under pledge for the obligation of another may request that the creditor return the pledged thing thereto if the conditions for the termination of the obligation through an offset are fulfilled, even if the creditor omitted the offset through the creditor's own fault.

Article 320
Statute-barred claim

1. A debt may be offset against a statute-barred claim, but only if the claim was not statute-barred when the conditions for the offset arose.
2. If the conditions for the offset arose when one of the claims had already become statute-barred the offset shall not originate if the debtor of the statute-barred claim exercises an objection to the offset.

Article 321
Offset against assigned claim

1. The debtor of an assigned claim may exercise with the recipient an offset of the debtor's claims that could have been offset with the assignor prior to notification of assignment.
2. The debtor may also offset with the recipient those of the debtor's claims against the assignor that were acquired prior to the notification of assignment but whose deadline for fulfillment had not fallen due when the debtor was notified regarding the assignment, but only if they fall due before the deadline for the fulfillment of the assigned claim or simultaneously therewith.
3. A debtor that without reservation declares to the recipient consent to the assignment may no longer exercise an offset therewith of any of the debtor's claims against the assignor.
4. If the assigned claim is recorded in public registers the debtor may only exercise an offset of the debtor's claim with the recipient if such claim is recorded as an assigned claim or if the recipient was informed of its existence during assignment.

Article 322
Cases when offset is excluded

1. The following may not terminate via an offset:
 - 1.1. claims that cannot be attached;
 - 1.2. claims for things or the value of things that were placed in safekeeping or made available for loan for the debtor, or that the debtor unlawfully took or retained;

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- 1.3. claims arising through the intentional infliction of damage;
- 1.4. compensation claims for damage done with damage to health or cause of death;
- 1.5. claims deriving from a lawful obligation for maintenance

Article 323
Attached claim of other party

The debtor may not exercise an offset of a claim if the claim only fell due after a third person encroached on the creditor's claim against the debtor through an attachment.

Article 324
Accounting of offset

If there are several obligations between two persons that can terminate through an offset the rules applying to the accounting of performance shall apply to the offset.

SUB-CHAPTER 2
RELEASE FROM DEBT

Article 325
Agreement

1. An obligation shall terminate if the creditor declares to the debtor that the creditor will not demand performance thereof and the debtor consents to such.
2. It shall not be necessary for the agreement to be concluded in the form in which the transaction from which the obligation originated was concluded for it to be valid.

Article 326
Waiver of security

The return of a pledge and the waiver of other assets with which the performance of an obligation was secured shall not mean that the creditor has waived the right to demand performance thereof.

Article 327
Surety's release from debt

1. The release from debt of the surety shall not release the principal debtor; upon the release from debt of the principal debtor the surety shall be released.
2. If there are several sureties and the creditor releases one of them from the obligation the others shall remain bound; however their obligation shall be reduced by the part falling to the released surety.

Article 328
General release from debt

Through a general release from debt all of the creditor's claims against the debtor shall expire, with the exception of those of which the creditor did not know when the making the release from debt.

SUB-CHAPTER 3
NOVATION

Article 329
Conditions for novation

1. An obligation shall terminate if the creditor and the debtor agree to replace the existing obligation with a new obligation, and if the new obligation has a different subject or a different legal basis.
2. Agreements between the creditor and the debtor by which a provision on the deadline, the place or the manner of performance are changed, much later agreements on interest, penalty, security for performance or on any other accessory provision, and agreements on the issue of a new debt document shall not be deemed novation.
3. The issue of a bill of exchange or a cheque for reason of any previous obligation shall not be deemed novation, unless such is agreed.

Article 330
Intention to enact novation

Novation shall not be presumed; therefore if the parties fail to express the intent that the current obligation should expire when the new obligation is created, the previous obligation shall not terminate but shall remain in addition to the new obligation.

Article 331
Effects of novation

1. Through a contract of novation the previous obligation shall terminate and a new obligation shall originate.
2. Both pledge and surety shall terminate with the previous obligation, unless otherwise agreed with the surety or pledger.
3. This shall also apply to other accessory rights in connection with the previous obligation.

Article 332
If there was no previous obligation

1. The novation shall be without effect if the previous obligation was null and void or had already expired.

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2. If the previous obligation was merely challengeable the novation shall be valid, if the debtor knew of the grounds for challenge.

Article 333
Effect of invalidity

If a contract of novation is invalid the novation shall be deemed never to have existed and the previous obligation shall be deemed never to have terminated.

SUB-CHAPTER 4
CONFUSION

Article 334
Confusion

1. An obligation shall terminate through confusion if therein the same person becomes creditor and debtor.
2. If the surety becomes the creditor the principal debtor's obligation shall not terminate.
3. An obligation recorded in a public register shall only terminate through confusion when the deletion thereof is recorded.

SUB-CHAPTER 5
IMPOSSIBILITY OF PERFORMANCE

Article 335
Termination of obligation that cannot be performed

1. An obligation shall terminate if the performance thereof becomes impossible because of circumstances for which the debtor is not responsible.
2. The debtor must prove circumstances that exclude the responsibility thereof.

Article 336
If subject of obligation is things of specific type

1. If the subject of an obligation is things of a specific type the obligation shall not terminate when all such things held by the debtor are destroyed because of circumstances for which the debtor is not responsible.
2. Nevertheless an obligation shall terminate if the subject of an obligation is things of a specific type that it is necessary to take from a mass of such things and the entire mass is destroyed.

Article 337
Cession of right against third person responsible for impossibility of performance

The debtor of a specific thing that is released from an obligation because of the impossibility of performance must cede to the creditor the right that would be held against a third person due to whom the impossibility arose.

SUB-CHAPTER 6
LAPSE OF TIME, NOTICE OF TERMINATION

Article 338
Deadline in long-term debtor relationship

A long-term debtor relationship with a specific period of duration shall terminate when the deadline passes, unless the contract or the law stipulates that after such deadline the debtor relationship shall be extended for an indefinite period if appropriate notice of termination is not given.

Article 339
Notice of termination of long-term debtor relationship

1. If the duration of a long-term debtor relationship is not stipulated each party may terminate it by giving notice.
2. The notice of termination must be delivered to the other party.
3. The notice of termination may be given at any time, but not at an inappropriate time.
4. The debtor relationship under notice of termination shall terminate when the notice period stipulated by the contract expires, or if no such period is stipulated by the contract after the expiry of the customary or appropriate notice period stipulated by law.
5. The parties may agree that their debtor relationship will terminate upon the actual delivery of the notice of termination, unless stipulated otherwise by law for the case in question.
6. The creditor shall have the right to demand from the debtor that which was due before an obligation terminated through the lapse of time or through notice of termination.

SUB-CHAPTER 7
DEATH

Article 340
Death

An obligation shall terminate through the death of the creditor or the debtor only if it originated with regard to the personal attributes of either of the contracting parties or with regard to the personal capabilities of the debtor.

**CHAPTER 4
STATUTE-BARRING**

**SUB-CHAPTER 1
GENERAL PROVISIONS**

**Article 341
General rule**

1. The right to demand performance of an obligation shall expire through statute-barring.
2. Statute-barring occurs when the period stipulated in the statute of limitations during which the creditor could demand performance of the obligation expires.
3. The court may not take notice of statute-barring if the debtor makes no reference thereto.

**Article 342
When statute-barring period begins**

1. The period for the statute-barring shall begin on the first day after the day the creditor held the right to demand the performance of the obligation, unless stipulated otherwise by law for individual cases.
2. If the obligation lies in something not being done, something being omitted or something being endured, the period for the statute-barring shall begin on the first day after the day the debtor acted in opposition to such obligation.

**Article 343
Occurrence of statute-barring**

Statute-barring shall occur when the last day of the period stipulated in the statute of limitations passes.

**Article 344
Counting of predecessors' time**

The time elapsing on behalf of the debtor's predecessors shall count towards statute-barring.

**Article 345
Prohibition on change in statute-barring period**

1. Through a legal transaction it shall not be possible to stipulate a longer or shorter statute-barring period than that stipulated in the statute of limitations.
2. Through a legal transaction it shall not be possible to stipulate that some time will be discounted from the statute-barring period.

Article 346
Waiver of statute-barring

The debtor may not waive statute-barring before the period expires.

Article 347
Written acknowledgement and securing of statute-barred obligation

1. A written acknowledgement of a statute-barred obligation shall be deemed to be a waiver of statute-barring.
2. A pledge or any other security provided for a statute-barred claim shall have the same effect.

Article 348
Effect of performance of statute-barred obligation

A debtor that performs a statute-barred obligation shall not have the right to demand the return of that provided, even if the debtor did not know that the obligation was statute-barred.

Article 349
Creditor whose claim is secured

1. When the statute-barring period expires a creditor whose claim is secured by a pledge or a mortgage may only be repaid from the encumbered thing if it is in the creditor's hands or if the creditor's right is recorded in a public register.
2. Statute-barred claims for interest and other periodic charges may not be repaid from the encumbered thing.

Article 350
Accessory claims

When a principal claim becomes statute-barred or would have become statute-barred had it not terminated through fulfillment the accessory claims such as claims for interest, fruits, costs and penalties shall also become statute-barred.

Article 351
When rules on statute-barring do not apply

The rules on statute-barring shall not apply in cases when a deadline is stipulated by law by which a suit must be filed or a specific action must be performed because otherwise the right would be lost.

**SUB-CHAPTER 2
PERIOD REQUIRED FOR STATUTE-BARRING**

**Article 352
General statute-barring period**

Claims shall become statute-barred after five (5) years, unless a different period is stipulated by the statute of limitations.

**Article 353
Periodic claims**

1. Claims for periodic charges that fall due annually or at specific shorter time intervals (periodic claims) shall become statute-barred three (3) years after each individual charge falls due, whether they are accessory periodic claims, such as interest claims, or such periodic claims by which a right itself is drawn upon, such as maintenance claims.
2. The same shall apply to annuities by which a principal and interest is repaid in equal periodic amounts stipulated in advance, but shall not apply to installments and other part performance.
3. Irrespective of the first paragraph of this article interest on claims whose statute-barring period is less than three (3) years shall become statute-barred after the same period as the principal claim.

**Article 354
Statute-barring of actual right**

1. The actual right from which periodic claims originate shall become statute-barred five (5) years after the oldest unfulfilled claim following which the debtor failed to fulfill any more charges fell due.
2. If a right from which periodic claims originate becomes statute-barred the creditor shall lose not only the right to demand future periodic charges, but also the right to claim periodic charges that fell due before the statute-barring.
3. The right to maintenance pertaining to someone by law may not become statute-barred.

**Article 355
Claims from commercial contracts**

1. Claims from commercial contracts and claims for the return of expenditure arising in connection with such contracts shall become statute-barred after three (3) years.
2. The statute-barring period shall run separately for each supply of goods, performance of work and provision of services.

Article 356
Claims for rent

Claims for rent, whether it is stipulated that it be paid periodically or in a lump sum, shall become statute-barred after three (3) years.

Article 357
Compensation claims

1. Compensation claims for damage inflicted shall become statute-barred three (3) years after the injured party learnt of the damage and of the person that inflicted it.
2. In each case the claim shall become statute-barred five (5) years after the damage occurred.
3. Compensation claims for damage that occurred through the breach of a contractual obligation shall become statute-barred after the period stipulated for the statute-barring of the obligation.
4. Compensation claims for damage inflicted through an act of sexual abuse of a minor shall become statute-barred fifteen (15) years after the minor comes of age.

Article 358
Compensation claims for damage inflicted by criminal offence

1. If the damage was inflicted by a criminal offence and a longer statute-barring period is stipulated for criminal prosecution, a compensation claim against the person responsible shall become statute-barred when the period stipulated for the statute-barring of criminal prosecution expires.
2. The discontinuance of statute-barring of criminal prosecution shall have as a consequence the discontinuance of statute-barring of the compensation claim.
3. This shall also apply to the suspension of statute-barring.

Article 359
Compensation claims for reason of corruption

If the damage was inflicted by an act on which the offering, provision, acceptance or demanding of a bribe or any other benefit or the promise thereof had a direct or indirect influence, or by the omission of action that would have prevented an act of corruption, or by any other act that according to law or international treaty entails corruption, the claim shall become statute-barred five (5) years after the injured party learnt of the damage and of the person that inflicted it; in any case it shall become statute-barred fifteen (15) years after the act was committed.

Article 360
One-year statute-barring period

1. The following shall become statute-barred after one (1) year:
 - 1.1. claims for supplied electricity, thermal energy, gas, and water, for chimney-

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- sweeping services and for municipal cleaning services, if the supply or service was carried out for the needs of a household;
- 1.2. radio and television stations' claims for station reception;
 - 1.3. claims by the post office and telecom companies for the use of telephones and PO boxes, and other claims thereby paid at three-monthly or shorter intervals;
 - 1.4. claims for subscription fees for periodic publications, counted from the end of the period for which the publication was ordered.
 - 1.5. claims for internet access services, services for the use of e-mail and e-mailboxes, website maintenance services, and services connected to access to cable and satellite radio and television stations paid at three-monthly or shorter intervals
 - 1.6. claims by the administrators of apartment blocks for services and other claims thereby paid at three-monthly or shorter intervals
2. The statute-barring period shall run from the end of the year in which the claim fell due for payment.
 3. The statute-barring period shall run even if the supply and services continue.

Article 361

Claims determined before court or other relevant authority

1. All claims determined by a final court ruling or by a ruling by another relevant authority or through settlement before the court or another relevant authority shall become statute-barred after ten (10) years, including those for which a shorter period is stipulated by the statute of limitations.
2. All periodic claims originating from such rulings or settlement and falling due in the future shall become statute-barred after the period stipulated for the statute-barring of periodic claims.

Article 362

Statute-barring periods for insurance contracts

1. Claims by the policyholder or a third person from a life assurance contract shall become statute-barred after five (5) years, and claims from other insurance contracts shall become statute-barred after three (3) years, counted from the first day after the end of the calendar year in which the claim originated.
2. If the person concerned shows that such person did not know that the insurance case had occurred by the day stipulated in the previous paragraph the statute-barring period shall run from the day such person learnt thereof; in any case the claim shall become statute-barred ten (10) years after the day stipulated in the previous paragraph for life assurance and after five (5) years
3. for other types of insurance.
4. Insurance agencies' claims from insurance contracts shall become statute-barred after three (3) years.
5. If in third party liability insurance an injured party claims or obtains compensation from an insured person the statute-barring period for the insured person's claim

against the insurance agency shall run from the day the injured party made a judicial claim for compensation against the insured person or when the insured person reimbursed the damage.

6. A direct claim by a third injured party against an insurance agency shall become statute-barred at the same time as the claim against the insured person liable for the damage becomes statute-barred.
7. The statute-barring period for a claim held by an insurance agency against the third person liable for the origin of the insurance case shall begin to run when the insured person's claim against such person begins to run, and shall end after the same time.

SUB-CHAPTER 3 SUSPENSION OF STATUTE-BARRING

Article 363 Claims between specific persons

1. The statute-barring period shall not run:
 - 1.1. between spouses;
 - 1.2. between parents and children, as long as the parental right lasts;
 - 1.3. between a ward and the guardian thereof or between a ward and the care authority, as long as the guardianship lasts and as long as bills are not issued;
 - 1.4. between persons cohabiting in an extra-marital union.

Article 364 Claims by specific persons

1. The statute-barring period shall not run:
 - 1.1. during mobilization, immediate risk of war, a state of emergency, or a state of war, and for claims by persons on military service
 - 1.2. for claims held by persons employed in the household of another against the employer or the family members thereof as long as such employment lasts

Article 365 Insurmountable obstacles

The statute-barring period shall not run while for reason of insurmountable obstacles the creditor is unable to demand the performance of the obligation through the court.

Article 366 Influence of grounds for suspension on statute-barring period

1. If a statute-barring period cannot run because of any lawful grounds, it shall begin to run when such grounds cease.
2. If the statute-barring period began to run before the grounds for which it was

suspended arose, it shall resume when such grounds cease; the time that passed before the suspension shall be counted towards the period stipulated by the statute of limitations.

Article 367

Claims by persons with incapacity to contract

1. The statute-barring period shall run against minors and other persons with incapacity to contract, irrespective of whether they have a lawful representative.
2. However the statute-barring of a claim by a minor without a representative or by any other person with incapacity to contract without a representative may not occur until two (2) years have passed since such person gained full capacity to contract or obtained a representative.
3. If a period of less than two (2) years is stipulated for the statute-barring of any claim and the creditor is a minor without a representative or any other person with incapacity to contract without a representative the statute-barring period for the claim shall begin to run when the creditor gains capacity to contract or obtains a representative.

SUB-CHAPTER 4

DISCONTINUANCE OF STATUTE-BARRING

Article 368

Acknowledgement of debt

1. Statute-barring shall discontinue when the debtor acknowledges the debt.
2. A debt may be acknowledged by the debtor not only through a declaration made to the creditor but also indirectly, for example by paying something into an account, by paying interest or by providing security.

Article 369

Filing of suit

Statute-barring shall discontinue with the filing of a suit or any other act by the creditor against the debtor before the court or other relevant authority to determine, secure or collect a claim.

Article 370

Withdrawn, dismissed or refused suit

1. Statute-barring shall be deemed not to have discontinued with the filing of a suit or any other act by the creditor against the debtor before the court or other relevant authority done with the intent of determining, securing or collecting a claim if the creditor withdraws the suit or abandons such an act.
2. Statute-barring shall also be deemed not to have discontinued if the creditor's suit is dismissed or refused or if a measure procured or performed for execution or security is annulled.

Article 371

Suit dismissed owing to lack of jurisdiction

1. If a suit against the debtor is dismissed owing to the court's lack of jurisdiction or for any other grounds not affecting matters themselves and the creditor files a new suit within three (3) months of the ruling by which the suit was dismissed becoming final, statute-barring shall be deemed to have discontinued with the first suit.
2. The same shall apply in the case of the naming of a predecessor and the exercise of an offset of a claim in a civil suit, even if the court or other authority directs the creditor to exercise the creditor's registered claim in a civil procedure.

Article 372

Creditor's demand

The creditor demanding verbally or in writing that the debtor perform the obligation shall not suffice for the discontinuance of statute-barring.

Article 373

Statute-barring period in event of discontinuance

1. After discontinuance the statute-barring period shall begin to run anew, and the time that passed prior to the discontinuance shall not count towards the period stipulated by the statute of limitations.
2. A statute-barring period discontinued by the debtor's acknowledgement shall begin to run a new from the acknowledgement.
3. If the statute-barring period discontinued with the filing of a suit or any other act by the creditor against the debtor before the court or any other relevant authority to determine, secure or collect a claim, by the exercise of an offset of the claim in a dispute or by the registration of the claim in any other procedure it shall begin to run anew on the day the dispute is completed or is otherwise settled.
4. If the statute-barring period discontinued with the registration of the claim in bankruptcy proceedings it shall begin to run anew on the day such proceedings are completed.
5. This shall also apply if the statute-barring period discontinued with a petition for compulsory execution or security.
6. A statute-barring period that begins to run anew after discontinuance shall end when the time stipulated by the statute of limitations for the discontinued statute-barring period passes.

Article 374

Statute-barring in event of novation

If the statute-barring period discontinued with the debtor's acknowledgement of the debt and the creditor and debtor undertook to change the basis or the subject of the obligation the new claim shall become statute-barred after the period stipulated for the statute-barring thereof.

**PART V
VARIOUS TYPES OF OBLIGATION**

**CHAPTER 1
PECUNIARY OBLIGATIONS**

**SUB-CHAPTER 1
GENERAL PROVISIONS**

**Article 375
Principle of monetary nominalism**

If the subject of an obligation is a sum of money, the debtor must pay the amount of currency in which the obligation is declared, unless the creditor and the debtor agree otherwise in accordance with the law.

**Article 376
Revaluation of pecuniary obligations**

1. The contracting parties may agree that the amount of the debtor's pecuniary obligation be stipulated in respect of changes in the price of goods and services expressed by the retail price index determined by the authorized organization (index-linking clause), in respect of fluctuation in a foreign exchange rate (foreign currency clause), or in respect of changes in other prices, unless such an agreement is in contravention of the law.
2. If the contracting parties agree on the revaluation of pecuniary obligations the revaluation shall be performed for the period from the origin of the obligation to the performance of the obligation, unless the parties agree otherwise.

**Article 377
Early payment**

1. The debtor may perform a pecuniary obligation early.
2. A contractual provision by which the debtor waives this right shall be null and void.
3. A debtor that performs a pecuniary obligation early shall only have the right to deduct from the debt the interest for the period between the day of payment to the day payment falls due if so entitled by the contract or if such is in accordance with custom.

**SUB-CHAPTER 2
INTEREST**

**Article 378
Definition**

In addition to the principal the debtor shall also owe interest if so stipulated by law of if the creditor and the debtor so agree.

Article 379

Prohibition of interest on interest

1. No penalty interest shall run on interest that has fallen due for payment but has not been paid, unless stipulated otherwise by law.
2. A contractual provision that interest shall run on interest that has fallen due for payment but has not been paid shall be null and void.
3. However it may be agreed in advance in a contract that the interest rate will be higher if the debtor fails to pay the interest that has fallen due on time.
4. Penalty interest may be requested on the unpaid amount of interest only from the date when the request for its payment has been submitted to court.

Article 380

When interest ceases to run

Interest shall cease to run when the amount of interest that has fallen due for payment but has not been paid reaches the principal.

Article 381

Presumption of usurious interest

1. If the agreed interest rate for penalty or contractual interest is more than fifty percent (50%) higher than the prescribed penalty interest rate, calculated as per the following Article, such an agreement shall be deemed a usurious contract, unless the creditor shows that the creditor has not exploited the debtor's distress, the severity of the pecuniary situation thereof, or the inexperience, recklessness or dependence thereof, or that the benefits reserved for the former or for a third person are not in clear disproportion to that which the former provided or did or undertook to provide or do.
2. The presumption specified in the previous paragraph shall not apply to a commercial contract.

SUB-CHAPTER 3

DELAY IN PERFORMANCE OF PECUNIARY OBLIGATIONS

PENALTY INTEREST

Article 382

Penalty interest

1. A debtor that is in delay in performing a pecuniary obligation shall owe penalty interest in addition to the principal.
2. The interest rate for penalty interest shall amount to eight percent (8%) per annum, unless stipulated otherwise by a separate act of law.

Article 383
Contractually agreed penalty interest rate

The creditor and the debtor may agree that the penalty interest rate be lower or higher than the penalty interest rate prescribed by law.

Article 384
Right to full compensation

1. The creditor shall have the right to penalty interest irrespective of any damage incurred thereby owing to the debtor's delay.
2. However if the creditor has incurred damage owing to the debtor's delay that is greater than the sum that would be obtained at the account of penalty interest the creditor shall have the right to demand the difference up to full compensation.

SUB-CHAPTER 4
CONTRACTUAL INTEREST

Article 385
Contractual interest

1. The contracting parties may agree that in addition to the principal the debtor must pay contractual interest for the period from the origin of the pecuniary obligation to the time it falls due.
2. If contractual interest is agreed but the interest rate and the time it falls due are not stipulated the interest rate shall be six percent (6%) per annum and the interest shall fall due at the same time the principal falls due.

Article 386
Interest for non-pecuniary obligations

The sense of the provisions of the present Law on contractual interest shall apply to other obligations of which the subject is things of fungible nature.

CHAPTER 2
OBLIGATIONS WITH MULTIPLE SUBJECTS

SUB-CHAPTER 1
ALTERNATIVE OBLIGATIONS

Article 387
Right to choose

If an obligation has two or more subjects of which the debtor must provide only one to be released from the obligation, unless agreed otherwise the debtor shall have the right to choose and the obligation shall terminate when the debtor delivers the chosen subject.

Article 388
Irrevocability and effect of choice

1. The choice is made and may no longer be altered when the party that has such right notifies the other party regarding the choice made.
2. Once the choice is made the obligation shall be deemed to have been simple from the beginning and the subject thereof shall be deemed to have been the chosen thing from the beginning.

Article 389
Duration of right

1. The debtor shall have the right to choose at any time until one of the owed things is fully or partly delivered to the creditor in compulsory execution at the latter's choice.
2. If the creditor has the right to choose but fails to pronounce thereon by the deadline stipulated for performance the debtor may demand that the creditor choose, stipulating an appropriate deadline for such; after such deadline passes the right to choose shall pass to the debtor.

Article 390
Choice entrusted to third person

If the choice should be made by a third person but the third person fails to do so either party may request that the court do so.

Article 391
Limitation to remaining subject

If any subject of an obligation becomes impossible because of a development for which neither party is responsible the obligation shall be limited to the remaining subject.

Article 392
Limitation in event of one party's responsibility

1. If any subject of an obligation becomes impossible because of a development for which the debtor is responsible and the debtor has the right to choose the obligation shall be limited to the remaining subject; if the creditor has the right to choose the creditor may choose to demand the remaining subject or compensation.
2. If any subject of an obligation becomes impossible because of a development for which the creditor is responsible the debtor's obligation shall terminate; however if the debtor has the right to choose the debtor may demand compensation and perform the obligation with the remaining subject, and if the creditor has the right to choose the creditor may provide compensation and demand the remaining subject.

**SUB-CHAPTER 2
FACULTATIVE OBLIGATIONS AND FACULTATIVE CLAIMS**

I. FACULTATIVE OBLIGATIONS

**Article 393
Debtor's right in facultative obligation**

A debtor whose obligation has a single subject and that is allowed to discharge the obligation by delivering any other specific subject may exploit this possibility at any time until the creditor fully or partly obtains the subject of the obligation in compulsory execution.

**Article 394
Creditor's right in facultative obligation**

1. In a facultative obligation the creditor may only demand the subject of the obligation from the debtor, not any other subject by which the debtor could perform the obligation should the latter so desire.
2. If the subject of the obligation becomes impossible because of a development for which the debtor is responsible the creditor may only demand compensation; however the debtor may discharge the obligation by delivering a subject that the debtor was entitled to deliver instead of the owed subject.

II. FACULTATIVE CLAIMS

**Article 395
General rule**

1. If the contract or the law stipulates that the creditor may instead of the owed subject demand any other specific subject from the debtor, the debtor shall be obliged to deliver such subject to the creditor if demanded thereby.
2. The appropriate rules on facultative and alternative obligations shall otherwise apply to such facultative claims with regard to the contracting parties' intent and the circumstances of the transaction.

**CHAPTER 3
OBLIGATIONS WITH MULTIPLE DEBTORS OR MULTIPLE CREDITORS**

**SUB-CHAPTER 1
DIVISIBLE OBLIGATIONS**

**Article 396
Division of obligations and claims**

1. An obligation shall be deemed divisible if that which is owed can be divided into and performed in parts that have the same attributes as the entire subject, and if

none of its value is lost through such a division; otherwise it shall be deemed indivisible.

2. If there are several debtors for a divisible obligation and division is not otherwise stipulated the obligation shall be divided among them into equal parts, and they shall each be responsible for their own part of the obligation.
3. If there are several creditors for a divisible obligation, unless stipulated otherwise, the claim shall be divided among them into equal parts, and each creditor may only demand such creditor's own part of the claim.

Article 397

Presumption of joint and several liability

If there are several debtors for a divisible obligation originating through a commercial contract they shall be jointly and severally liable to the creditor, unless the contracting parties expressly reject joint and several liability.

SUBCHAPTER 2

JOINT AND SEVERAL OBLIGATIONS

I. DEBTORS' JOINT AND SEVERAL LIABILITY

Article 398

Content of debtors' joint and several liability

1. Each debtor in a joint and several obligations shall be liable to the creditor for the entire obligation and the creditor may demand the performance thereof from any of them as desired at any time until it is fully performed; however the obligation shall terminate when one debtor performs it, and all the debtors shall be released from the obligation.
2. Among several joint and several debtors each may owe with a different deadline for performance, under different conditions and with various deviations in general.

Article 399

Offset

1. Each joint and several debtor may make reference to an offset of a fellow debtor.
2. Each joint and several debtor may offset a fellow debtor's claim on the creditor against a claim by the creditor, but only in the amount of that part of the fellow debtor's debt in the joint and several obligation.

Article 400

Release from debt

1. Upon any of the joint and several debtors being released from the debt under an agreement all the other debtors shall be released from the obligation.
2. If the purpose of the release was solely to release the debtor that was released from the debt from the obligation, the joint and several obligation shall be reduced by

the part that with regard to the mutual relations among the debtors fell thereto, and the other debtors shall be jointly and severally liable for the remainder of the obligation.

Article 401
Novation

1. Through a novation concluded by the creditor with any of the joint and several debtors the other debtors shall be released.
2. If the creditor and the debtor restricted the novation to the part of the obligation falling to the debtor the obligation of the others shall not terminate but shall be reduced by such part.

Article 402
Settlement

A settlement concluded by one of the joint and several debtors with the creditor shall not have any effect against the other debtors; however they shall have the right to accept it if it is not restricted to the debtor with whom it was concluded.

Article 403
Confusion

If the attributes of creditor and debtor for the same joint and several obligations are combined in a single person, the obligation of the other debtors shall be reduced by the part falling to such person.

Article 404
Creditor's delay

A creditor that is in delay against one joint and several debtor shall be in delay against the other joint and several debtors.

Article 405
One debtor's delay and acknowledgement of debt

1. A delay on the part of one joint and several debtor shall have no effect against the other debtors.
2. The same shall apply to a debt acknowledged by one of the joint and several debtors.

Article 406
Suspension and discontinuance of statute-barring and waiver of statute-barring

1. If the statute-barring period is not running or is discontinued against one debtor it shall continue to run for the other joint and several debtors and may reach

completion; however a debtor against whom the obligation has not become statute-barred and that must perform the obligation shall have the right to demand that the other debtors against whom the obligation has become statute-barred each reimburse their part of the obligation to such debtor.

2. The waiver of completed statute-barring shall have no effect against the other debtors.

Article 407

Performer's right to reimbursement

1. The debtor that performs the obligation shall have the right to demand that each of the fellow debtors reimburse the part of the obligation falling thereto to such debtor.
2. The circumstance whereby the creditor has released any of the fellow debtors from the debt or has reduced their debt shall have no influence on this process.
3. The part falling to a fellow debtor from whom reimbursement cannot be obtained shall be distributed proportionately among the remaining fellow debtors.

Article 408

Division into equal parts and exception

1. Unless agreed otherwise or unless it follows otherwise from the legal relationships among the participants in a transaction, an equal part shall fall to each debtor.
2. However if joint and several liability was concluded in the exclusive interest of a particular joint and several debtor, such debtor shall be obliged to reimburse the entire sum of the obligation to the fellow debtor that repaid the creditor.

II. JOINT AND SEVERAL CREDITORS

Article 409

Non-presumption of joint and several liability

If there are several persons on the creditor side they shall only be jointly and severally liable if joint and several liability is agreed or stipulated by law.

Article 410

Content of joint and several liability

1. Each joint and several creditor shall have the right to demand from the debtor the performance of the entire obligation; however the obligation shall also terminate against the other creditors when one of them is repaid.
2. The debtor may perform the obligation for a creditor of the debtor's own choosing at any time until a particular creditor demands performance.

Article 411
Offset

1. The debtor may offset his obligation against a claim of the creditor that demands performance therefrom.
2. The debtor may only offset the debtor's obligation against another creditor's claim up to the amount of that part of the joint and several claim pertaining to such creditor.

Article 412
Release from debt and novation

Through a release from debt and a novation between the debtor and one creditor the joint and several obligation shall be reduced by the amount of the creditor's share in the claim.

Article 413
Settlement

A settlement concluded by one of the joint and several creditors with the debtor shall have no effect against the other creditors; however they shall have the right to accept it, unless it only relates the share of the creditor with whom it was concluded.

Article 414
Confusion

If the person of one joint and several creditor also combines the attributes of the debtor each of the other joint and several creditors may demand only their part of the claim therefrom.

Article 415
Delay

1. A debtor that is in delay against one joint and several creditor shall be in delay against the other creditors.
2. A delay on the part of one joint and several creditor shall have an effect against the other creditors.

Article 416
Acknowledgement of debt

The acknowledgement of a debt to one creditor shall be in favour of all the creditors.

Article 417
Statute-barring

1. If one creditor discontinues statute-barring or the statute-barring period is not running there against, this shall not benefit the other creditors and the statute-barring period shall continue to run against them.

2. The waiver of statute-barring against one creditor shall be in favour of all the creditors.

Article 418

Relationship among creditors after performance

1. Each joint and several creditor shall have the right to demand that the creditor that received performance from the debtor deliver thereto the share pertaining thereto.
2. Unless it follows otherwise from the relationship among the creditors an equal share shall go to each joint and several creditor.

SUB-CHAPTER 3 INDIVISIBLE OBLIGATIONS

Article 419

Indivisible Obligations

1. The provisions on joint and several obligations shall apply to indivisible obligations with multiple debtors.
2. If in the case of an indivisible obligation there are several creditors among whom joint and several liability is neither agreed by contract nor stipulated by law, an individual creditor may only demand performance from the debtor if the other creditors have authorised acceptance by such creditor; otherwise each creditor may demand that the debtor perform the obligation for all of them together or deposit it with the court.

PART VI CHANGE OF CREDITOR OR DEBTOR

CHAPTER 1 ASSIGNMENT OF CLAIM BY CONTRACT (CESSION)

SUB-CHAPTER 1 GENERAL PROVISIONS

Article 420

Which claims may be transferred by contract

1. Through a contract concluded with a third person the creditor may transfer the creditor's claim thereto, with the exception of claims whose transfer is prohibited by law and those that are connected to the creditor's personality or whose nature opposes transfer to another.
2. If the debtor and the creditor agreed that the creditor could not transfer the claim to another the transfer shall have no legal effect.
3. If upon transfer a document was submitted demonstrating the existence of a claim from which no prohibition of transfer derives the transfer shall have effect if the recipient did not know and was not obliged to know of a prohibition of transfer.

4. If the debtor and the creditor from a commercial contract agreed that the creditor could not transfer a pecuniary claim to another the transfer shall nevertheless have effect. In this case the debtor shall also be released from the obligation if it is performed for the assignor of the claim.

Article 421
Accessory rights

1. The accessory rights, such as the right to priority repayment, a mortgage, a pledge, the right from the surety contract, the right to interest and the right to penalty, shall be transferred to the recipient with the claim.
2. However the assignor may only deliver a pledged thing to the recipient if the pledger consents thereto; otherwise the thing shall remain with the assignor, in safekeeping for the recipient.
3. It shall be presumed that interest that has fallen due but has not been paid is assigned with the principal claim.

Article 422
Notification of debtor

1. The debtor's consent shall not be required for the transfer of a claim, but the assignor must notify the debtor regarding the assignment.
2. Performance for the assignor prior to the notification of assignment shall be valid, and the debtor shall thereby be released from the obligation, but only if the debtor did not know of the assignment; otherwise the obligation shall remain and the debtor must perform it for the recipient.

Article 423
Multiple assignment

If the creditor assigned the same claim to various persons the claim shall pertain to the recipient regarding whom the creditor first notified the debtor or that first made himself/herself/itself known to the debtor.

SUB-CHAPTER 2
RELATIONSHIP BETWEEN RECIPIENT AND DEBTOR

Article 424
Relationship Between Recipient and Debtor

1. The recipient shall have the same rights against the debtor as those held there against until the assignment by the assignor.
2. In addition to the objections held against the recipient the debtor may also exercise there against those objections that could have been exercised against the assignor until the debtor learnt of the assignment.

SUB-CHAPTER 3
RELATIONSHIP BETWEEN ASSIGNOR AND RECIPIENT

Article 425
Delivery of IOU

1. The assignor must deliver an IOU to the recipient if the assignor holds such, and other evidence on the assigned claim and accessory rights.
2. If the assignor only transfers part of the claim to the recipient the assignor must deliver thereto a certified transcription of the IOU proving the existence of the assigned claim.
3. At the request of the recipient the assignor must issue certified confirmation of the assignment thereto.

Article 426
Liability for existence of claim

If the claim is assigned by a lucrative contract the assignor shall be liable for the existence of the claim when it was assigned.

Article 427
Liability for collectibility

1. The assignor shall be liable for the collectibility of the assigned claim if such was agreed, but only up to the amount received from the recipient, and for the collectibility of interest, costs in connection with assignment and costs in proceedings against the debtor.
2. It shall not be possible to agree on greater liability for an assignor acting in good faith.

SUB-CHAPTER 4
SPECIAL CASES OF ASSIGNMENT OF CLAIM

Article 428
Assignment instead of performance or for collection

1. If the debtor assigns a claim or a part thereof to the creditor instead of performing the debtor's obligation, the obligation for the amount of the claim assigned shall expire when the assignment contract is concluded.
2. If the debtor assigns a claim to the creditor for collection only, the obligation shall only expire or be reduced when the creditor collects the assigned claim.
3. In the first and second cases the recipient must deliver to the assignor that which was collected in excess of the claim there against.
4. In assignment for collection the debtor of the assigned claim may also perform the obligation for the assignor, even if notified regarding the assignment.

Article 429
Assignment as security

If a claim is assigned as security for the recipient's claim against the assignor the recipient shall be obliged to act with the diligence of a good businessperson or the diligence of a good manager in collecting the assigned claim, and after collection to deliver the surplus to the assignor once the amount required for repayment of the recipient's claim there against has been kept.

CHAPTER 2
CHANGE OF DEBTOR

SUB-CHAPTER 1
TAKEOVER OF DEBT

I. GENERAL PROVISIONS

Article 430
Contract on takeover of debt

1. The takeover of a debt shall be accomplished through a contract between the debtor and the recipient to which the creditor consents.
2. Either may notify the creditor regarding the conclusion of the contract, and the creditor may report consent to the takeover of the debt to either.
3. A creditor that without restrictions accepts any performance from the recipient performed in the recipient's own name shall be presumed to have given consent.
4. The contracting parties may together or separately demand that the creditor pronounce by a stipulated deadline whether the takeover of the debt is consented to; if the creditor fails to pronounce by the stipulated deadline consent shall be deemed not to have been given.
5. A contract on takeover of debt shall have the effect of a contract on takeover of performance until the creditor consents thereto or if the creditor denies consent.

Article 431
Debt secured by mortgage

1. If during the alienation of any real estate under mortgage it is agreed between the acquirer and the alienator that the acquirer will takeover the debt against the mortgage creditor, the mortgage creditor shall be deemed to have consented to the contract on takeover of debt if no denial of consent is issued thereby within three (3) months of a written request by the alienator.
2. In the written request it shall be necessary to draw the creditor's attention to such consequence, otherwise the request shall be deemed not have been made.

II. EFFECTS OF CONTRACT ON TAKEOVER OF DEBT

Article 432

Change of debtor

1. Through the takeover of a debt the recipient shall take the place of the previous debtor, and the latter shall be released from the obligation.
2. However, if when the creditor consented to the contract on takeover of debt the recipient was overindebted and the creditor did not know and was not obliged to know of such, the previous debtor shall not be released from the obligation, and the contract on takeover of debt shall have the effect of a contract on accession to debt. It is presumed that at the time of consent on takeover of debt the creditor was not aware that the recipient was heavily indebted.
3. The same obligation that existed until then between the previous debtor and the creditor shall exist between the recipient and the creditor

Article 433

Accessory rights

1. The accessory rights that existed until then in addition to the claim shall remain; however sureties and pledges provided by third persons shall terminate unless the sureties and pledgers consented to their being liable for the new debtor. The consent is provided in the form applicable for the legal transaction by which the accessory right is created
2. Unless agreed otherwise, the recipient shall not be liable for uncollected interest that fell due prior to the takeover. The same is applied for the contracted penalty that fell before the takeover of debt was final.

Article 434

Objections

1. Against the creditor the recipient may exercise all the objections deriving from the relationship between the previous debtor and the creditor from which the debt taken over originates and the objections that the recipient himself /herself/ itself holds against the creditor.
2. Against the creditor the recipient may not exercise any objections deriving from the relationship between the recipient and the previous debtor that was the basis for the takeover of the debt.

SUB-CHAPTER 2 ACCESSION TO DEBT

Article 435

Contract on accession to debt

Through a contract between the creditor and a third person by which the third person undertakes to the creditor to fulfill the creditor's claim against the debtor the third person shall enter into a commitment in addition to the debtor.

Article 436

Accession to debt during takeover of any property as a whole

1. Any person to whom any property whole or a individual part thereof is transferred by contract shall together with the previous holder be jointly and severally liable for the debts relating to such whole or part thereof, but only up to the value of the assets thereof.
2. A contractual provision to exclude or restrict the liability specified in the previous paragraph shall have no legal effect against the creditors.

SUB-CHAPTER 3

TAKEOVER OF PERFORMANCE

Article 437

Takeover of Performance

1. Performance shall be taken over through a contract between the debtor and a third person by which the third person undertakes to the debtor to perform the debtor's obligation in respect of the creditor.
2. He shall be liable to the debtor if the recipient fails to perform the obligation for the creditor on time and the creditor demands performance from the debtor.
3. He shall neither take over nor accede to the debt, and the creditor shall therefore hold no right thereagainst.

BOOK 2

SPECIFIC RELATIONSHIPS OF THE CONTRACTUAL OBLIGATIONS

PART I

SALES CONTRACT

CHAPTER 1

GENERAL PROVISIONS

Article 438

Definition

1. Though a sales contract the seller undertakes to deliver the thing being sold to the buyer such that the latter acquires the right of ownership; the buyer undertakes to pay purchase money to the seller.
2. The seller of any right shall undertake to supply the sold right to the buyer; if the exercise of this right requires possession of a thing the seller shall deliver such to the buyer.

Article 439

Risk

1. Until the delivery of the thing to the buyer the risk of accidental destruction of or damage to the thing shall be borne by the seller; upon the delivery of the thing the risk shall be transferred to the buyer.
2. The risk shall not be transferred to the buyer if for reason of any defect in the delivered thing the buyer has withdrawn from the contract or demanded the replacement of the thing.

Article 440

Transfer of risk when buyer is in delay

1. If a thing was not delivered because the buyer was in delay the risk shall be transferred to the buyer when the buyer became delayed.
2. When the subject of the contract is things of a specific type the risk shall be transferred to a buyer in delay if the seller separated things that were clearly intended for delivery and sent the buyer notification of such.
3. When the nature of the things of a specific type is such that the seller cannot separate a part thereof it shall suffice if the seller does everything necessary for the buyer to be able to take them and sends the buyer notification of such.

CHAPTER 2

COMPONENTS OF SALES CONTRACT

SUB-CHAPTER 1

THING

Article 441

General rule

1. A thing involved in a contract must be marketable. A sales contract for a thing that is not marketable shall be null and void.
2. For the sale of items, whose transaction is limited, special provisions shall apply.
3. A sale may also relate to a future thing.

Article 442

If thing is destroyed before contract

1. A sales contract shall be null and void if the thing involved in the contract had already been destroyed when the contract was concluded.
2. If the thing was only partly destroyed when the contract was concluded the buyer may withdraw from the contract or remain in the contract with a proportionate reduction in the purchase money.
3. However the contract shall remain valid and the buyer shall only have the right to a reduction in the purchase money if the partial destruction of the thing does not

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disrupt the contract in achieving its purpose or if such is customary in legal transactions for the thing in question.

Article 443
Sale of another's thing

The sale of another's thing shall be binding for the contracting parties; however a buyer that did not know and was not obliged to know that the thing was another's may withdraw from the contract if for this reason the purpose thereof cannot be achieved, and may demand compensation.

Article 444
Sale of disputed right

1. A disputed right may be the subject of a sales contract.
2. But a contract shall be null by which a practicing lawyer or any other recipient of instructions buys a contested right whose realisation was entrusted to him, or if he negotiates for himself a share in the amount awarded to his principal by a court decision.

SUB-CHAPTER 2
PURCHASE MONEY

Article 445
If purchase money is not stipulated

1. If the purchase money is not stipulated in a contract and there is not sufficient information therein based on which it would be possible to stipulate it the contract shall be deemed not to have originated.
2. If the purchase money is not stipulated in a commercial sales contract and there is not sufficient information therein based on which it would be possible to stipulate it the buyer must pay the purchase money customarily charged by the seller upon the conclusion of the contract, or appropriate purchase money if there is no customary charge.
3. A price shall be considered reasonable if it is a current price at the time of entering into contract, and should it be impossible to determine, the court shall determine the price in conformity to the circumstances of the case.

Article 446
Prescribed price

If the agreed purchase money is greater than the price prescribed for the particular type of thing by the relevant authority the buyer shall only owe the prescribed price; if the agreed purchase money has already been paid the buyer shall have the right to demand the return of the difference.

Article 447
If daily price is agreed

1. If a daily price is agreed the buyer shall owe purchase money determined using the official record on the market in the seller's area when the obligation should be performed.
2. If there is no such record the daily price shall be stipulated on the basis of the elements customarily used to stipulate prices on the market.

Article 448
If stipulation of purchase money is entrusted to third person

If the stipulation of the purchase money was entrusted to a third person that cannot or does not wish to stipulate the purchase money, and the contracting parties do not subsequently reach agreement thereon but do not annul the contract, appropriate purchase money shall be deemed to have been agreed.

Article 449
If stipulation of purchase money is left to contracting party

If there is a contractual provision by which the stipulation of the purchase money is left to one of the contracting parties the purchase money shall be deemed not to have been agreed. The buyer in such a case shall owe a price as if no price has been determined.

CHAPTER 3
SELLER'S OBLIGATIONS

SUB-CHAPTER 1
DELIVERY OF THING

I. GENERAL RULES ON DELIVERY

Article 450
Time and place of delivery

1. The seller shall be obliged to deliver the thing to the buyer at the time and place stipulated in the contract.
2. The seller shall as a rule be deemed to have performed the obligation of delivery to the buyer when he (seller) delivers to the buyer the thing or the document by which the thing can be taken over.

Article 451
Subject of delivery

1. Unless agreed otherwise or it follows otherwise from the nature of the transaction, the seller shall be obliged to deliver the thing to the buyer in working order, together with all the accessories.

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2. The fruits and other benefits from the thing shall pertain to the buyer from the day when the seller was obliged to deliver the thing thereto.

Article 452

If delivery within specific period is agreed

If it is agreed that the thing will be delivered within a specific period but it is not stipulated which party will have the right to stipulate the day of delivery within the limits of this period, the seller shall have this right, unless it follows from the circumstances of the case that stipulation of the day was left to the buyer.

Article 453

If day of delivery is not stipulated

If the day of delivery to the buyer is not stipulated the seller must deliver the thing within a suitable period of the contract being concluded, with regard to the nature of the thing and other circumstances.

Article 454

If place of delivery is not stipulated in contract

1. If the place of delivery is not determined by the contract, the delivery of the thing shall be done at the place of the seller's domicile or residence at the moment of entering into contract or, should there be no such domicile, and the seller has entered into contract while performing his regular business activity, the delivery place shall be his business address.
2. If when the contract was concluded it was known to the contracting parties where the thing was or where it was to be made it shall be necessary to deliver the thing at such place.

Article 455

Delivery to transporter

If under the contract a thing must be transported and the place of performance is not stipulated in the contract, delivery shall be deemed to have been performed upon delivery of the thing to the transporter or to the person organizing dispatch.

Article 456

Organization of transport

A seller that is obliged to send the thing to the buyer must conclude the contracts required for transportation to the specific place in the customary manner and under the customary conditions.

Article 457

Costs

The costs during and prior to delivery shall be borne by the seller, and the costs of removing the thing and all other costs after delivery shall be borne by the buyer, unless agreed otherwise.

II. SIMULTANEOUS DELIVERY OF THING AND PAYMENT OF PURCHASE MONEY

Article 458

Deferral of delivery until payment of purchase money

Unless agreed otherwise or it customarily follows otherwise, the seller shall not be obliged to deliver the thing if the buyer fails to or is not ready to pay the purchase money at the same time; however the buyer shall not be obliged to pay the purchase money before having the opportunity to inspect the thing.

Article 459

Deferral of delivery during transport of thing

1. When a thing is being delivered by delivery to a transporter the seller may defer the dispatch of the thing until the payment of the purchase money or may send the thing while reserving the right to dispose of it during transport.
2. If the right to dispose of the thing during transport is reserved the seller may demand that the thing not be delivered to the buyer at the intended place until the purchase money is paid; the buyer shall not be obliged to pay the purchase money before having the opportunity to inspect
3. the thing.
4. If payment upon the delivery of an appropriate document is envisaged in the contract the buyer shall not have the right to refuse to pay the purchase money because the buyer had no opportunity to inspect the thing.

Article 460

Prevention of delivery of dispatched thing

1. If after the dispatch of a thing it is shown that the buyer's pecuniary circumstances have changed sufficiently for there to be a justifiable doubt as to whether the buyer will be able to pay the purchase money, the seller may prevent the delivery of the thing to the buyer even when the document by which the buyer is entitled to demand the delivery of the thing is already in the buyer's hands.
2. The seller may not prevent delivery if demanded by a third person with the correct document that gives such person the right to demand delivery of the thing, unless the document contains reservations regarding the effect of the transfer or if the seller shows that the holder of the document knowingly acted to the detriment of the seller when acquiring the document.

**SUB-CHAPTER 2
LIABILITY FOR MATERIAL DEFECTS**

I. MATERIAL DEFECTS (GENERAL)

Article 461

Material defects for which seller is liable

1. The seller shall be liable for material defects that the thing had when the risk was transferred to the buyer, irrespective of whether the seller had or did not have knowledge on material defects.
2. The seller shall also be liable for those material defects that show themselves after the risk was transferred to the buyer if they are the result of a cause that existed prior to this.
3. Insignificant material defects shall not be taken into consideration.

Article 462

When material defect is involved

1. A defect shall be deemed material if:
 - 1.1. the thing does not have the attributes necessary for the customary use or marketing of the thing;
 - 1.2. the thing does not have the attributes necessary for the special use for which the buyer bought it, and this was or should have been known to the seller;
 - 1.3. the thing does not have the attributes and features that were expressly or tacitly agreed upon or prescribed;
 - 1.4. the seller delivered a thing that does not match the sample or model, unless the sample or model was only shown for information purposes.

Article 463

Defects for which seller is not liable

1. The seller shall not be liable for the defects specified in paragraphs 1. and 3 of the previous article if they were known or could not remain unknown to the buyer when the contract was concluded.
2. Those defects that a diligent person with the average knowledge and experience of a person of the same occupation or profession would notice during a customary inspection of the thing shall be deemed to be defects that could not remain unknown to the buyer.
3. However the seller shall also be liable for defects that the buyer would easily notice if the seller declared that the thing is without any defects or that it has specific attributes or features.

Article 464

Inspection of thing and patent defects

1. The buyer shall be obliged to inspect the thing received in the customary manner or forward it for inspection as soon this is possible under the normal course of events, and to notify the seller regarding any patent defects within eight (8) days or immediately in the case of a commercial contract; otherwise the buyer shall lose the right deriving therefrom.
2. If the inspection was conducted in the presence of the two parties the buyer must immediately pass on to the seller any comments because of patent defects; otherwise the buyer shall lose the right deriving therefrom.
3. If the buyer dispatches the thing onward without repacking it and when the contract was concluded the seller knew or should have known of the possibility of such onward dispatch the inspection may be deferred until the thing reaches its intended new destination; in this case the buyer must notify the seller regarding any defects as soon as the buyer could learn of them under the normal course of events from the customers.

Article 465

Latent defects

1. If after the buyer has received the thing it is shown that the thing has any defect that could not be noticed during a customary inspection during reception (a latent defect), the buyer must notify the seller of such within eight (8) days of the day the defect was noticed or without delay in the case of commercial contracts; otherwise the right shall be lost.
2. The seller shall not be liable for defects that appear more than six (6) months after the thing was delivered, unless a longer period is stipulated in the contract.

Article 466

Deadlines for repair and replacement

If for reason of any defect it was necessary to repair a thing, deliver another thing, replace parts, etc. the deadlines specified in previous two articles shall be counted from the delivery of the repaired thing, the delivery of the other thing, the replacement of the parts, etc.

Article 467

Notification on defect

1. In the notification on a defect in a thing the buyer must precisely describe the defect and invite the seller to inspect the thing.
2. If a notification on a defect sent on time to the seller by the buyer by registered post, telegram or any other reliable manner arrives with a delay or the seller fails to receive it the buyer shall nevertheless be deemed to have performed the obligation and to have notified the seller.

Article 468
Significance of seller's knowing of defect

The buyer shall not lose the right to make a reference to any defect even if the buyer failed to perform the obligation to inspect the thing without delay or the obligation to notify the seller regarding the defect by the deadline stipulated and even if the defect only shows itself more than six (6) months after delivery if the defect was known or could not have remained unknown to the seller.

Article 469
Contractual restriction or exclusion of seller's liability for material defects

1. The contracting parties may restrict or totally exclude the seller's liability for material defects in the thing.
2. A contractual provision on restricting or excluding liability for material defects shall be null and void if the defect was known to the seller and the seller failed to inform the buyer, and also if the seller forced such a provision on the buyer by exploiting a predominant position.
3. A buyer that waived the right to withdraw from the contract because of a material defect in the thing shall retain the other rights owing to such defects.

Article 470
Compulsory public auction

Holder of the thing that is sold at a compulsory public auction shall not be liable for defects of the thing.

II. BUYER'S RIGHTS

Article 471
Buyer's rights

1. A buyer that notifies the seller on time and correctly regarding a defect may:
 - 1.1. demand that the seller rectify the defect or deliver another thing without the defect (performance of contract);
 - 1.2. demand that the purchase money be reduced;
 - 1.3. withdraw from the contract
2. In each of these cases the buyer shall have the right to reimbursement of damage.
3. In addition and independently of this, the seller shall also be liable to the buyer for damage incurred by other assets of the buyer because of the defect in the thing, according to the general rules on liability for damage.

Article 472
If contract is not performed by appropriate deadline

A buyer that fails to get the required performance of the contract by an appropriate deadline shall retain the right to withdraw from the contract or reduce the purchase money.

Article 473

When buyer may withdraw from contract

1. The buyer may only withdraw from the contract if an appropriate additional period for performing the contract was allowed for the seller.
2. The buyer may also withdraw from the contract without allowing an additional period if after being notified regarding a defect the seller informs the buyer that the contract will not be performed or if from the circumstances of the case in question it is clear that the seller will not be able to perform the contract in the additional period.

Article 474

If contract is not performed in additional period

If the seller fails to perform the contract within the additional period the contract shall be annulled by law alone; however the buyer may retain it in validity by declaring without delay to the seller that the contract remains valid.

Article 475

Partial defects

1. If only a part of the delivered thing has defects or if only a part of the thing or a smaller quantity of the thing than was agreed was delivered the buyer may withdraw from the contract according to the previous articles only in respect of the part that has the defects or the part or quantity that is missing.
2. The buyer may only withdraw from the entire contract if the agreed quantity or agreed thing constitutes a whole or if the buyer has a justifiable interest in accepting the agreed thing or the quantity in whole.

Article 476

If seller gave a larger quantity to buyer

1. In commercial contracts, when the seller of things of a specific type gives the buyer a larger quantity than that agreed and the buyer fails to declare within an appropriate period that the surplus is being refused the buyer shall be deemed to have also accepted the surplus and must pay therefore at the same price.
2. The seller must reimburse the damage to a buyer that does not wish to accept the surplus.

Article 477

Stipulated price for several things

1. If several things or a group of things are sold through a single contract and for a single sum of purchase money and only some of the things have defects the buyer may only withdraw from the contract in respect of the things with a defect; not for the other.

2. If the things constitute a whole such that it would be damaging to separate them the buyer may withdraw from the entire contract; if the buyer nevertheless only withdraws from the contract in respect of the things with a defect the seller may also withdraw from the seller's side of the contract in respect of the other things.

Article 478

Loss of right to withdraw

1. The buyer shall lose the right to withdraw from the contract because of a defect in the thing if the thing cannot be returned or cannot be returned in the state in which it was received.
2. The buyer may nevertheless withdraw from the contract because of any defect if the thing was totally or partly destroyed or damaged owing to a defect that justifies withdrawal from the contract or owing to any development that does not originate from the buyer or from any other person for whom the buyer is liable.
3. This shall also apply if the thing was totally or partly destroyed or damaged owing to the buyer's obligation to inspect the thing or if before the defect was discovered the buyer used or replaced a part of the thing during its customary use, even if the damage or replacement is insignificant.

Article 479

Retention of other rights

A buyer that has lost the right to withdraw from the contract because the thing cannot be returned or cannot be returned in the state in which it was received shall retain the other rights provided thereto by the law because of such a defect.

Article 480

Effects of annulled contract

1. If the contract is annulled because of defects in the thing the effects shall be the same as if a bilateral contract was annulled because of non-performance.
2. The buyer shall owe the seller the return of the benefits from the thing even when there is no possibility of returning the entire thing or a part thereof and the contract was nevertheless annulled.

Article 481

Reduced purchase money

The purchase money shall be reduced in relation to the value of the thing without defects and the value of the thing with the defect when the contract was concluded.

Article 482

Gradual discovery of defects

A buyer that achieved a reduction in the purchase money because of any kind of defect may withdraw from the contract or demand a further reduction in the purchase money if another defect is later discovered.

Article 483
Loss of rights

1. The rights of a buyer that notified the seller regarding a defect on time shall expire one (1) year from the day the notification was sent, unless the buyer was unable to exercise them owing to the seller's deception.
2. After this deadline passes a buyer that notified the seller regarding a defect on time and has not yet paid the purchase money may, as an objection to the seller's claim to be paid the purchase money, exercise a claim for the purchase money to be reduced or the damage to be reimbursed.

III. WARRANTY FOR UNIMPAIRED FUNCTIONING OF SOLD THING

Article 484
Liability of seller and manufacturer

1. If the seller of any machine, engine, item of apparatus or similar thing classed as technical goods delivers a warranty document to the buyer by which the manufacturer guarantees the unimpaired functioning of the thing during a specific period counted from delivery to the buyer and the thing does not function unimpaired the buyer may demand from either the seller or the manufacturer that the thing be repaired within an appropriate period or, should the seller or manufacturer fail to do so, that a thing that functions unimpaired be delivered in its place.
2. These rules shall not encroach upon the rules on the seller's liability for material defects.

Article 485
Demand for repair or replacement

1. If the thing does not function correctly the buyer may within the warranty period demand from the seller or the manufacturer that that thing be repaired or replaced, irrespective of when the defect in functioning showed itself.
2. The buyer shall also have the right to the reimbursement of damage incurred thereby because of being unable to use the thing, from the moment the demand for repair or replacement was made until fulfillment of the demand.

Article 486
Extension of warranty period

1. During a minor repair the warranty period shall be extended by the amount of time the buyer was unable to use the thing.
2. If a thing is replaced or undergoes significant repairs because of incorrect functioning the warranty period shall recommence from the replacement or return of the repaired thing.
3. If only a part of a thing is replaced or essentially repaired the warranty period shall only recommence for such part.

Article 487

Withdrawal from contract and reduction of purchase money

If the seller fails to repair or replace the thing within an appropriate period the buyer may withdraw from the contract or reduce the purchase money and demand compensation.

Article 488

Costs and risk

1. The seller or the manufacturer shall be obliged at such person's own expense to move the thing to the place where it is to be repaired or replaced, and to return the repaired or replaced thing to the buyer.
2. During this time the seller or manufacturer shall bear the risk of the destruction of or damage to the thing.

Article 489

Liability of cooperating parties

If several independent manufactures are involved in the making of individual parts of a thing or in individual actions their liability deriving from such parts or such actions towards the final manufacturer for the incorrect functioning of the thing shall terminate when the liability of the final manufacturer towards the buyer or the thing terminates.

Article 490

Loss of rights

The buyer's rights towards the manufacturer deriving from the warranty documentation shall expire one (1) year after the day the buyer demanded the repair or replacement of the thing therefrom.

SUB-CHAPTER 3

LIABILITY FOR LEGAL DEFECTS

Article 491

Legal defects

1. The seller shall be liable if any right is held on the sold thing by a third person that excludes, reduces or restricts a right of the buyer, and the buyer was not informed of such and did not consent to taking the thing encumbered with the right.
2. The seller of any other right guarantees for the existence thereof and for there being no legal obstacle to the exercise thereof.
3. If in the public records the right of the third person has been recorded, which in reality does not exist, the seller is obliged, on its own expense, to perform the deletion of the right.

Article 492
Notification of seller

If it is shown that a third person lays a claim to any right on a thing, the buyer must notify the seller of such, unless the seller already knows of such, and shall demand that the thing be released from the right or claim within an appropriate period; if the subject of the contract is things of a specific type the seller must deliver another without legal defects.

Article 493
Sanctions for legal defects

1. If the seller fails to act according to the buyer's demand and someone takes the thing from the buyer the contract shall be rescinded by law alone; if the buyer's right is reduced or restricted the buyer may choose to withdraw from the contract or demand a proportionate reduction in the purchase money.
2. If the seller fails to accede to the buyer's demand to release the thing from the third person's right or claim within an appropriate period, the buyer may withdraw from the contract if for this reason the buyer's purpose cannot be fulfilled.
3. The buyer shall in any case be entitled to compensation for loss sustained.
4. If when the contract was concluded the buyer knew of the possibility of the thing being taken or the buyer's rights being reduced or restricted, the buyer shall not have the right to compensation if this possibility is realised, but shall have the right to demand the return of or a reduction in the purchase money.

Article 494
If buyer fails to notify seller

A buyer that enters into a dispute with a third person without notifying the seller and loses the dispute may nevertheless make a reference to the seller's liability for legal defects, unless the seller shows that the seller had the means available to refute the third person's claim.

Article 495
If third person's right is patently well-founded

1. The buyer shall also have the right to make a reference to the seller's liability for legal defects when the buyer recognizes the patently well-founded right of the third person without the seller's notification and without a dispute.
2. If the buyer pays out a specific sum of cash to the third person so that the latter waives the well-founded right the seller may be released from the liability by reimbursing the buyer for the sum paid out and the damage incurred.

Article 496
Contractual limitation or exclusion of seller's liability

1. The seller's liability for legal defects may be limited by contract or entirely excluded.
2. If when the contract was concluded any defect in the seller's rights was known or could not have remained unknown to the seller a contractual provision on the limitation or exclusion of liability for legal defects shall be null and void.

Article 497
Limitations of public law nature

The seller shall also be liable for special limitations of a public law nature that were not known to the buyer if the seller knew of such or knew that such could be expected and failed to inform the buyer of such.

Article 498
Loss of right

1. The buyer's right deriving from legal defects shall expire one (1) year after the day the buyer learnt of the third person's right.
2. If the third person initiates a dispute before this deadline passes and the buyer requests that the seller intervene therein the buyer's right shall only expire six (6) months after the final outcome of the dispute.

CHAPTER 4
BUYER'S OBLIGATIONS

SUB-CHAPTER 1
PAYMENT OF PURCHASE MONEY

Article 499
Time and place of payment

1. The buyer must pay the purchase money at the time and place stipulated in the contract.
2. Unless agreed otherwise or it is customary otherwise, it shall be necessary to pay the purchase money upon delivery in the place the thing is delivered.
3. If it is not necessary to pay the purchase money upon delivery it must be paid at the seller's place of residence or head office.

Article 500
Interest if sale is financed with lending

If a thing sold on credit yields fruits or other benefits the buyer shall owe interest from when the thing was delivered, irrespective of whether the purchase money had fallen due for payment.

Article 501

Payment of purchase money during serial supply

1. During serial supply the buyer must pay the purchase money for each supply when delivery is taken, unless agreed otherwise or it follows otherwise from the circumstances of the transaction.
2. If the buyer provided an advance payment in a contract with serial supply the first supplies shall be charged from the advance payment, unless agreed otherwise.

SUB-CHAPTER 2

TAKEOVER OF THING

Article 502

Takeover of Thing

1. The takeover of the thing shall comprise the actions necessary to facilitate delivery and out of which the buyer can remove the thing.
2. If without justifiable grounds the buyer refuses to take a thing whose delivery was offered on time in the agreed or customary manner, the seller may withdraw from the contract if there is a reasonable doubt as to whether the buyer will pay the purchase money.

CHAPTER 5

**OBLIGATION FOR SAFEKEEPING OF THING FOR FELLOW
CONTRACTING PARTY**

Article 503

Cases of obligatory safekeeping

1. If because the buyer is in delay the risk is transferred thereto before the thing is delivered thereto, the seller must keep the thing safe with the diligence of a good businessperson or with the diligence of a good manager, and take appropriate measures to this end.
2. This shall also apply to the buyer if the thing was delivered thereto and the buyer wishes to return it to the seller either because the buyer has withdrawn from the contract or because another thing has been requested in its place.
3. In both the first and second cases the contracting party that must take the necessary measures for storing the thing shall have the right to the return of the necessary costs of storage.

Article 504

If buyer refuses to accept sent thing

A buyer that refuses to accept a thing sent thereto at the intended destination and made available there must take it on behalf of the seller if the latter is not at the intended destination and there is no other there that could take it on the seller's behalf, but under

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the condition that this is possible without paying the purchase money and without any major inconveniences or excessive costs.

Article 505
Right of party obliged to keep thing safe

A contracting party that under the previous provisions is obliged to take measures to keep a thing safe may, under the conditions and with the consequences stipulated in the provisions of the present Law on deposit with the court and on the sale of an owed thing, deposit the thing with the court, deliver it to another for safekeeping or sell it for the account of the other party.

CHAPTER 6
REIMBURSEMENT OF DAMAGE IF SALES CONTRACT IS RESCINDED

Article 506
General rule

If a sales contract was rescinded because one of the contracting parties breached the contract the other party shall have the right to the reimbursement of damage incurred for this reason under the general rules on the reimbursement of damage inflicted by a breach of contract.

Article 507
If thing has daily price

1. If the contract was rescinded because one of the contracting parties breached the contract and the thing has a daily price the other party may demand the difference between the purchase money stipulated in the contract and the daily price as at the day when the contract was rescinded on the market in the place in which the transaction was conducted.
2. If on the market in which the transaction was conducted there is no daily price, the daily price on the market that in the case in question can stand in shall be taken for calculating the refund; the difference in transport costs must be added to this price.

Article 508
If things are sold or bought for coverage

1. If the subject of the sale is a certain quantity of things of a specific type and one party fails to perform the obligation on time the other party may sell or buy them for coverage and may demand the difference between the purchase money stipulated in the contract and the purchase
2. money in the covering sale or covering purchase.
3. Sale and purchase for coverage must be performed within an appropriate period and in an appropriate manner.
4. The creditor must notify the debtor regarding the intended sale or purchase.

Article 509
Reimbursement of other damage

In addition to the right to the reimbursement of damage under the rules specified in the previous articles a party that remains faithful to the contract shall have the right to the reimbursement of any major damage.

CHAPTER 7
CASES OF SALE THROUGH SPECIAL AGREEMENT

SUB-CHAPTER 1
RIGHT OF PRE-EMPTION

Article 510
Definition

Through a contractual clause on the right of pre-emption, a buyer shall be bound to notify a seller of his intention to sell the object to a specific person, as well as on the terms of such sale, and to offer him to purchase the object at the same price

Article 511
Deadline for right and for payment of purchase money

1. The seller shall be bound to notify the buyer in a reliable way on his decision to use the right of pre-emption within thirty (30) days, counting from the day of buyer's notification of intended sale to a third party.
2. At the same time as declaring the purchase of the thing the pre-emption beneficiary must pay the purchase money stipulated in the owner's notification of the intended sale or deposit it with the court.
3. If the owner stipulated a specific deadline for payment of the purchase money in the conditions of sale the pre-emption beneficiary may only exploit this deadline by providing sufficient security.

Article 512
Possibility of inheritance and alienation

The right of pre-emption in movables may not be inherited or alienated, unless stipulated otherwise by law.

Article 513
During compulsory public auction

1. During a compulsory public auction the pre-emption beneficiary may not make a reference to the right of pre-emption.
2. However a pre-emption beneficiary whose right of pre-emption is recorded in a public register may demand the invalidation of an auction if not specially invited thereto.

Article 514
Duration of right of pre-emption

1. The right of pre-emption shall expire at the time stipulated by contract.
2. If the duration is not stipulated the right of pre-emption shall expire five (5) years after the contract was concluded.

Article 515
If transfer of property was performed without pre-emption beneficiary being notified

1. If the seller sells a thing and transfers the ownership to a third person without notifying the pre-emption beneficiary and the beneficiary's right of pre-emption was known or could not have remained unknown to the third person, the pre-emption beneficiary may within six (6) months of learning of the sales contract demand that the contract be annulled and the thing be sold thereto under the same conditions.
2. If the seller erroneously notifies the pre-emption beneficiary regarding the conditions of the sale to the third person and this was known or could not have remained unknown to the third person the six (6) month deadline shall run from the day the pre-emption beneficiary learnt of the true contractual conditions.
3. The entitlement shall in any case terminate five (5) years after the transfer of the property to the third person.

Article 516
Statutory right of pre-emption

1. Specific persons may hold the right of pre-emption under law.
2. The duration of a statutory right of pre-emption shall be unlimited.
3. The sense of the rules on the contractual right of pre-emption shall apply to the statutory right of pre-emption, unless stipulated otherwise for the individual case.

SUB-CHAPTER 2
PURCHASE ON TRIAL

Article 517
Definition

1. If it is agreed that the buyer takes the thing under the condition that the buyer tests it to determine whether it complies with the buyer's requirements, the buyer must notify the seller whether the contract is being adhered to by the deadline stipulated in the contract or by the customary deadline, but by an appropriate deadline stipulated by the seller; otherwise the buyer shall be deemed to have withdrawn from the contract.
2. If the thing was delivered to the buyer on trial until a specific deadline and the buyer fails to return it without delay after the deadline passes or fails to declare to

the seller that the buyer is withdrawing from the contract the buyer shall be deemed to be adhering to the contract.

Article 518
Objective trial

If the trial was agreed in order to determine whether the thing has a specific attribute or is suited to a specific use the existence of the contract shall not depend on the buyer's discretion but on whether the thing in fact has the attribute or is suited to the specific use.

Article 519
Risk

The risk of the accidental destruction of or damage to a thing that was delivered to the buyer on trial shall be borne by the seller until the buyer declares that the contract is being adhered to, or until the deadline by which the buyer was obliged to return the thing passes.

Article 520
Purchase after inspection, i.e. purchase reserving the right to test

The sense of the provisions on purchase on trial shall apply to purchase after inspection and purchase reserving the right to test.

SUB-CHAPTER 3
SALE BY SAMPLE OR MODEL

Article 521
Sale by Sample or Model

1. In a sale by sample or by model the seller shall be liable if the thing delivered to the buyer does not conform to the sample or model, under the regulations on the seller's liability for material defects in the thing if it is a matter of a commercial contract or under the regulations on liability for non-performance of obligations in other cases.
2. However the seller shall not be liable for non-conformity if the sample or model was only shown to the buyer to provide information and so that the buyer could approximately determine the attributes of the thing without any promise of conformity being made.

SUB-CHAPTER 4 SALE BY SPECIFICATION

Article 522 Sale by specification

1. If in the contract the buyer reserves the right to subsequently stipulate the form, size or any other detail of the thing and the buyer fails to do so by the agreed date or by an appropriate deadline counted from the seller's request to do so, the seller may withdraw from the contract or perform the specification in respect of that which was known about the buyer's requirements.
2. A seller that performs the specification alone must inform the buyer of the details thereof and stipulate an appropriate period for the buyer to stipulate otherwise.
3. If the buyer fails to make use of this opportunity the specification made by the seller shall be binding.

SUB-CHAPTER 5 CONDITIONAL SALE

Article 523 Conditions

1. The seller of a specific item of movable property may via a special contractual provision reserve title to the thing once delivered to the buyer until the buyer pays the purchase money.
2. The reservation of title shall have effect against a buyer's creditor only if the buyer's signature on the contract containing the provision on the reservation of title was notarized prior to the buyer's bankruptcy or the attachment of the movable property.
3. Title to things on which special public registers are administered may only be reserved if so stipulated by the regulations on the organization and administration of such registers.

Article 524 Risk

The risk of the accidental destruction of or damage to the thing shall be borne by the buyer from when the thing is delivered.

SUB-CHAPTER 6 SALE BY INSTALLMENTS

Article 525 Definition

Through a contract on sale by installments the seller undertakes to deliver to the buyer a specific item of movable property before the purchase money is fully paid, and the buyer undertakes to repay in installments at specific intervals.

Article 526
Form of contract

A contract on sale by installments must be compiled in written form.

Article 527
Essence of contract

In addition to the thing and its price the contractual documentation must for a cash sale cite the total amount of all repayments, including those paid when the contract is concluded, the amount of individual installments, the number thereof and the payment deadlines therefore.

Article 528
Withdrawal from contract and demand for full payment of purchase price

1. The seller may withdraw from the contract if the buyer is in delay with the initial installment.
2. After payment of the initial installment the seller may withdraw from the contract if the buyer is in delay with at least two successive installments that entail at least one-eighth of the purchase money.
3. In exceptional cases the seller may withdraw from the contract if the buyer is only in delay with a single installment when no more than four installments were envisaged for paying the purchase money.
4. In the cases specified in the paragraphs 2. and 3. of this article the seller may instead of withdrawing from the contract demand that the buyer pay the entire remainder of the purchase money, but must allow the buyer an additional fifteen-day period before doing so.

Article 529
Consequences of annulled contract

1. If a contract is annulled the seller must return the received installments to the buyer together with interest from the day they were received and return the necessary costs the buyer had for the thing.
2. The buyer must return the thing to the seller in the state in which it was when delivered and must provide recompense for the use thereof until the annulment of the contract.

SUB-CHAPTER 7
SALE WITH DOCUMENTARY CREDIT

Article 530
Parties' obligations

1. If the payment is agreed upon using a documentary credit the buyer shall be obliged to ensure at the buyer's own expense and by an appropriate deadline that a

first-rate bank opens a documentary credit that must be in accordance with the sales contract. The documentary credit must be valid for sufficient time after the performance of the seller's obligation for the seller to be able to collect and submit the documents to the bank.

2. If the bank fails to open the documentary credit in accordance with the previous paragraph or fails to pay the credit amount even though the seller submitted the relevant documents, the provisions on debtor's delay shall apply to the relationship between the buyer and the seller.
3. A seller that does not use a documentary credit opened by a bank in accordance with the sales contract shall not lose the right to demand the purchase money, but shall be obliged to reimburse the damage to the buyer.
4. The parties may stipulate that the opening of a documentary credit is a condition for the validity of the sales contract.
5. If a documentary credit is extended by agreement between the two parties each of them shall bear half of the costs; if there is an extension for reasons on the part of one of the parties such party shall bear the costs of the extension.
6. The provisions of this article shall not encroach upon the rules on a documentary credit as a bank transaction, and vice-versa.

SUB-CHAPTER 8 SALES ORDER

Article 531 Definition

1. Through a sales order contract the recipient of the order undertakes to sell a specific thing delivered thereto by the mandator for specific purchase money by a specific deadline or to return the thing by the deadline.
2. It shall not be possible to cancel a sales order.

Article 532 Risk of destruction of and damage to thing

The thing delivered to the recipient of the order shall remain the mandator's and the mandatory shall bear the risk of it being accidentally destroyed or damaged; however it shall not be at the disposal of the mandator until returned thereto.

Article 533 When recipient of order is deemed to have purchased thing

1. If the recipient of the order fails to sell the thing or to deliver the stipulated purchase money to the mandator by the stipulated deadline and fails to return it by this deadline the recipient shall be deemed to have purchased the thing.
2. However the recipient's creditors may not sequester the thing until the purchase money is paid to the mandator.

PART II
CONTRACT OF EXCHANGE

Article 534
Definition

1. Through a contract of exchange each contracting party undertakes in respect of the fellow contracting party to deliver an exchanged thing thereto such that the latter acquires the title.
2. Other transferable rights may also be the subject of an exchange.

Article 535
Effects of contract of exchange

The obligations and rights originating for the seller via a sales contract shall originate for each contracting party via a contract of exchange.

PART III
DEED OF GIFT

CHAPTER 1
GENERAL DEFINITION

Article 536
Definition

1. Through a deed of gift one person (the donor) undertakes to transfer title or any other right free of charge to the donee or in any other manner enrich the donee at the expense of the donor's assets, and the donee declares to consent to such.
2. The waiver of a right shall also be deemed a deed of gift if the obliged person consents to such.
3. The waiver of a right regarding which there is no obliged person and that is not ceded to another shall not be deemed a deed of gift.

Article 537
Gratuity

A contract concluded by a donor out of gratitude or any other moral obligation shall be deemed a deed of gift if the donee did not have the right to demand the gift through a lawsuit.

Article 538
Mixed gift

If under the same contract or another contract the donee is obliged to enrich the donor it shall be a matter of a deed of gift only in respect of the surplus value.

Article 539
Periodic performance

If the donor's obligation comprises periodic performance it shall expire upon the donor's death.

Article 540
Donor's liability for damage

1. Any person that knowingly gives another's thing and conceals this circumstance from the donee shall be liable for the damage.
2. If the gifted thing has a defect or a dangerous attribute owing to which damage is incurred to the donee, or to a third party injured, the donor shall be liable for the damage if the donor knew or should have known of the defect or dangerous attribute and failed to warn the donee.

CHAPTER 2
FORM

Article 541
Form

1. If the donor does not immediately transfer the thing or right to the donee such that the latter is able to freely dispose of it the deed of gift must be concluded in written form.
2. If the deed of gift is not concluded in the form specified in the previous paragraph the donee may not demand the performance thereof via a suit.

CHAPTER 3
REVOCAION OF DEED OF GIFT

Article 542
Revocation because of constraint

1. A donor that after the conclusion of the deed comes to a position whereby the donor's maintenance is endangered may revoke the deed of gift.
2. The revocation specified in the previous paragraph shall not be possible if the donee would thereby come to a position in which the donee's maintenance would be threatened.
3. The donee may keep a gift if the donee ensures the donor's maintenance.

Article 543
Revocation because of gross ingratitude

1. The donor may also revoke the deed of gift because of gross ingratitude if after the conclusion thereof the donee behaves towards the donor or a person close thereto

such that according to fundamental moral principles it would be unjust for the donee to keep that which was received.

2. The deed may also be revoked by the donor's heir for reason of the behaviour towards the donor.
3. Revocation because of the donee's behaviour shall also be possible against the donee's heir.
4. Revocation shall not be possible if the donee's behaviour towards the donor ceases.

Article 544

Revocation because of subsequent births

A donor who has a child after the deed was concluded and had none before may revoke the gift of deed.

Article 545

Consequences of revocation

1. Through the declaration of revocation the donor shall demand the return of the gifted thing or right or the payment of the value by which the donee was enriched on the basis of the deed of gift.
2. If the deed of gift has not yet been performed revocation shall have the consequence of the termination of the donor's obligation.

Article 546

Deadlines for revocation

A deed of gift may be revoked within one (1) year of the day the donor learnt of the reason for revocation.

Article 547

Waiver of revocation

A waiver of revocation shall be null and void.

CHAPTER 4

GIFT IN EVENT OF DEATH

Article 548

Gift in event of death

A deed of gift to be performed after the donor's death shall only be valid if concluded in the form of a notarial protocol and if the document on the concluded deed is delivered to the donee.

PART IV
CONTRACT ON DELIVERY AND DISTRIBUTION OF PROPERTY
(CONTRACT OF DELIVERY)

Article 549
Definition

Through a contract of delivery the deliverer undertakes to deliver and distribute property to his/her descendants, adopted children and adopted children's descendants.

Article 550
Conditions for validity

1. The contract shall only be valid if consented to by all the deliverer's descendants, adopted children and adopted children's descendants who by law would be called on to inherit under the contract (descendants).
2. The contract must be concluded in the form of a notarial protocol.
3. Any descendant who fails to give consent may give it later in the same form.
4. Delivery and distribution shall remain valid if a descendant who did not consent dies prior to delivery without leaving any descendants, renounces inheritance, is disinherited or is unworthy of inheritance.

Article 551
Subject of delivery and distribution of property

1. Only the deliverer's current property may be included in delivery and distribution, either entirely or in part.
2. A provision on the manner of distributing the property that will be in the deliverer's estate shall be invalid.

Article 552
Position of delivered property

1. When an ancestor who has delivered and distributed his/her property for life dies his/her estate shall only comprise the property not included in the delivery and distribution and the property subsequently acquired.
2. The property acquired by his/her descendants via delivery and distribution shall not be classed among his/her estate and shall not be taken into consideration when the value thereof is determined.

Article 553
Descendants' consent

1. If any descendant fails to consent to the delivery and distribution those parts of the property delivered to the other descendants shall be deemed gifts and after the ancestor's death shall be treated as gifts made to the heirs by the ancestor.

2. The provision of the previous paragraph shall be applied accordingly if after delivery and distribution consented to by all the descendants a child is born to the deliverer or a descendant who was pronounced dead appears.

Article 554

Reservation of rights during delivery

1. During delivery and distribution the deliverer may reserve for himself/herself, his/her spouse or any other person the right to usufruct on all or part of the delivered property or claim a lifelong annuity in kind or in cash, lifelong maintenance or any other compensation.
2. If usufruct or a lifelong annuity is agreed for the deliverer and his/her spouse together in the event of the death of one of them the usufruct or lifelong annuity shall pertain to the other in its entirety until the death of the other, unless agreed otherwise or unless follows otherwise from the circumstances of the case.

Article 555

Right of deliverer's spouse

1. During delivery and distribution the deliverer may also consider his/her spouse; in so doing it shall be necessary for the spouse to consent thereto.
2. If the spouse is not considered his/her rights to a compulsory portion shall remain intact.
3. In such a case the delivery and distribution shall remain valid, but in the determination of the value of the estate according to which the compulsory portion of the surviving spouse is determined those parts of the decedent's property delivered to his/her descendants shall be deemed to be gifts.

Article 556

Deliverer's debts

1. The descendants to whom a deliverer distributes his/her property shall not be liable for his/her debts, unless stipulated otherwise during delivery and distribution.
2. The deliverer's creditors may challenge delivery and distribution under the conditions applying to the challenging of gratuitous disposal.

Article 557

Warranty

The obligation of warranty originating after division among fellow heirs shall also originate among descendants after delivery and distribution of property delivered and distributed thereto by their ancestor or adoptive parent.

Article 558
Revocation of delivery

1. The deliverer may revoke the contract for reason of gross ingratitude if after it is concluded a descendant behaves towards the deliverer or a person close thereto such that according to fundamental moral principles it would be unjust to keep that which was received.
2. The deliverer shall have the same right if the descendant fails to provide him/her or any other with the maintenance agreed by the contract on delivery and distribution or fails to settle the deliverer's debts when the contract charged the descendant with the settlement thereof.
3. In other cases of non-fulfillment of burdens taken over by a contract on delivery and distribution the court shall rule whether the deliverer has the right to demand the return of the property given or merely the right to demand the forcible fulfillment of the burdens, having taken the significance of the burdens to the deliverer and other circumstances of the case into consideration.

Article 559
Rights of descendant, adopted child and adopted child's descendant after revocation

1. A descendant who had to return to the deliverer that which was received during delivery and distribution may demand his/her compulsory portion after the deliverer's death, unless disinherited or unworthy of inheriting from the deliverer, or unless the inheritance was renounced.
2. In the calculation of the compulsory portion those parts of the property delivered and distributed for life by the decedent to the other descendants shall be deemed to be gifts.

PART V
CONTRACT OF LIFELONG MAINTENANCE

Article 560
Definition

1. Through a contract of lifelong maintenance a contracting party (the maintaining party) undertakes to support the other contracting party or any other person (the maintained party), and the other contracting party declares that he/she will leave the former all or part of his/her property comprising real estate and the movable property intended for the use and enjoyment of the real estate, whereby the delivery thereof is deferred until the deliverer's death.
2. Such a contract may also cover other movable property of the maintained party, which must be cited in the contract.
3. Contracts by which against a promise of inheritance a union for life or a community of property is agreed or one contracting party agrees to take care of and protect the other, work his/her estate and attend to a funeral after his/her death or anything else for the same purpose shall also be deemed contracts of lifelong maintenance.

Article 561

Form

A contract of lifelong maintenance must be composed in the form of a notarial protocol.

Article 562

Prohibition of disposal in favour of maintaining party

The maintained party may waive the disposal of the property that is the subject of the contract of lifelong maintenance in favour of the maintaining party.

Article 563

Liability for debts

After the maintained party's death the maintaining party shall not be liable for the debts thereof, but it may be stipulated in the contract that the maintaining party will be liable for the maintained party's existing debts to specific creditors.

Article 564

Annulment of contract

1. The contracting parties may by agreement annul a contract of lifelong maintenance, even after they have begun to perform it.
2. If under a contract of lifelong maintenance the contracting parties cohabit and their relationship deteriorates such that communal life becomes intolerable each party may request that the court annul the contract.
3. Each party may request that the contract be annulled if the other party fails to perform such party's obligations.

Article 565

Changed circumstances

1. If after the contract is concluded the circumstances change such that the performance of the contract becomes significantly more difficult the court shall at the request of one of the parties renew their relationship or annul it, having taken all the circumstances into consideration.
2. The court may alter the maintained party's right into an annuity for life, if this suits the two parties.

Article 566

Termination of contract

1. If the maintaining party dies the obligations thereof shall be transferred to his/her spouse and to those descendants, adopted children and adopted children's descendants called to inherit if they consent thereto.

Civil laws

2. In the meaning of the previous paragraph, if they do not consent to the continuation of the contract of lifelong maintenance the contract shall be annulled and they shall have no right to demand compensation for previous maintenance.
3. If the spouse, descendants, adopted children or adopted children's descendants cannot take over the contractual obligations they shall have the right to demand compensation from the maintained party.
4. The court shall set such compensation at its own discretion, having taken the financial circumstances of the maintained party and those entitled to continue the contract of lifelong maintenance into consideration.

PART VI LOAN CONTRACT

CHAPTER 1 GENERAL PROVISIONS

Article 567 Definition

1. Through a loan contract the lender undertakes to deliver to the borrower a specific sum of money or a specific quantity of other replaceable things, and the borrower undertakes to return the same sum of money or an equal quantity of things of the same type and quality thereto.
2. The borrower shall acquire title to the things received.

Article 568 Interest

1. The borrower may undertake to owe interest in addition to the principal.
2. In commercial contracts the borrower shall owe interest unless agreed otherwise.

CHAPTER 2 LENDER'S OBLIGATIONS

Article 569 Delivery of promised things

1. The lender must deliver the stipulated things at the agreed time, or when the borrower demands if the deadline for delivery is not stipulated.
2. The borrower's right to demand the delivery of the stipulated things shall expire three (3) months after the lender becomes delayed, and in any case one (1) year after the conclusion of the contract.

Article 570

Borrower's diminished pecuniary circumstances

1. If it is shown that the borrower's pecuniary circumstances are such that it is uncertain as to whether the borrower will return the loan the lender may refuse to deliver the promised things if the lender did not know of such when the contract was concluded or if the borrower's pecuniary circumstances diminished after the conclusion of the contract.
2. However the lender must perform the obligation if the borrower or another provides adequate security thereof.

Article 571

Damage because of defects in loaned things

1. The lender must reimburse the borrower for any damage inflicted thereon because of material defects in the loaned things.
2. However in the case of a gratuitous loan the lender need only reimburse the damage when the defects were known or could not have remained unknown to the lender and the lender failed to inform the borrower.

CHAPTER 3

BORROWER'S OBLIGATIONS

Article 572

Deadline for return of loan

1. The borrower must return the same quantity of things of the same type and quality by the deadline stipulated.
2. If the contracting parties did not stipulate a deadline for the return of the loan and it cannot be determined from the circumstances, the borrower must return the loan after the passing of an appropriate deadline, which may not be shorter than two (2) months counted from the lender's demand for the return of the loan.

Article 573

Choice in return of loan

1. If cash was not loaned and it was agreed that the borrower would return the loan in cash the borrower shall nevertheless be entitled to choose to return the loaned things or a cash sum that accords to the value thereof at the time and place stipulated in the contract for the return.
2. This shall also apply if it is impossible to return the same quantity of things of the same type and quality.

Article 574
Withdrawal from contract

The borrower may withdraw from the contract before the lender delivers the promised thing thereto; if the lender incurs any damage for this reason the borrower must reimburse it.

Article 575
Early return of loan

The borrower may return the loan before the deadline stipulated for the return, but must notify the lender regarding this intention and reimburse any damage.

CHAPTER 4
PURPOSE-SPECIFIC LOAN

Article 576

If the contract stipulated the purpose for which the borrower may use the loaned cash and the borrower uses it for any other purpose the lender may withdraw from the contract.

PART VII
LOAN FOR USE CONTRACT

CHAPTER 1
GENERAL PROVISIONS

Article 577
Definition

Through a loan for use contract the lender undertakes to deliver a thing to the borrower for gratuitous use, and the borrower undertakes to return the thing.

CHAPTER 2
BORROWER'S OBLIGATIONS

Article 578
Use of thing

1. The borrower may use the thing solely for the purpose stipulated by the contract.
2. If the purpose of use is not stipulated by the contract the borrower may use the thing with the diligence of a good manager in accordance with its nature and purpose.
3. A borrower that uses the thing in a manner not permitted shall be liable for any accidental destruction or damage.

Article 579
Maintenance of thing

1. The borrower shall bear the costs of regularly maintaining the thing.
2. The borrower may request the refund of extraordinary maintenance costs according to the rules of management without mandate. Upon the termination of the loan the borrower may remove the equipment used to supply the thing that can be separated.

Article 580
Transfer of use

The borrower may not cede the use of the thing to a third person without the lender's permission.

Article 581
Return of thing

1. The lender must return the thing at the time agreed.
2. If the duration is not stipulated the contract shall terminate as soon as the borrower uses the thing for the purpose stipulated by the contract or at the end of the period in which such use can be carried out.
3. If the duration and purpose are not stipulated the lender may demand the thing whenever the lender so wishes.

Article 582
Termination of contract

1. The lender may terminate the contract without notice and demand the immediate return of the thing if:
 - 1.1. the borrower dies;
 - 1.2. the borrower uses the thing in contravention of the contract or cedes use to a third person without entitlement;
 - 1.3. the lender requires the thing owing to unforeseen circumstances.

Article 583
Liability

The lender shall not be liable for any deterioration or alteration of the thing that is a customary consequence of use in accordance with the contract.

**CHAPTER 3
LENDER'S OBLIGATIONS**

**Article 584
Damage owing to defects**

If the loaned thing has a defect or a dangerous attribute owing to which damage was caused to the borrower, or to a third party as injured, and the lender knew or should have known of the defect or dangerous attribute but failed to warn the borrower the lender shall be liable for the damage.

**PART VIII
LEASE (RENTAL) CONTRACT**

**CHAPTER 1
GENERAL PROVISIONS**

**Article 585
Definition**

1. Through a lease (rental) contract the lessor undertakes to deliver a specific thing to the lessee for use, and the lessee undertakes to pay a specific rent for this.
2. The use shall comprise usufruct of the thing (collection of fruits), unless otherwise agreed or unless the custom is otherwise.

**CHAPTER 2
LESSOR'S OBLIGATIONS**

**Article 586
Delivery of thing**

The lessor must deliver the leased thing to the lessee together with its accessories and fittings.

**Article 587
Maintenance of thing**

1. The lessor is obliged, for the duration of lease, to maintain the thing in proper condition and conduct necessary repairments on it.
2. He is obliged to reimburse the lessee for the costs of maintenance of the thing, which was the duty of the lessor.
3. Costs for minor repairs caused by the customary use of the thing and the costs of use itself shall be charged to the lessee.
4. The lessee must notify the lessor regarding necessary repairs.

Article 588

Withdrawal from contract and reduction of rent because of repairs

1. If necessary repairs to the leased thing hinder its use to a considerable degree and for a lengthy period the lessee may withdraw from the contract.
2. The lessee shall have the right to a reduction in rent in proportion to how much the use of the thing was limited because of such repairs.

Article 589

Changes in leased thing

1. During the lease the lessor may not make any changes to the leased thing without the lessee's consent if the changes would hinder the use thereof.
2. If the changes in the thing reduce the lessee's use to a certain degree the rent shall be reduced by an appropriate proportion.

Article 590

Liability for material defects

1. The lessor shall be liable to the lessee for all defects in the leased thing that hinder its agreed or customary use, irrespective of whether the lessor knew of them, and for deficient attributes or features that were expressly or tacitly agreed upon.
2. Insignificant defects shall not be taken into consideration.

Article 591

Defects for which lessor is not liable

1. The lessor shall not be liable for defects in the leased thing that were known or could not have remained unknown to the lessee when the contract was concluded.
2. However the lessor shall also be liable for a defect in the leased thing that remained unknown to the lessee out of gross negligence, if the lessor knew of the defect and intentionally kept silent towards the lessee.

Article 592

Extension of liability for material defects

A lessor that stated the thing has no defects of any kind shall be liable for all defects in the leased thing.

Article 593

Contractual exclusion or limitation of liability

1. Liability for material defects in the leased thing may be excluded or limited by contract.
2. A contractual provision by which such liability is to be excluded or limited shall be null and void if the lessor knew of the defects and intentionally failed to inform the

lessee, if the defect is such that it prevents the use of the leased thing, or if the lessor exploited a dominant position and acquired the provision through duress.

Article 594

Notification of lessor regarding defects and dangers

1. The lessee shall be obliged to notify the lessor regarding any defect in the leased thing that shows itself during the lease without unnecessary delay, unless the lessor already knows of it.
2. The lessee shall also be obliged to notify the lessor regarding any unforeseen danger that threatens the leased thing during the lease so that the latter may take appropriate measures.
3. A lessee that fails to notify the lessor regarding a defect or occurring danger of which the lessor did not know shall lose the right to the reimbursement of damage incurred because of the defect or danger, and must reimburse the damage incurred for this reason by the lessor.

Article 595

Lessee's rights if thing has defect

1. If upon delivery the leased thing has any defect that cannot be rectified the lessee may choose to withdraw from the contract or demand a reduction in the rent.
2. If the thing has any defect that can be rectified without major inconvenience for the lessee and the delivery of the thing by a specific deadline was not an essential component of the contract the lessee may demand that the lessor rectify the defect by an appropriate deadline or reduce the rent.
3. If the lessor fails to rectify the defect by the appropriate additional deadline stipulated by the lessee the lessee may withdraw from the contract or demand a reduction in the rent.
4. In each case the lessee has the right to the reimbursement of damage.

Article 596

If defect occurs during lease and if thing does not have agreed or customary attributes

1. The provisions of the previous article shall also apply if during the lease a defect occurs in the leased thing.
2. They shall also apply if the leased thing does not have an attribute that it should have under the contract or that is customary, or if it loses such an attribute during the lease.

Article 597

Lessor's liability for legal defects

1. When a third person owns any right on the leased thing or a part thereof and turns to the lessee with the claim or arbitrarily takes the thing from the lessee the third

person must inform the lessee of such, unless the lessee already knows of such; otherwise the third person shall be liable for damage.

2. If it is found that a third person has any right that totally excludes the lessee's right to use the thing the lease contract shall be rescinded by law alone and the lessor must reimburse the damage to the lessee.
3. If the third person's right merely limits the lessee's right the lessee may choose to withdraw from the contract or demand a reduction in the rent; in any case the lessee may demand the reimbursement of damage.

CHAPTER 3 LESSEE'S OBLIGATIONS

Article 598

Use of thing pursuant to contract

1. The lessee shall be obliged to use the thing with the diligence of a good businessperson or with the diligence of a good manager.
2. The lessee may only use it as stipulated by the contract or in line with the purpose of the thing.
3. The lessee shall be liable for damage incurred because the leased thing was used in breach of the contract or contrary to its purpose, irrespective of whether it was used by the lessee, a person working under the lessee's mandate, a sub-lessee or any other person allowed to use the thing by the lessee.

Article 599

Termination because of use contrary to contract

If after a notice by the lessor the lessee continues to use the thing contrary to the contract or its purpose or if the lessee neglects the maintenance of the thing and there is a danger of considerable damage being incurred by the lessor, the lessor may terminate the contract without notice.

Article 600

Payment of rent

1. The lessee shall be obliged to pay the rent by the deadlines stipulated by the contract or by law that is by the deadlines customary in the place where the thing was delivered to the lessee.
2. Unless agreed otherwise or is customary otherwise in the place of delivery, rent shall be paid every six (6) months for a thing leased for one or more years; if the thing is leased for a shorter period it shall be paid after such period.

Article 601

Termination because of unpaid rent

1. The lessor may terminate the lease contract if the lessee fails to pay the rent, even in the fifteen (15) day time limit after lessor demands the payment from him.

Civil laws

2. However the contract shall remain valid if the lessee pays the rent owed before receiving notice of the termination.

Article 602
Return of leased thing

1. The lessee shall be obliged to keep the leased thing safe and to return it undamaged after the lease ends.
2. The thing shall be returned at the place it was delivered to the lessee.
3. The lessee shall not be liable for wear and tear to the thing owing to customary use, or for damage incurred because the thing has reached the end of its useful life.
4. If during the lease the lessee made any changes to the thing the lessee shall be obliged to return it to the state it was in when received for leasing.
5. The lessee may take any additions added to the thing if such can be separated without damaging the thing; however the lessor may keep them by compensating the lessee for their value upon return.

Article 603
Termination because of non-permitted sublease

The lessor may terminate the lease contract if the lessee subleases the leased thing without the lessor's permission when such is required by law or by the contract.

Article 604
Lessor's direct request

In order for the lessor's claims arising from the lease to be repaid the lessor may directly request from the sublessee the payment of the amount the latter owes the lessee from the sublease.

Article 605
Termination of sublease by law alone

A sublease shall terminate in any case when the lease terminates.

CHAPTER 4
ALIENATION OF LEASED THING

Article 606
Alienation after delivery for leasing

1. In the alienation of a thing that prior to this was delivered to another for leasing the acquirer of the thing shall assume the place of the lessor; thenceforth the rights and obligations deriving from the lease shall exist between the acquirer and the lessee.
2. The acquirer may not demand that the lessee deliver the thing prior to the end of the period for which the lease was agreed, or the end of the period of notice if the duration of the lease is not stipulated by the contract or by law.

3. For the obligations of the acquirer from the lease, the transferor is liable as solidary surety.

Article 607
Right to rent

1. The acquirer of a leased thing shall have the right to the rent from the first period after acquiring the thing, unless agreed otherwise; if the lessor received this rent in advance the lessor must deliver it to the acquirer.
2. The lessee must pay the rent solely to the acquirer from the moment of being notified of the alienation of the leased thing.

Article 608
Alienation of leased thing prior to delivery to lessee

1. If the thing about which a lease contract was concluded is delivered to the acquirer and not the lessee the acquirer shall assume the place of the lessor and take over the lessor's obligations towards the lessee if when the contract on alienation was concluded the acquirer knew of the lease contract.
2. An acquirer that did not know of the lease contract when the contract on alienation was concluded shall not be obliged to deliver the thing to the lessee; the lessee may only demand the reimbursement of damage from the lessor.
3. For the obligations of the acquirer from the lease towards the lessee, the transferor is liable as solidary surety.

Article 609
Termination of contract because of alienation of thing

If because of the alienation of a leased thing the lessor's rights and obligations were transferred to the acquirer the lessee may in any case terminate the contract, but in so doing must observe the legal periods of notice of termination.

CHAPTER 5
TERMINATION OF LEASE

Article 610
End of stipulated period

1. A lease contract concluded for a stipulated period shall terminate at the end of the period for which it was concluded.
2. This shall also apply in cases when the contracting parties did not declare their intentions and the duration of the lease was stipulated by law.

Article 611
Tacitly renewed lease

1. If following the end of the period for which the lease contract was concluded the lessee continues to use the thing and the lessor does not oppose such, a new lease contract for an indefinite period shall be deemed to have been concluded with the same terms and conditions as the previous contract.
2. Security provided by third persons for the first lease shall expire at the end of the period for which the lease was concluded.

Article 612
Termination

1. A lease contract whose duration is not stipulated and cannot be determined from the circumstances or local customs shall terminate through notice of termination, which each party may give to the other, observing the stipulated period of notice of termination.
2. If the period of notice of termination is not stipulated by the contract, by law or according to local customs, it shall amount to eight days; provided the notice shall not be given at an inappropriate time.
3. If the leased things are a health hazard the lessee may terminate the contract without notice, even if this was known when the contract was concluded.
4. The lessee may not waive the right specified in paragraph 3. of this Article.

Article 613
Destruction of thing by force majeure

1. The lease shall terminate if the leased thing is destroyed by force majeure.
2. If the leased thing is partly destroyed or merely damaged the lessee may withdraw from the contract or may remain with the lease and demand an appropriate reduction in the rent.

Article 614
Death

If the lessor or the lessee die and it is not agreed otherwise the lease shall continue with their heirs.

**PART IX
CONTRACT FOR WORK**

**CHAPTER 1
GENERAL PROVISIONS**

**Article 615
Definition**

Through a contract for work the contractor undertakes to perform a specific transaction such as the manufacture or repair of a thing, or physical or intellectual work, and the ordering party undertakes to pay the contractor for this.

**Article 616
Relationship to sales contract**

1. A contract by which one party undertakes to make a specific movable thing from the party's own material shall in case of doubt be deemed a sales contract.
2. However a contract shall remain a contract for work if the ordering party undertook to supply the essential part of the material required to make the thing.
3. In any case a contract shall be deemed a contract for work if the contracting parties primarily had contracted work in mind.

**Article 617
Quality of contractor's material**

1. If it is agreed that the contractor will make the thing using the contractor's own material and the quality thereof is not stipulated, the contractor shall be obliged to provide material of medium quality.
2. He is liable to the ordering party for the quality of the material in the same way as the seller.

**CHAPTER 2
SUPERVISION**

**Article 618
Supervision**

The ordering party shall have the right to supervise the transaction and to provide instructions if this suits the nature of the transaction; the contractor must facilitate this.

**CHAPTER 3
CONCLUSION OF CONTRACT AFTER BIDDING**

**Article 619
Invitation to bid for cost of work**

1. An invitation to bid addressed to a specific or indefinite number of persons, under specific conditions and with specific guarantees, shall bind the inviting party to conclude a contract for such works with the person that offers the lowest price, unless such obligation was excluded in the invitation to bid.
2. If the obligation to conclude a contract was excluded, the invitation to bid shall be deemed an invitation to interested parties to prepare offers for the contract according to the published conditions.

**Article 620
Invitation to bid for artistic or technical solutions for intended works**

An invitation to bid for artistic or technical solutions for intended works addressed to a specific or indefinite number of persons shall bind the inviting party to conclude a contract under the conditions contained in the invitation with the bidding participant whose solution is approved by a commission whose composition is published in advance, unless such obligation was excluded in the invitation to bid.

**CHAPTER 4
CONTRACTOR'S OBLIGATIONS**

**Article 621
Defects in material**

1. The contractor shall be obliged to warn the ordering party to any defects in the material that the ordering party delivered, that he noticed or should have noticed; otherwise he shall be liable for damage.
2. If the ordering party requested that the thing be made from material with defects to which the contractor had drawn attention the contractor must act in accordance with this request, unless it is clear that the material is not suitable for the work ordered or if making the thing from the requested material could damage the contractor's reputation; in this case the contractor may withdraw from the contract.
3. The contractor shall be obliged to warn the ordering party to any deficiencies in the order and to other circumstances of which he knew or should have known and that could be significant to the ordered work or for timely execution; otherwise he shall be liable for damage.

**Article 622
Obligation to execute work**

1. The contractor shall be obliged to execute the work according to the agreement and according to the rules of the transaction.

2. The contractor must execute the work by the deadline stipulated, or in the time reasonably required for such transactions if no deadline is stipulated.
3. The contractor shall not be liable for any delay occurring because the ordering party failed to deliver the material thereto on time, because the ordering party requested changes or because the ordering party failed to settle an owed advance payment, or in general for any delay occurring because of the ordering party's action.

Article 623

Withdrawal from contract because of deviation from agreed conditions

1. If during the execution of the work it is shown that the contractor is not keeping to the contractual conditions and is not in general working as the contractor should and that the work executed will have defects, the ordering party may warn the contractor of this and stipulate a deadline by which the work should be adapted to the obligations.
2. If the contractor fails to fulfill the ordering party's requirements by this deadline the ordering party may withdraw from the contract and demand the reimbursement of damage.

Article 624

Withdrawal from contract prior to deadline

1. If the deadline is an essential component of the contract and the contractor is so delayed in starting or finishing off the transaction that it is clear that it will not be completed on time the ordering party may withdraw from the contract and demand the reimbursement of damage.
2. The ordering party shall also have this right when the deadline is not an essential component of the contract if for reason of the delay the ordering party no longer has an interest in the contract being performed.

Article 625

Entrustment of execution of transaction to third person

1. Unless it follows otherwise from the contract or the nature of the transaction, the contractor shall not be obliged to perform the transaction in person.
2. The contractor shall remain liable to the ordering party even if not performing the transaction in person.

Article 626

Liability for associates

The contractor shall be liable for persons that worked on the accepted transaction under the contractor's orders as if the contractor had done the work in person.

Article 627

Direct claim on ordering party by contractor's associates

The associates may turn directly to the ordering party for their claims towards the contractor and demand that the ordering party settle their claims from the sum owed at that moment to the contractor if they are acknowledged.

Article 628

Delivery of manufactured thing to ordering party

1. The contractor shall be obliged to deliver the manufactured or repaired thing to the ordering party.
2. The contractor shall be released from this obligation if the thing that was manufactured or repaired was destroyed for a reason for which the contractor is not liable.

CHAPTER 5

LIABILITY FOR DEFECTS

Article 629

Inspection of executed work and notification of contractor

1. The ordering party shall be obliged to inspect the executed work as soon as this is possible following the ordinary course of events and to notify the contractor without delay regarding any defects identified.
2. If upon the contractor's request to inspect and accept the executed work the ordering party fails to do so without justifiable grounds the work shall be deemed to have been accepted.
3. After the inspection and acceptance of the performed work the contractor shall no longer be liable for defects that could have been noticed during a customary inspection, unless the contractor knew of them and failed to show them to the ordering party.

Article 630

Latent defects

1. If any defect that could not have been noticed during a customary inspection later shows itself the ordering party may make reference thereto under the condition that the contractor is notified thereof as soon as possible, that is within a month of the defect being discovered.
2. The ordering party may no longer make any reference to defects once two (2) years have passed from the transaction being performed.

Article 631

Expiry of right

1. An ordering party that notified the contractor on time regarding defects in an executed transaction may no longer exercise rights in court proceedings one year after such notification.

2. If the ordering party notified the contractor on time regarding defects, after such deadline passes the ordering party may exercise the right to a reduction in the payment and a reimbursement of the damage via an objection to the contractor's claim for payment.

Article 632

When contractor does not have right to make reference to previous articles

The contractor may not make any reference to any provision of the previous articles if the defect relates to facts that were known or could not have remained unknown thereto and the contractor failed to report them to the ordering party.

Article 633

Right to demand rectification of defects

1. An ordering party that notified the contractor on time that the executed work had a defect may demand that the contractor rectify the defect and may stipulate an appropriate deadline thereof.
2. The ordering party shall also have the right to the reimbursement of the damage incurred for this reason.
3. If the rectification of the defect would require excessive costs the contractor may refuse to do the work, but in this case the ordering party may choose to reduce the payment or withdraw from the contract, and shall have the right to the reimbursement of damage.

Article 634

Special case of withdrawal from contract

If the performed transaction has such a defect that the work is useless or if it was performed in breach of express contractual conditions the ordering party may withdraw from the contract and demand the reimbursement of damage without previously demanding the rectification of the defect.

Article 635

Ordering party's right regarding other defects in executed transaction

1. If the executed transaction has such a defect that the work would not be useless or if the transaction was not executed in breach of express contractual conditions the ordering party shall be obliged to allow the contractor to rectify the defect.
2. The ordering party may stipulate an appropriate deadline for the contractor for the rectification of the defect.
3. If the contractor fails to rectify the defect by this deadline the ordering party may choose to rectify the defect at the contractor's expense, to reduce the payment or to withdraw from the contract.
4. The ordering party may not withdraw from the contract over the matter of an insignificant defect.
5. In any case the ordering party shall have the right to the reimbursement of damage.

Article 636
Reduction of payment

The payment shall be reduced in proportion to the value of the executed work without defects when the contract was concluded and the value that the executed work with the defect would then have had.

CHAPTER 6
ORDERING PARTY'S OBLIGATIONS

Article 637
Obligation to accept work

The ordering party shall be obliged to accept work executed according to the provisions of the contract and the rules of the transaction.

Article 638
Stipulation and execution of payment

1. The payment shall be stipulated by contract unless stipulated by a mandatory tariff or any other binding legal act.
2. If the payment is not stipulated the court shall stipulate it such that it accords with the value of the work, the time customarily required for such a transaction and the customary payment for the type of work.
3. The ordering party shall not be obliged to make the payment before inspecting and approving the executed work, unless agreed otherwise.
4. This shall also apply if the execution and delivery of the work in parts was agreed.

Article 639
Estimate with express guarantee

1. If the payment was agreed on the basis of an estimate with the contractor's express guarantee as to its accuracy, the contractor may not demand a higher payment even if more work was invested in the transaction and execution required higher expenditure than was anticipated.
2. This shall not exclude the application of the rules on the rescission and amendment of the contract for reason of changed circumstances.
3. If the payment was agreed on the basis of an estimate without the contractor's express guarantee as to its accuracy and during the work it is shown that overspending is unavoidable, the contractor must notify the ordering party of such without delay; otherwise the contractor shall lose any claim for higher costs.

CHAPTER 7

RISK

Article 640

If material was provided by contractor

1. If the material for making a thing was provided by the contractor and the thing was damaged or destroyed for any reason prior to delivery to the ordering party this shall be a matter of the contractor's risk, and the contractor shall not have the right to a refund for the material provided or to payment for the work.
2. If the ordering party has inspected and approved the executed work the thing shall be deemed to have been delivered thereto and to have remained in safekeeping with the contractor.
3. If the ordering party is in delay because of failure to accept the offered thing the risk of accidental destruction or damage shall be transferred to the ordering party.

Article 641

If material was provided by ordering party

1. If the material for making a thing was provided by the ordering party the ordering party shall assume the risk of its accidental destruction or damage.
2. The contractor shall have the right to payment only if the thing was accidentally destroyed or damaged after the ordering party became delayed, or if the ordering party failed to respond to a correct invitation to inspect the thing.

Article 642

Risk during delivery in parts

If it is agreed that the ordering party will inspect and accept individual parts as they are made the contractor shall have the right to payment for making the parts the ordering party has inspected and approved, even if they were destroyed in the contractor's possession through no fault of the contractor.

CHAPTER 8

LIEN

Article 643

Contractor's lien

In order to secure payment for the work, recompense for the material used and other claims deriving from a contract for work, the contractor shall have a lien on the things made or repaired and on other objects delivered thereto by the ordering party in connection with the work, as long as they are in the contractor's possession and the contractor does not relinquish them voluntarily.

**CHAPTER 9
TERMINATION OF CONTRACT**

**Article 644
Termination of contract by ordering party's wish**

Until the ordered transaction is completed the ordering party may withdraw from the contract whenever such party wishes; however in this event the ordering party must pay the agreed payment to the contractor, minus the costs not incurred by the contractor that would have been incurred had the contract not been rescinded, and also that which was earned elsewhere and that which the contractor had no intention of earning.

**PART X
BUILDING CONTRACT**

**CHAPTER 1
GENERAL PROVISIONS**

**Article 645
Definition**

1. A building contract is a contract for work through which the contractor undertakes to build a specific structure on specific land according to a specific plan by a specific deadline or to carry out any other construction work on such land or on an existing structure, and the ordering party undertakes to pay the contractor a specific fee for the work.
2. A building contract must be concluded in written form.

**Article 646
Building**

The term "building" in this part means buildings, dams, bridges, tunnels, water pipes, sewage ducts, roads, railways, wells and other built structures that require major and more complex work.

**Article 647
Supervision of works and quality control of material**

The contractor shall be obliged to facilitate for the ordering party constant supervision of the works and control over the quality and quantity of the material used.

**Article 648
Deviation from plan**

1. The contractor must have written approval from the ordering party for any deviation from the construction plan or the contracted works.

2. The contractor may not demand an increase to the agreed fee for works performed without such approval.

Article 649
Urgent unforeseen works

1. The contractor may also carry out urgent unforeseen works without the ordering party's prior approval if this cannot be supplied because of the urgency of the works.
2. Unforeseen works are those that had to be performed urgently to ensure the stability of the structure or to prevent the occurrence of damage, and that were caused by the unexpectedly heavy nature of the land, unexpected water or any other extraordinary, unexpected development.
3. The contractor must notify the ordering party without delay regarding such phenomena and the measures taken.
4. The contractor shall have the right to fair payment for the unforeseen works it was necessary to perform.
5. The ordering party may withdraw from the contract if the agreed fee would be considerably higher owing to such works; the ordering party must notify the contractor of such without delay.
6. In the event of withdrawal from the contract the ordering party must pay the contractor an appropriate part of the fee for the work already performed, and a fair reimbursement of the necessary costs.

Article 650
Fee for works

The fee for works may be stipulated for a unit of measurement of agreed works (unit fee) or in a total sum for the entire structure (total agreed fee).

Article 651
Change in fee

1. Unless stipulated otherwise in the contract regarding a change in the fee, a contractor that performs the obligation by the contractual deadline may demand a higher fee for the works if between the conclusion and the performance of the contract the price of elements on which the fee was based rises such that the fee should be more than two percent (2%) higher.
2. If the contractor fails to carry out the works by the contractual deadline for reasons for which the contractor is liable, the contractor may demand a higher fee for the works if between the conclusion of the contract and the day the works under contract were due to be completed the price of elements on which the fee was based rises such that under the new prices for such elements the fee should be more than five percent (5%) higher.
3. In the cases specified in the preceding paragraphs the contractor may request only the difference in price of works that exceeds two (2%) or five (5%) percent.

4. The contractor may not make reference to a higher price for elements on which the fee for the works was based if the prices rose after the contractor became delayed.

Article 652

Provision on invariability of fee

1. If it was agreed that the fee for the works would not be changed when the prices for elements on which the fee was based rise after the contract was concluded, the contractor may demand such a change despite such a contractual provision if the prices for elements rise such that the fee for the works should be more than ten percent (10%) higher.
2. However in this case the contractor may only demand the shortfall in the fee for the works that exceeds ten per cent, unless the prices for such elements rose after the contractor became delayed.

Article 653

Withdrawal from contract because of higher fee

1. If in the cases specified in the previous articles the agreed fee would rise significantly the ordering party may withdraw from the contract.
2. In the event of withdrawal from the contract the ordering party must pay the contractor an appropriate part of the agreed fee for the work performed to date, and a fair reimbursement for necessary costs.

Article 654

Ordering party's right to demand reduction in agreed fee

1. If in the time between the conclusion of the contract and the performance of the contractor's obligation the prices for elements on which the fee was based fell by more than two percent (2%) and the work was performed by the agreed deadline the ordering party shall have the right to demand an appropriate reduction in the agreed fee for the works above such a percentage.
2. If it was agreed that the fee for the works would not be changed and the work was performed by the agreed deadline the ordering party shall have the right to a reduction in the agreed fee when the prices for elements on which the fee was based fell such that the fee would be more than ten per cent lower, the reduction being for the difference above ten percent (10%).
3. If the works contractor is in delay the ordering party shall have the right to a proportionate reduction in the fee for the works for each fall in the price of elements on which the fee was based.

CHAPTER 2
BUILDING CONTRACT WITH SPECIAL PROVISION

Article 655
Fee stipulated with turnkey clause

1. If a building contract contains a turnkey provision or any similar provision the contractor independently undertakes to carry out all the works required for the construction and use of a specific structure.
2. In this case the agreed fee shall also cover the value of unforeseen and excess works, and shall exclude the influence of missing works thereon.
3. If several contractors participate as contracting parties in a turnkey contract their liability towards the ordering party shall be joint and several.

CHAPTER 3
LIABILITY FOR DEFECTS

Article 656
Application of rules on contract for work

Unless stipulated otherwise in this part, the corresponding rules covering the contract for works shall apply to liability for defects in a building.

Article 657
Transfer of rights from liability for defects

The ordering party's rights against the contractor for reason of defects in a structure shall also be transferred to all subsequent acquirers of the structure or parts thereof, although such that a new period for notification and suit shall not run for subsequent acquirers; the predecessors' period shall count towards theirs.

CHAPTER 4
LIABILITY OF CONTRACTOR AND DESIGNER FOR SOLIDITY
OF STRUCTURE

Article 658
Where liability lies

1. The contractor shall be liable for any defects in the execution of the structure concerning its solidity if such defects show themselves within ten (10) years of the delivery and takeover of works.
2. The contractor shall also be liable for any deficiencies in the land on which the structure is built that show themselves within ten years of the delivery and takeover of works, unless a specialist organization gave an expert opinion that the land was suitable for construction and during construction no circumstances arose to awaken any doubt over the justification of the expert opinion.

3. This shall also apply to the designer, if the defect in the structure originates from any defect in the plan.
4. Under the provisions of the previous paragraphs the two shall be liable not only to the ordering party, but also to any other acquirer of the structure.
5. It shall not be possible to exclude or limit their liabilities by contract.

Article 659
Obligation to notify and loss of right

1. The ordering party or other acquirer shall be obliged to notify the contractor and designer regarding defects within six months of discovering the defect; otherwise the ordering party or acquirer shall lose the right to make reference thereto.
2. The right of the ordering party or other acquirer against the contractor or designer deriving from their liability for defects shall expire one year after the day the contractor or designer was notified regarding the defect.
3. The contractor or designer may not make reference to the provisions of the previous paragraphs if the defect relates to facts that were known or could not have remained unknown thereto and that they failed report to the ordering party or other acquirer, or if through their action they misled the ordering party or other acquirer into failing to exercise the rights on time.

Article 660
Reduction and exclusion of liability

1. The contractor shall not be released from liability if the defect occurred because during the execution of individual works the contractor acted according to the ordering party's requirements.
2. However if prior to the execution of individual work according to the ordering party's requirements the contractor warned the former regarding the risk of defects occurring the contractor's liability shall be reduced, and may also be excluded under the circumstances of the case in question.

Article 661
Recourse

1. If in the relationship with the ordering party the contractor and designer are liable for a defect their liability shall be joint and several.
2. A designer that formulated the plan for the structure and that was entrusted with supervising the execution of the works shall also be liable for defects in the executed works that occurred because of reasons for which the contractor is liable if they could be noticed during customary and appropriate supervision of the works, but shall have the right to demand appropriate reimbursement from the contractor.
3. A contractor that reimbursed damage inflicted because of a defect in the executed works shall have the right to demand reimbursement from the designer in the extent to which the defects in the executed works originate from defects in the plan.

4. If a person entrusted with part of the transaction by the contractor is liable for a defect the contractor must, if intending to demand reimbursement therefrom, notify such person regarding the defect within two (2) months of being notified by the ordering party.

PART XI CONTRACT OF CARRIAGE

CHAPTER 1 GENERAL PROVISIONS

Article 662 Definition

1. Through a contract of carriage a carrier undertakes to transport a person or a thing to a specific place, and the passenger or sender undertakes to make a specific payment thereto for this.
2. In terms of the present Law the carrier shall mean both a person dealing with carriage as his regular business activity, and any other person assuming an obligation by contract to perform carriage for remuneration.

Article 663 Carrier's obligations in route transport

1. A carrier that performs transport on a specific route (route transport) shall be obliged to regularly and correctly maintain the published route.
2. A carrier shall be obliged to accept for transport any person and anything that fulfills the conditions stipulated in the published general terms and conditions.
3. If the carrier's ordinary means of transport do not suffice for all the required transport priority shall be given to persons and things for which priority is stipulated in special regulations, and further priority shall be stipulated in the order of the requests; in so doing the longer transport shall be decisive in ascribing priority to requests made simultaneously.

Article 664 Withdrawal from contract

1. The sender or passenger may withdraw from the contract before it begins to be performed, and must reimburse the damage incurred for this reason by the carrier.
2. If at the beginning of transport the carrier is so delayed that the agreed transport no longer has any meaning for the other party or if the carrier cannot or does not wish to perform the agreed transport the other party may withdraw from the contract and demand the return of that which was paid for the transport.

Article 665
Size of payment for transport

1. If the size of the payment for transport is stipulated by a tariff or any other published binding legal act, a higher payment may not be pronounced by the contract.
2. If the size of the payment for transport is not stipulated by a tariff, any other published binding legal act or by the contract the carrier shall have the right to the customary payment for the type of transport.
3. The sense of the provisions on payment in the part of the present Law on the contract for work shall apply to other matters.

Article 666
Limitation of application of provision of this part

The provisions of this part shall apply to all types of transport, unless stipulated otherwise by law for individual types of transport.

CHAPTER 2
CONTRACT ON CARRIAGE OF FREIGHT

SUB-CHAPTER 1
GENERAL PROVISIONS

Article 667
Delivery of thing

The carrier shall be obliged to deliver the thing accepted for transport to the sender or a specific person (the recipient) in a specific place.

Article 668
Regarding what sender must notify carrier

1. The sender must notify the carrier regarding the type of consignment and the contents and quantity thereof, and must report where the consignment is to be transported, the name and address of the recipient, the name and address of the sender and everything else necessary for the carrier to be able to perform the obligation without delay or obstacles.
2. If the consignment contains valuables, securities or other expensive things the sender must notify the carrier of such when handing it over for transport and must report the value thereto.
3. If it is a matter of the transport of a dangerous thing or a thing that requires special conditions of transport the sender must notify the carrier of such on time so that the carrier is able to take appropriate measures.
4. A sender that fails to provide the carrier with the information specified in paragraph 1. and 3. of this Article or provides erroneous information shall be liable for damage incurred for this reason.

Article 669
Bill of freight

1. The contracting parties may agree to compile a bill of freight on a consignment handed over for transport.
2. The bill of freight must contain the name and address of the sender and the carrier, the type, contents and quantity of the consignment, the value of any valuables and other expensive things, the place of destination, the sum of payment for the transport or a note that payment was made in advance, a provision on the amount by which the consignment was encumbered, and the place and day of issue of the bill of freight.
3. Other provisions of the contract of carriage may be recorded in the bill of freight.
4. Both contracting parties must sign the bill of freight.
5. The bill of freight may contain a “by order” provision or may be made out to the bearer.

Article 670
Contract of carriage and bill of freight

The existence and validity of the contract of carriage shall be independent of the existence and correctness of the bill of freight.

Article 671
Confirmation of acceptance for transport

If a bill of freight is not issued the sender may request that the carrier issue a confirmation of the acceptance of the consignment for transport with the information that must be contained in the bill of freight.

SUB-CHAPTER 2
RELATIONSHIP BETWEEN SENDER AND CARRIER

Article 672
Packing

1. The sender shall be obliged to pack the thing in the prescribed or customary manner such that no damage will occur and the safety of people and property will not be threatened.
2. The carrier shall be obliged to draw the sender’s attention to any deficiencies in packing that can be noticed; otherwise the carrier shall be liable for damage to the consignment inflicted for this reason.
3. However the carrier shall not be liable for damage to the consignment if despite being warned regarding deficient packing the sender demands that the carrier accept the consignment for transport with the deficiencies.
4. The carrier shall be obliged to refuse the consignment if the deficiencies in the packing there of are such that they could endanger people or property or cause any damage.

5. The carrier shall be liable for damage inflicted on third persons for reason of deficiencies in packing while the thing is with the carrier, but shall have the right to demand compensation from the sender.

Article 673

Payment for transport and costs in connection with transport

1. The sender shall be obliged to pay the carrier for transport and costs in connection with transport.
2. If the bill of freight does not cite that the sender is paying for transport and the other costs in connection with transport the sender shall be presumed to have instructed the carrier to charge such costs to the recipient.

Article 674

Disposal of consignment

1. The sender may dispose of the consignment and alter the order specified in the contract, and may instruct the carrier to cease further transport of the consignment, return it thereto, deliver it to another recipient or send it to any other place.
2. The sender's right to alter the order shall expire when the consignment reaches the place of destination, when the carrier delivers the bill of freight to the recipient, when the carrier requests that the recipient accept the consignment, or when the recipient demands the delivery thereof.
3. If the bill of freight was issued by order or to the bearer the holder of the bill of freight shall exclusively hold the sender's rights specified in the previous paragraph.
4. An entitled person that exploits the right and gives the carrier a new order must reimburse the costs and damage incurred by the carrier because of this, and at the carrier's request shall give a guarantee that the costs and damage will be reimbursed thereto.

Article 675

Direction of transport

1. The carrier must perform the transport according to the agreed route.
2. If it was not agreed along which route the transport must be performed the carrier must perform the transport along the route that best suits the interests of the sender.

Article 676

Obstacles to transport

1. The carrier must notify the sender regarding all circumstances that could influence the transport, and act according to the sender's instructions.
2. The carrier shall not be obliged to act according to the sender's instructions if the fulfillment thereof could endanger people or property.
3. If the case is such that it is not possible to wait for the sender's instructions the

carrier must act as the carrier would in such a position with the diligence of a good businessperson or the diligence of a good manager, and must notify the sender of such and request the sender's further instructions.

4. The carrier shall have the right to reimbursement of the costs incurred because of obstacles arising through no fault of the carrier.

Article 677

Payment during interruption in transport

1. If for any reason for which the carrier is liable the transport is interrupted, the carrier shall have the right to a proportion of the payment for the transport performed, but must reimburse any damage incurred by another party because of the interruption.
2. If the transport was interrupted for a reason for which none of the parties concerned was liable the carrier shall have the right to the difference between the agreed payment for the transport and the transport costs from the place where the transport was interrupted to the place of destination.
3. The carrier shall not have the right to a part of the payment if during transport the consignment was destroyed because of force majeure.

Article 678

If consignment cannot be delivered

1. If it is not possible to notify the recipient regarding the arrival of the consignment, if the recipient does not wish to accept it, if it is not possible to deliver the consignment or if the recipient fails to pay the carrier the payment owed and other sums charged on the consignment, the carrier must notify the sender of such, request the sender's instructions and take all measures necessary to ensure the safekeeping of the thing at the sender's expense.
2. If an entitled person fails to take any measures in respect of the consignment by an appropriate deadline the carrier shall have the right to sell the thing under the rules on the sale of an indebted thing in the event of the creditor's delay and to pay off the claims from the revenue acquired; the remainder must be deposited with the court for the entitled person.

Article 679

Carrier's liability towards sender

A carrier that delivered the consignment to the recipient but failed to charge the sum that was charged on the consignment must pay the sum to the sender, but shall have the right to demand reimbursement from the recipient.

**SUB-CHAPTER 3
RELATIONSHIP BETWEEN CARRIER AND RECIPIENT**

Article 680

Recipient's notification of consignment's arrival

1. The carrier must notify the recipient without delay that the consignment has arrived, place it at the latter's disposal as agreed and submit the bill of freight, if issued, to the latter.
2. If the bill of freight was issued by order or to the bearer the carrier shall only be obliged to act according to the previous paragraph if the bill of freight cites the person at the place of destination that must be notified regarding the consignment's arrival.

Article 681

Delivery of consignment if duplicate bill of freight issued

The carrier may refuse to deliver the consignment unless a duplicate of the bill of freight, on which the recipient confirmed delivery of the consignment thereto, is delivered to the former at the same time.

Article 682

Recipient's right to demand delivery of consignment

1. The recipient may exercise against the carrier the rights specified in the contract of carriage and demand that the carrier deliver the bill of freight and consignment thereto as soon as the consignment arrives at the place of destination.
2. Before the consignment arrives at the place of destination the carrier shall only be obliged to deliver it to the recipient at the latter's request if so authorized by the sender.
3. The recipient may only exercise the rights specified in the contract of carriage and demand that the carrier deliver the consignment if the recipient fulfills the conditions stipulated in the contract of carriage.

Article 683

Identification and determination of state of consignment

1. The entitled person shall have the right to demand that using an official record the consignment be identified and, if the consignment is damaged, the nature of the damage be stated.
2. If it is determined that the consignment is not that which was delivered to the carrier or that the damage is greater than is stated by the carrier, the costs of determination shall be borne by the carrier.

Article 684

Recipient's obligation to pay for transport

1. Unless stipulated otherwise in the contract of carriage or the bill of freight, the recipient shall upon accepting the consignment and any bill of freight undertake to pay the carrier for transport and the sums charged on the consignment.
2. If the recipient does not feel obliged to pay the carrier as much as demanded the recipient may only exercise the rights in the contract by depositing the disputed sum with the court.

SUB-CHAPTER 4

**CARRIER'S OBLIGATION FOR LOSS, DAMAGE OR DELAY OF
CONSIGNMENT**

Article 685

Loss or damage of consignment

1. The carrier shall be liable for any loss of or damage to the consignment during the time between accepting it and delivering it, unless it is a consequence of the action of the entitled person, an attribute of the consignment, or external causes that could not be anticipated and could not be avoided or averted.
2. Provisions of the contract of carriage, the general terms and conditions of transport, tariffs or any other legal act that limit such liability shall be null and void.
3. However a provision by which the maximum sum of compensation is stipulated in advance under the condition that it is not in clear disproportion to the damage shall be valid.
4. This limitation of compensation shall not be valid if the carrier inflicted the damage intentionally or out of gross negligence.
5. Unless agreed otherwise, the compensation shall be levied using the market price of the consignment at the time and place of handover for transport.

Article 686

Loss of or damage to consignment of expensive things

1. If a consignment containing valuables, securities or other expensive things is lost or damaged the carrier shall only be obliged to reimburse the damage incurred if when the things were handed over for transport the carrier was informed of the nature and value of the things or if the carrier inflicted the damage intentionally or out of gross negligence.
2. If other things were present in the consignment with the stated things the carrier shall be liable for the loss thereof or damage thereto under the general rules on the carrier's liability.

Article 687
Refund of payment for transport

If the consignment is totally lost the carrier shall in addition to the damage be obliged to refund to the sender that which was paid for transport.

Article 688
If recipient accepts consignment without objection

1. If the recipient accepts the consignment without objection and pays the carrier's claim to the carrier, the carrier's liability shall terminate, unless damage to the consignment was stated by official record prior to the acceptance of the consignment.
2. The carrier shall remain liable for damage to the consignment that could have been noticed during delivery if the recipient notifies the carrier of such immediately upon discovering the damage, but not later than eight (8) days after delivery.
3. The carrier may not invoke the provisions of the preceding paragraphs if the damage was caused intentionally or out of gross negligence.

Article 689
Carrier's liability for delay

The carrier shall be liable for the damage incurred because of a delay, unless the reason for the delay is any fact that excludes the carrier's liability for the loss of or damage to the thing.

Article 690
Liability for assistants

The carrier shall be liable for persons working during the transport at the carrier's orders.

SUB-CHAPTER 5
INVOLVEMENT OF SEVERAL CARRIERS IN TRANSPORT OF
CONSIGNMENT

Article 691
Joint and several liability

1. A carrier that entrusts the complete or partial transport of a consignment accepted for transport to any other carrier shall continue to be liable for the transport thereof from acceptance to delivery, but shall have the right to reimbursement from the carrier entrusted with the consignment.
2. However if the other carrier accepts the consignment from the first with a bill of freight, the former shall become a party to the contract of carriage with the rights and obligations of a joint and several debtor and a joint and several creditor; their shares shall be proportional to their involvement in the transport.

3. This shall also apply when for the transport of a certain consignment the same contract binds several carriers that will be sequentially involved in the transport.
4. Each of the several carriers shall have the right to demand the determination of the state of the consignment when it is delivered thereto for performing the carrier's part of the transport.
5. Joint and severally liable carriers shall bear the damage in proportion to their share in the transport, with the exception of any carrier that shows that the damage did not occur when the consignment was being transported thereby.
6. Objections against a subsequent carrier shall also take effect against all the previous carriers.

Article 692
Carriers' shared liability

When several carriers stipulated by the sender are sequentially involved in the transport of the same consignment they shall each be liable solely for their part of the transport.

SUB-CHAPTER 6
LIEN

Article 693
When carrier has lien

1. In order to secure payment for the transport and the refund of the necessary costs incurred by the transport the carrier shall have a lien on the things handed over thereto for transport and in connection with the transport as long as they are in the carrier's possession or as long as the carrier holds documentation that allows the disposal thereof.
2. If several carriers were involved sequentially in the transport their claims in connection with the performed transport shall be secured with such a lien, and the final carrier shall be obliged to charge all claims according to the bill of freight, unless the bill of freight states otherwise.
3. The claims of the previous carrier and the lien thereof shall be transferred by law alone to the subsequent carrier that pays such claims thereto.
4. This shall also apply if the carrier pays a freight forwarding agent's claim.

Article 694
Conflict of liens

1. When in addition to a carrier's lien there are at the same time liens held by the commission agent, the freight forwarding agent and the warehouseman on the same thing, the priority of claim shall go to any of these creditors originating through dispatch and transport in the reverse order to that in which they originated.
2. Other claims by the commission agent and the warehouseman and claims by the freight forwarding agent and the carrier originating because of advance payments shall only be settled after the claims cited in the previous paragraph, and in the order they originated.

CHAPTER 3 PASSAGE CONTRACT

Article 695 General provision

The carrier shall be obliged to perform passenger transport with the means of transport stipulated in the passage contract and under the conditions of comfort and hygiene deemed necessary with regard to the means of transport and the length of journey.

Article 696 Passenger's right to designated place

The carrier shall be obliged to give the passenger the place on the means of transport as agreed.

Article 697 Carrier's liability for delay

1. The carrier shall be obliged to bring the passenger to the specified place on time.
2. The carrier shall be liable for any damage incurred by the passenger owing to a delay, unless the delay arose on grounds that the carrier could not have averted even with the diligence of a good expert.

Article 698 Carrier's liability for passenger safety

1. The carrier shall be liable for the safety of the passengers from the beginning to the end of transport, in the case of both lucrative and free-of-charge transport, and must reimburse the damage arising because of damage to the health of, injury to or the death of a passenger, unless it arose because of the passenger's action or for an external reason that could not be anticipated, avoided or averted.
2. Provisions of a contract, the general conditions of carriage, the tariff or any other legal act by which this liability is reduced shall be null and void.

Article 699 Liability for luggage handed over for transport and for other things

1. The luggage handed over to the carrier by the passenger must be taken together with the passenger and delivered to the passenger after transport is completed.
2. The carrier shall be liable for the loss of or damage to luggage handed over thereto by the passenger according to the provisions on the transport of freight.
3. The carrier shall be liable for damage to the things a passenger has on his/her person according to the general rules on liability.

PART XII
LICENCE AGREEMENT

CHAPTER 1
GENERAL PROVISIONS

Article 700
Definition

Through a licence agreement the licence provider undertakes to wholly or partly cede to the licence acquirer the right to exploit a patented invention, technical know-how or experience, or a trademark, pattern or model, and the licence acquirer undertakes to make a specific payment for such.

Article 701
Form

A licence agreement must be concluded in written form.

Article 702
Duration of license

A licence for exploiting a patented invention, pattern or model may not be concluded for a period longer than the duration of the legal protection of such rights.

Article 703
Exclusive licence

1. The licence acquirer shall only acquire the exclusive right to exploit the subject of the licence through a licence agreement if such is expressly agreed (an exclusive licence).
2. Other possibilities for exploiting the subject of the licence shall be retained by the licence provider.
3. If the licence agreement does not state the type of licence involved a non-exclusive licence shall be deemed to have been issued.

Article 704
The territorial limitation of the right to use

1. The right to use the object of license may be territorially limited if it is not in contradiction with the imperative provisions and other provisions for the transaction of goods and services.
2. If the license contract does not territorially limit the right to use the object of the license, it shall be considered that the license is territorially unlimited.

**CHAPTER 2
LICENCE PROVIDER'S OBLIGATIONS**

**Article 705
Delivery of subject of licence**

1. The licence provider shall be obliged to deliver the subject of the licence to the licence acquirer by the stipulated deadline.
2. The licence provider shall also be obliged to deliver the technical documentation required for the practical use of the subject of the licence to the licence acquirer.

**Article 706
Provision of instructions and reports**

The licence provider shall be obliged to provide the licence acquirer with all the instructions and reports required for the successful exploitation of the subject of the licence.

**Article 707
Liability for usability**

The licence provider shall be liable to the licence acquirer for the technical feasibility and the technical usability of the subject of the licence.

**Article 708
Liability for legal defects**

1. The licence provider shall be liable for ensuring that the right of exploitation that is the subject of the licence pertains thereto, that it is not encumbered, and that it is not restricted in favour of a third person.
2. If the subject of the agreement is an exclusive licence the licence provider shall guarantee that the right of exploitation has not been either wholly or partly ceded to another.
3. The licence provider shall be obliged to protect and defend the right ceded to the acquirer against all claims by third persons.

**Article 709
Obligation of provider of exclusive licence**

If an exclusive licence has been agreed upon, the licence provider may not in any form exploit the subject of the licence or individual parts thereof, and may not allow another person to do so within the boundaries of the licence's area of validity.

**CHAPTER 3
LICENCE ACQUIRER'S OBLIGATIONS**

**Article 710
Exploitation of subject of licence**

The licence acquirer must exploit the subject of the licence in the manner agreed, in the extent agreed and within the boundaries agreed.

**Article 711
Exploitation of subsequent upgrades**

Unless stipulated otherwise by law or by contract, the licence acquirer shall not be entitled to exploit subsequent upgrades to the subject of the licence.

**Article 712
Safeguarding of confidentiality of subject of licence**

If the subject of the licence is an unpatented invention or confidential technical know-how or experience the licence acquirer must safeguard the confidentiality of such.

**Article 713
Quality**

1. If through a production licence a licence to use a trademark was also ceded the licence acquirer may only place the goods on the market with such a trademark if the goods are of the same quality as the goods produced by the licence provider.
2. A contractual provision to the contrary shall be null and void.

**Article 714
Marking**

The licence acquirer shall be obliged to mark the goods with labelling on production under licence.

**Article 715
Payment**

The licence acquirer must pay the licence provider the agreed payment at the time and in the manner stipulated in the contract.

**Article 716
Reporting**

If the payment depends on the extent of the exploitation of the subject of the licence the licence acquirer must report the level of exploitation to the licence provider and settle the payment each year, unless a specific shorter period is stipulated in the contract.

Article 717
Change in agreed payment

If the agreed payment becomes clearly disproportionate to the revenues gained by the licence acquirer by exploiting the subject of the licence a concerned party may request a change therein.

CHAPTER 4
SUBLICENCE

Article 718
When sublicence may be issued

1. The acquirer of an exclusive licence may cede the right to exploit the subject of the licence to another (a sublicence).
2. It may be agreed in the contract that the licence acquirer may not provide a sublicence to another or may not provide a sublicence without the permission of the provider.

Article 719
When licence provider may deny permission

When the licence provider's permission is required for a sublicence the provider may only deny permission for the acquirer of an exclusive licence on serious grounds.

Article 720
Termination because of non-permitted sublicence

The licence provider may terminate the licence agreement without notice if a sublicence was provided without the licence provider's permission when such was required by law or by the contract.

Article 721
Direct claim by licence provider

1. No separate legal relationship shall be established through a sublicence between the sublicence acquirer and the licence provider, even when the licence provider gave the permission required for concluding the sublicence.
2. In order to pay off claims arising from the licence the licence provider may directly demand from the sublicence acquirer the payment of the sums owed to the sublicence provider from the sublicence.

CHAPTER 5
TERMINATION OF CONTRACT

Article 722
End of definite period

A licence agreement concluded for a definite period shall terminate when the period for which it was concluded ends, and no notice need be given.

Article 723
Tacitly renewed licence

1. If after the period for which the licence agreement was concluded the licence acquirer continues to exploit the subject of the licence and the licence provider does not oppose this, anew licence agreement for an indefinite period shall be deemed to have been concluded under the same conditions as the previous agreement.
2. Security provided by third persons for the initial licence shall expire at the end of the period for which it was concluded.

Article 724
Notice of termination

1. A licence agreement whose duration is not stipulated shall terminate through notice of termination, which either party may give to the other, observing the stipulated period of notice in so doing.
2. If no period of notice is stipulated in the agreement the period shall be six (6) months, but the licence provider may not give notice of termination during the first year of the agreement's validity.

Article 725
Death, bankruptcy and liquidation

1. If the licence provider dies the licence agreement shall continue with the licence provider's heirs, unless agreed otherwise.
2. If the licence acquirer dies the licence agreement shall continue with the licence acquirer's heirs who inherit the company.
3. If the licence acquirer undergoes bankruptcy or liquidation the licence provider may withdraw from the agreement.

**PART XIII
CONTRACT OF DEPOSIT**

**CHAPTER 1
CONTRACT OF DEPOSIT (GENERAL)**

**SUB-CHAPTER 1
GENERAL PROVISIONS**

**Article 726
Definition**

1. Through a contract of deposit the depositary undertakes to accept a thing from the depositor, to keep it safe and to return it thereto when requested thereby.
2. Only movable property may be the subject of a contract of deposit.

**Article 727
Safekeeping of another's thing**

1. A valid contract of deposit may also be concluded in such person's own name by a person that is not entitled to dispose of a thing or is not the owner of the thing, and the depositary must return the thing thereto unless the depositary learns that the thing was stolen.
2. If a third person files a suit demanding the thing from the depositary and states that such person is entitled to dispose thereof or is the owner thereof, the depositary must report to the court the identity of the person from whom the thing was received and must inform the depositor of the suit filed.

**SUB-CHAPTER 2
DEPOSITARY'S OBLIGATIONS**

**Article 728
Obligation of safekeeping and notification**

1. The depositary shall be obliged to keep the thing safe as if it were the depositary's own thing, or with the diligence of a good businessperson or the diligence of a good manager if it is a matter of lucrative safekeeping.
2. If the place and manner of safekeeping are stipulated in the contract the depositary may only change them if so demanded by altered circumstances; otherwise the depositary shall also be liable for the accidental destruction of or damage to the thing.
3. The depositary must inform the depositor of any change noticed in the things and of any danger that could lead the thing to be damaged in any way.

Article 729

Delivery of thing to another for safekeeping

The depositary may not deliver the entrusted thing to another for safekeeping without the depositor's consent or without being forced to do so; otherwise the depositary shall also be liable for the accidental destruction of or damage to the thing.

Article 730

Use of thing

1. The depositary shall not have the right to use the thing entrusted thereto for safekeeping.
2. A depositary that uses the thing without permission shall owe the depositor appropriate compensation and in so doing shall be liable for the accidental destruction of or damage to the thing.
3. If any kind of non-consumable thing was placed in safekeeping and the depositary was permitted to use it, the rules of a loan contract shall apply to the relationship between the contracting parties, and the contract shall be judged solely with regard to the time and place of the return of the thing according to the rules of a contract of deposit, unless the contracting parties stipulated otherwise in this respect.

Article 731

Use of thing and delivery thereof to another

If the depositary uses the thing without the depositor's consent and without being forced to do so in contravention of the contract, changes the place or manner of the safekeeping or delivers the thing to another, the depositary shall not be liable for the accidental destruction of or damage to the thing that would have occurred even if the depositary had acted in accordance with the contract.

Article 732

Return of thing

1. The depositary shall be obliged to return the thing as soon as the depositor demands, including all the fruits and other benefits therefrom.
2. If a deadline is stipulated for the return of the thing the depositor may demand the return of the thing before the deadline, unless the deadline was not agreed exclusively in the interest of the depositor.
3. It shall be necessary to return the thing at the place it was delivered to the depositary, unless another place is stipulated in the contract; in such a case the depositary shall have the right to the reimbursement of the costs of transporting the thing.

SUB-CHAPTER 3 DEPOSITARY'S RIGHTS

Article 733 Reimbursement of costs and damage

The depositary shall have the right to demand that the depositor reimburse the justifiable costs incurred by the depositary in keeping the thing and the damage incurred because of safekeeping.

Article 734 Payment

The depositary shall not have the right to payment for the depositary's endeavours, unless payment was agreed, the depositary's activities comprise the acceptance of things for safekeeping, or payment could be expected given the circumstances of the transaction.

Article 735 Return of thing during gratuitous safekeeping

1. A depositary that undertook to keep a thing free of charge for a specific period may return it to the depositor before the agreed deadline if the thing itself is threatened with destruction or damage or if damage could be incurred by the depositary because of further safekeeping.
2. If a deadline was not agreed the depositary specified in the previous paragraph may withdraw from the contract at any time, but must stipulate an appropriate deadline for the depositor to take the thing.

SUB-CHAPTER 4 SPECIAL CASES OF SAFEKEEPING

Article 736 False safekeeping

If replaceable things were placed in safekeeping with the depositary having the right to consume them and the obligation to return the same quantity of things of the same type, the rules of a loan contract shall apply to the depositary's relationship with the depositor; the rules of a contract of deposit shall only apply with regard to the time and place of the return of the thing, unless the contracting parties stipulated otherwise in this respect.

Article 737 Emergency safekeeping

A person to whom a thing was entrusted in an emergency, such as in the event of a fire, an earthquake or a flood, must keep it safe with high diligence.

CHAPTER 2
SAFEKEEPING BY HOTELKEEPER

Article 738
Hotelkeeper as depositary

1. Hotelkeepers shall be deemed depositaries in respect of the things that guests bring with them, and if the things disappear or are damaged shall be liable for damage in the amount of the value of the things, to a maximum of five thousand (5000) EURO.
2. This liability shall be excluded if the things were destroyed or damaged owing to circumstances that could not be avoided or averted, or for any reason lying in the thing itself, or if they disappeared or were damaged through the guest's own fault or through the fault of those that the guest brought with him/her or came to visit him/her.
3. The hotelkeeper shall owe full compensation if the guest delivered the thing thereto for safekeeping and if the damage arose through the hotelkeeper's own fault or the fault of a person for whom the hotelkeeper is liable.

Article 739
Hotelkeeper's obligation to accept thing for safekeeping

1. A hotelkeeper shall be obliged to accept for safekeeping things that guests bring with them and that they wish to place in safekeeping, unless there is no suitable space for them or the safekeeping thereof would exceed the hotelkeeper's capacities for any other reason.
2. Any hotelkeeper that refuses to accept things for safekeeping without justification shall owe the guest full compensation for any damage incurred for this reason.

Article 740
Guest's obligation to register damage

The guest shall be obliged to register that a thing has disappeared or been damaged as soon as the guest learns of such; otherwise the guest shall only have the right to compensation if he/she shows that the damage arose through the fault of the hotelkeeper or a person for whom the hotelkeeper is liable.

Article 741
Publications on exclusion of liability

Declarations displayed in the hotelkeeper's premises that contrary to the provisions of the present Law exclude, limit or condition the hotelkeeper's liability for things guests bring with them shall have no legal effect.

Article 742
Right of retention

Hotelkeepers that accept guests for overnight lodging shall have the right to retain the things the guests brought with them until full payment for the lodging and other services.

Article 743
Extension of application of provisions on safekeeping by hotelkeeper

The sense of the provisions on safekeeping by a hotelkeeper shall also apply to hospitals, garages, railway sleeper compartments, organized camps, etc.

PART XIV
CONTRACT OF STORAGE

CHAPTER 1
GENERAL PROVISIONS

Article 744
Definition

1. Through a contract of storage the warehouseur undertakes to accept and store specific goods, do all that is necessary or agreed upon to preserve them in the specific state and to deliver them at the request of the depositor or any other entitled person, and the depositor undertakes to make a specific payment thereto for such.
2. When handing over the goods the depositor must provide all the necessary information thereon and state the value thereof.

Article 745
Exclusion of liability and certain warehouseur obligations

1. The warehouseur shall be liable for damage to the goods, unless it is shown that the damage occurred owing to circumstances that could not be avoided or averted, or occurred through the depositor's fault, because of faults in the goods or the dangerous properties of the goods, or because of poor packaging.
2. The warehouseur shall be obliged to draw the depositor's attention to faults in the goods or the dangerous properties of the goods or to poor packaging because of which damage to the goods could occur as soon as the warehouseur notices or should have noticed such.
3. If unpreventable changes begin to occur to the goods that threaten to spoil or destroy the goods the warehouseur must sell the goods without delay in the most appropriate manner when the depositor would be unable to do such on time at the warehouseur's request.
4. The warehouseur shall be obliged to do everything necessary to uphold the depositor's right against a carrier that delivered the goods for the depositor in a damaged or deficient state.

Article 746

When goods must be insured

1. The warehouseman shall only be obliged to insure the goods accepted for safekeeping if such is agreed.
2. Unless it is stipulated in the contract which risks must be covered by the insurance, the warehouseman shall be obliged to insure against the customary risks.

Article 747

Limitation of compensation

The compensation that must be paid by the warehouseman because of the destruction or diminution of the goods or damage thereto during the period between acceptance and delivery may not exceed the actual value of the goods, unless the damage was inflicted intentionally or out of gross negligence.

Article 748

Mixing of replaceable things

1. The warehouseman may not mix accepted replaceable things with things of the same type and same quality unless the depositor consented thereto or it is clear that it is a matter of things that can be mixed without the risk of any damage being inflicted on the depositor.
2. If the things are mixed the warehouseman may at the request of an entitled person deliver the part thereto pertaining from the mix of replaceable things without the involvement of other entitled persons.

Article 749

Inspection of goods and removal of samples

The warehouseman shall be obliged to allow an entitled person to inspect the goods and remove samples thereof.

Article 750

Warehouseman's claim and lien

1. In addition to the right to payment for safekeeping the warehouseman shall also have the right to the reimbursement of the necessary costs for preserving the goods.
2. The warehouseman shall have a lien on the goods for the claims deriving from the contract of storage and other claims originating in connection with the safekeeping of the goods.

Article 751

Collection of goods and sale of uncollected goods

1. The depositor may collect the goods before the agreed deadline.

Civil laws

2. If the depositor fails to collect the goods after the agreed deadline or if a year passes and no deadline for the safekeeping was stipulated in the contract the warehouseman may sell the goods at a public auction for the depositor's account; however the warehouseman must first notify the depositor of this intention and allow an additional period of at least eight (8) days for the depositor to collect the goods.

Article 752

Defects during reception of goods

1. The recipient of the goods must inspect the goods at the moment they are received.
2. If during the reception of the goods the recipient notices any defects the recipient must immediately inform the warehouseman of such; otherwise the goods shall be deemed to have been received in order.
3. The recipient must notify the warehouseman in a reliable manner regarding defects that could not be noticed when the goods were received within seven days of the goods being received; otherwise the goods shall be deemed to have been received in order.

Article 753

Application of rules on safekeeping

The sense of the rules on safekeeping shall apply to contracts of storage, unless regulated otherwise by the rules on warehousing.

CHAPTER 2

WAREHOUSE RECEIPT

Article 754

Obligation to issue warehouse receipt

A warehouseman that performs warehousing activities as a registered activity shall be obliged to issue a warehouse receipt to the depositor at the request thereof for the goods accepted into the warehouse.

Article 755

Composition and content of warehouse receipt

1. The warehouse receipt shall be composed of a receipt and a lien document.
2. The following information must be cited in the receipt and the lien document: the business name or name of the depositor, the head office address of place of residence thereof, the warehouseman's business name and head office address, the warehouse receipt's date and number, the location of the warehouse, the type, state and quantity of goods, indication of the amount for which the goods are insured, and other information required for identifying the goods and for determining the value thereof.
3. The receipt and lien document must make reference to each other.

Article 756

Warehouse receipt for parts of goods

1. The depositor may request that the warehouse divide the goods into specific parts and issue a separate warehouse receipt for each part.
2. A depositor that has already obtained a warehouse receipt for the whole quantity of goods may request that the warehouse divide the goods into specific parts and issue a separate warehouse receipt for each part in place of the warehouse receipt already received.
3. The depositor may request that the warehouse issue a warehouse receipt solely for a part of the replacement goods stored therewith.

Article 757

Rights of holder of warehouse receipt

1. The holder of the warehouse receipt shall have the right to demand the delivery of the goods cited therein.
2. The holder may only dispose of the goods cited in the warehouse receipt by producing the warehouse receipt.

Article 758

Transfer of receipt and lien document

1. The receipt and lien document may only be transferred by endorsement, either together or separately.
2. It shall be necessary to inscribe the date thereon upon each transfer.
3. At the request of the recipient of the receipt or lien document the transfer thereto shall be inscribed in the warehouse register, whereby the recipient's head office address or place of residence shall also be recorded therein.

Article 759

Rights of holder of receipt

1. The transfer of the receipt without the lien document shall give the recipient the right to demand the delivery of the goods only if such person pays the holder of the lien document the sum that should be paid on the day the claim falls due or deposits such with the warehouse.
2. If the sum to which the holder of the lien document has the right can be paid using the purchase money obtained, the holder of the receipt may request that the goods be sold, and the surplus be delivered thereto.
3. If it is a matter of replaceable things the holder of the receipt without the lien document may demand that the warehouse deliver part of the goods thereto, under the condition that the former deposit with the warehouse the appropriate sum of cash for the holder of the lien document.

Article 760
Rights of holder of lien document

1. The transfer of the lien document without the receipt shall give the recipient a lien on the goods.
2. Upon the first transfer the business name or name and head office address or place of residence of the creditor, the amount of the creditor's claim including interest and the day payment falls due must be inscribed on the lien document.
3. The first recipient of the lien document must notify the warehouser without delay of the lien document's transfer thereto, and the warehouse must inscribe this transfer in its register and mark the inscription on the lien document itself.
4. Unless that which is stipulated in the previous paragraph is done the lien document may not be transferred onwards by endorsement.
5. A lien document on which the lien creditor's claim is not cited shall tie the entire value of the thing cited therein in favour of the lien creditor.

Article 761
Protest over non-payment and sale of goods

1. A holder of a lien document without a receipt that at the deadline has not been paid the claim secured by the lien document must lodge a protest according to the bill of exchange act; otherwise the holder shall lose the right to demand payment from the recipients.
2. A holder of a lien document that has filed a protest may demand the sale of the goods under the lien eight days after the claim fell due; a recipient that paid the claim secured by the lien to the holder of the lien document shall have the same right.
3. An amount required for the coverage of the sales costs, the warehouser's claim deriving from the contract of storage and other claims by the warehouser shall be removed from the sum obtained from the sale; the secured claim of the holder of the lien document shall then be paid therefrom, while the remainder shall go to the holder of the receipt.

Article 762
Demand for payment from recipients of lien document

1. The holder of the lien document may only demand payment from the recipient if unable to gain full payment through the sale of the goods under the lien.
2. This must be demanded within the period stipulated in the bill of exchange for a claim against an endorser, which shall begin to run on the day the goods were sold.
3. The holder of the lien document shall lose the right to demand payment from the recipients unless the former demands the sale of the goods within one (1) month of the protest.

**PART XV
CONTRACT OF MANDATE**

**CHAPTER 1
GENERAL PROVISIONS**

**Article 763
Definition**

1. Through a contract of mandate the mandate recipient undertakes to the mandator to perform specific transactions therefor.
2. At the same time the mandate recipient shall acquire the right to perform the transactions.
3. The mandate recipient shall have the right to payment for such person's endeavours, unless agreed otherwise or it follows otherwise from the nature of the mutual relationship.

**Article 764
Persons obliged to respond to offered mandate**

Any person that performs another's transactions as a profession or any person that publicly offers to do so must notify the other party without delay should the former refuse to accept a mandate relating to such transactions; otherwise the former shall be liable for the damage incurred by the latter for this reason.

**CHAPTER 2
MANDATE RECIPIENT'S OBLIGATION**

**Article 765
Execution of mandate as declared**

1. The mandate recipient must execute the mandate according to the instructions received with the diligence of a good businessperson or the diligence of a good manager; in so doing the mandate recipient must remain within the mandate recipient's boundaries and at all times attend to the mandator's interests, which must be the former's guide.
2. If the recipient is of the opinion that the execution of the mandate according to the instructions obtained would harm the mandator the former must warn the latter of such and request new instructions.
3. If the mandator did not provide specific instructions on a transaction that must be performed the recipient shall be obliged to act with the diligence of a good businessperson or the diligence of a good manager, taking the mandator's interests into consideration, and as the recipient would act in the recipient's own affairs if it is a matter of a gratuitous mandate.

Article 766
Deviation from mandate and instructions

1. The mandate recipient may only deviate from the mandate and instructions obtained with the mandator's consent; if because of a shortage of time or for any other reason the recipient cannot ask for consent the recipient may only deviate from the mandate and instructions if, all the circumstances having been assessed, there is justification in thinking that such is demanded by the mandator's interests.
2. A recipient that transgresses the boundaries of the mandate or deviates from the instructions obtained without it being a case specified in the previous paragraph shall not be deemed a recipient but a manager without mandate, unless the mandator later approved what was done.

Article 767
Substitution

1. The recipient must execute the mandate in person.
2. The recipient may only entrust execution of the mandate to another if the mandator allows such or if circumstances compel such.
3. In such cases the recipient shall only be liable for the choice of substitute and for the instructions provided thereto.
4. In other cases the recipient shall be liable for the substitute's work and for the accidental destruction of or damage to the thing therewith.
5. In any case the mandator may demand directly of the substitute that the latter perform the obligation deriving from the mandate.

Article 768
Issue of invoice

The mandate recipient must provide an invoice on the transaction performed and deliver everything received from performing the entrusted transactions to the mandator without delay, irrespective of whether any person owed that which was received for the mandator.

Article 769
Reporting

At the mandator's request the mandate recipient must report thereto on the state of the transactions and provide an invoice thereto before the stipulated time.

Article 770
Liability for use of mandator's money

A mandate recipient that uses money received for the mandator for the former's own purposes must pay interest thereto at the highest permitted contractual interest rate, charged from the day use began, and must pay penalty interest on other owed money that could not be delivered thereto on time, charged from the day it should have been delivered.

Article 771
Joint and several liability of mandate recipients

If through the same mandate a transaction was entrusted to several people to be performed together they shall be jointly and severally liable for the obligations deriving from such a mandate, unless agreed otherwise.

CHAPTER 3
MANDATOR'S OBLIGATIONS

Article 772
Monetary advance

The mandator must at the mandate recipient's request provide a specific sum of money thereto for the anticipated expenses.

Article 773
Reimbursement of expenses and takeover of obligations

1. The mandator must reimburse the mandate recipient for all the necessary costs the latter had in performing the mandate, together with interest charged from the day they were paid, even if through no fault of the latter the latter's endeavours were in vain.
2. The mandator must take over the obligations taken on by the mandate recipient in the latter's name when performing the transactions entrusted thereto, or must release the latter from such obligations in any other manner.

Article 774
Reimbursement of damage

The mandator shall be obliged to reimburse the mandate recipient for any damage incurred during performance of the mandate through no fault of the latter.

Article 775
Size of payment

Unless agreed otherwise, the mandator shall owe the customary payment or a fair payment if there is no such custom.

Article 776
Payment

1. Unless agreed otherwise, the mandator must pay the mandate recipient after the transaction is performed.
2. A mandate recipient that through no fault of such person only performs the mandate in part shall have the right to a proportionate amount of the payment.

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3. If the payment agreed in advance would be in clear disproportion to the services performed the mandator may request a reduction therein.

Article 777

Lien

For securing the payment and costs the mandate recipient shall hold a lien on the mandator's movable property acquired thereby on the basis of the mandate, and also on monetary sums received for the mandator.

Article 778

Joint and several liability of mandators

If several persons entrust the execution of a mandate to a recipient they shall be jointly and severally liable thereto.

CHAPTER 4

TERMINATION OF MANDATE

Article 779

Withdrawal from contract

1. The mandator may withdraw from the contract.
2. In the event of withdrawal from a contract under which a payment pertains to the mandate recipient for the latter's endeavours the mandator must pay an appropriate part of the payment and reimburse the damage incurred by the latter because of the withdrawal from the contract, unless there were justifiable grounds for withdrawal.

Article 780

Notice of termination

1. The mandate recipient may terminate the mandate whenever such person so desires, but not at an inappropriate time.
2. The recipient must reimburse the mandator for damage incurred thereby because of the termination of the mandate at an inappropriate time, unless justifiable grounds were given for the termination.
3. Even after the termination the recipient must continue those transactions that cannot be deferred, until the mandator has the opportunity to take over concern therefor.

Article 781

Death, winding-up of legal person

1. The mandate shall terminate upon the death of the recipient.
2. The recipient's heirs shall be obliged to inform the mandator of the recipient's death at the earliest opportunity and to do everything necessary to protect the

- mandator's interests until the mandator is capable of taking over concern therefor.
3. The mandate shall only terminate upon the death of the mandator if so agreed or if the recipient received the mandate in respect of the recipient's personal relationship with the mandator.
 4. The mandate recipient must in this case continue with the transactions entrusted thereto if damage would otherwise be inflicted on the heirs, for as long as they are incapable of taking over concern therefor.
 5. If the mandator or the recipient is a legal person the mandate shall terminate when such person is wound up.

Article 782

Bankruptcy, loss of capacity to contract

The mandate shall terminate if the mandator or mandate recipient goes into bankruptcy or partly or wholly loses the capacity to contract.

Article 783

When mandate terminates

1. If the mandator withdraws from the contract, dies, goes into bankruptcy or partly or wholly loses the capacity to contract the mandate shall terminate when the mandate recipient learns of the development owing to which the mandate is to terminate.
2. If the recipient obtained a written authorisation it must be returned after the termination of the mandate.

Article 784

Exceptions

If the mandate was issued so that the recipient could achieve the fulfillment of certain of the latter's claims against the mandator, the latter may not withdraw from the contract and the mandate shall not terminate upon either the death or bankruptcy of the mandator or recipient or if one of the two partly or wholly loses the capacity to contract.

PART XVI

COMMISSION AGENCY CONTRACT

CHAPTER 1

GENERAL PROVISIONS

Article 785

Definition

1. Through a commission agency contract the commission agent undertakes, for a payment, to perform one or more transactions entrusted thereto by the commissioner in the former's name for the latter's account.

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2. The commission agent shall have the right to a payment even if not agreed upon.

Article 786

Application of rules on contract of mandate

The sense of the rules on a contract of mandate shall apply to a commission agency contract, unless regulated otherwise by the commission rules.

Article 787

Conclusion of transaction under conditions different to those in mandate

1. A commission agent that concluded a transaction under conditions less favourable than those stipulated in the mandate and should not have done so must refund the difference to the commissioner and reimburse the damage inflicted.
2. In the case specified in the previous paragraph the commissioner may refuse to accept the concluded transaction, under the condition that the commission agent is notified of such immediately.
3. The commissioner shall lose this right if the commission agent shows readiness to immediately refund the difference to the former and reimburse the damage inflicted.
4. If a transaction was concluded under conditions more favourable than those stipulated in the mandate all benefits so achieved shall go to the commissioner.

Article 788

Sale of goods to insolvent person

1. The commission agent is obliged to perform the accepted work with diligence of a good businessperson.
2. The commission agent shall be liable to the commissioner for damage if the goods were sold to a person the former knew or should have known to be insolvent.

Article 789

If commission agent buys goods from commissioner or sells own goods thereto

1. If the commissioner so allows, a commission agent entrusted with the sale or purchase of goods quoted on the stock exchange or on the market may retain the goods as the buyer or supply them as the seller at the price valid when the entrusted transaction is executed.
2. In this case the relationship deriving from a sales contract shall originate between the commission agent and the commissioner.
3. If there is a discrepancy between the stock exchange price or market price and the price stipulated by the commissioner a commission agent acting as seller shall have the right to the lower of the two prices while a commission agent acting as buyer must pay the higher price.

CHAPTER 2
COMMISSION AGENT'S OBLIGATIONS

Article 790
Safekeeping and insurance

1. The commission agent must ensure the safekeeping of the entrusted goods with the diligence of a good businessperson.
2. A commission agent that fails to insure the goods even though this should have been done under the mandate shall also be liable for the accidental destruction of or damage to the goods.

Article 791
Report on state of goods received

1. When the goods sent by the commissioner are received from the carrier the commission agent must determine the state thereof and report without delay to the commissioner regarding the day of the goods' arrival and any visible damage or deficiencies; otherwise the commission agent shall be liable for any damage incurred by the commissioner because of such an omission.
2. The commission agent must do everything necessary to protect the commissioner's rights against the person liable.

Article 792
Report on changes to goods

The commission agent must report to the commissioner regarding any changes to the goods owing to which the goods could lose their value; if the former does not have time to await the latter's instructions or the latter is delaying the instructions and the risk of significant damage is threatened the former must sell the goods in the most appropriate manner.

Article 793
Report of fellow contracting party's name to commissioner

1. The commission agent must report the name of the person with whom the entrusted transaction was performed to the commissioner.
2. This rule shall not apply to the sale of movable property via commission-based sales outlets, unless agreed otherwise.

Article 794
Provision of invoice

1. The commission agent must provide an invoice on the performed transaction without unnecessary delay.
2. The commission agent must deliver to the commissioner everything received from the transaction performed for the latter.

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3. The commission agent may transfer to the commissioner claims and other rights acquired against a third person with whom the transaction was performed in the name of the commission agent and for the account of the commissioner.

Article 795
Del credere

1. The commission agent shall only be liable for the performance of the obligation of such person's fellow contracting party if the former specifically guaranteed to perform such (del credere).
2. A commission agent that guaranteed the performance of the obligation of a fellow contracting party shall have the right to a special payment (del credere commission).

CHAPTER 3
COMMISSIONER'S OBLIGATIONS

Article 796
Payment (commission)

1. The commissioner shall be obliged to pay the commission agent a commission when the transaction performed by the commission agent is executed, and also if the execution thereof is prevented by any reason for which the commissioner is liable.
2. If the transaction is executed in steps the commission agent may demand a proportionate part of the payment after each part performance.
3. If the execution of the concluded transaction does not occur for a reason for which neither the commission agent nor the commissioner is liable, the commission agent shall have the right to appropriate payment for such person's endeavours.
4. A commission agent that did not act faithfully to the commissioner shall not have the right to payment.

Article 797
Size of payment

1. If the amount of the payment is not stipulated in the contract or a tariff the commission agent shall be entitled to a payment appropriate to the transaction performed and the level of success achieved.
2. If in a particular case the payment is disproportionately large in comparison to the transaction performed and the level of success achieved, at the commissioner's request the court may reduce it to a fair amount.

Article 798
Reimbursement of costs

1. The commissioner must reimburse the commission agent for the costs necessary to the execution of the mandate, together with interest charged from the day the costs were paid.

2. The commissioner shall be obliged to pay the commission agent separately for the use of the latter's warehouses and means of transport, unless such is covered by the payment for execution of the transaction.

Article 799

Monetary advance to commission agent

Unless stipulated otherwise in the commission agency contract, the commissioner shall not be obliged to provide in advance to the commissioner the assets the latter requires to perform the transaction entrusted thereto.

CHAPTER 4

LIEN

Article 800

The commission agent's rights to a lien

1. The commission agent shall hold a lien on the things that are the subject of the commission agency contract, as long as such things are therewith or with a person that holds them in possession therefor, or as long as a document that allows them to be disposed of by the commission agent is held thereby.
2. From the value of such things the commission agent may settle such person's claims deriving from all the commission transactions with the commissioner ahead of the commissioner's other creditors, and also from loans and advances made thereto, irrespective of whether they originated in connection with these matters or in connection with other matters.
3. The commission agent shall have a priority right to repayment from those claims acquired for the commissioner when fulfilling the latter's mandate.

CHAPTER 5

RELATIONS WITH THIRD PERSONS

Article 801

Commissioner's rights to claims from transaction with third person

1. The commissioner may only demand the fulfillment of claims from a transaction concluded by the commission agent for the account of the former with a third person when the commission agent cedes them to the commissioner.
2. However, with regard to the relations among the commissioner, the commission agent and the commission agent's creditors, such claims shall be deemed the commissioner's claims from the moment they originate.

Article 802

Limitation of right of commission agent's creditors

For the purpose of collecting their claims, the commission agent's creditors may not even in the event of the commission agent's bankruptcy encroach upon the rights and

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things that the commission agent acquired in the commission agent's own name for the commissioner when fulfilling the mandate, unless it is a matter of claims that originated in connection with the acquisition of such rights and things.

Article 803

Bankruptcy of commission agent

1. In the event of the bankruptcy of the commission agent the commissioner may demand that the things delivered by the latter to the commission agent for the former to sell and the things supplied for the latter by the commission agent be removed from the bankruptcy estate.
2. In the same case the commissioner may demand that a third person to whom the commission agent delivered things pay the commissioner therefor or pay the part as yet unpaid for.

PART XVII

COMMERCIAL AGENCY CONTRACT

CHAPTER 1

GENERAL PROVISIONS

Article 804

Definition

1. Through a commercial agency contract the agent undertakes to attend all the time to ensuring third persons conclude contracts with the agent's mandator and in this sense to mediate between them and the mandator, and also after acquiring authorisation to conclude contracts with third persons in the name of and for the account of the mandator, while the mandator undertakes to provide a specific payment (commission) for each contract.
2. An agent under the first paragraph of this article may be a legal or natural person that independently and with a lucrative purpose performs agency activities as a registered activity.
3. A commercial agent may also conclude a commercial agency contract as a mandator.
4. A mandator may have several agents in the same area for the same types of transaction, unless stipulated otherwise by contract.
5. Without the mandator's consent the agent may not take on any obligations to work for another mandator in the same area and for the same types of transaction or for the same circle of clients.

Article 805

Form

1. Each party may request that a document be compiled on the content of the contract, including all the latest changes, and that it be signed by the other party. The parties may not waive this right.

2. Irrespective of the first paragraph of this article the parties may agree that the written form be a condition for the validity of the contract and changes thereto.

Article 806

Conclusion of contracts in mandator's name

An agent that acquires a special or general authorisation from the mandator may conclude contracts in the name and for the account thereof.

Article 807

Acceptance of fulfillment

The agent may not demand or accept the fulfillment of the mandator's claims, unless specially authorised therefor.

Article 808

Declaration to agent for mandatory

If a contract was concluded with the mediation of an agent, the mandator's fellow contracting party may make valid declarations to the agent relating to defects in the subject of the contract and other declarations in connection with it in order to protect and exercise the rights deriving from the contract.

Article 809

Declarations in mandator's name

In order to protect the rights of the mandator the agent shall be entitled to make the necessary declarations to the former's fellow contracting party.

Article 810

Security measures

In order to protect the rights of the mandator the agent may demand necessary security measures

CHAPTER 2

AGENT'S OBLIGATIONS

Article 811

Concern for mandator's interests

1. When performing the contract the agent must act honestly, in good faith and with concern for the mandator's interests, and in all transactions entered into must act with the diligence of a good businessperson.
2. In doing that, he shall conform to the instructions given by the mandator.
3. He shall be bound to supply the mandator with all necessary information

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concerning the market situation, and particularly those significant for each particular transaction.

Article 812
Information and reporting

1. The agent must provide the mandator with all the necessary information on the market situation, particularly the information important to each individual transaction.
2. The agent shall be obliged to report regularly to the mandator on the agent's work, particularly on third persons that are willing to negotiate with the mandator or conclude a contract therewith, and on the contracts concluded in the mandator's name.
3. An agreement between the parties that would be contrary to paragraph 1 and 2 of this Article shall be null and void.

Article 813
Participation in conclusion of transactions

The agent shall be obliged to participate according to the mandator's instructions in the conclusion of transactions and subsequently until the total completion thereof.

Article 814
Safeguarding of commercial confidentialities

1. The agent shall be obliged to safeguard the mandator's commercial confidentialities of which the former learns in connection with the transactions entrusted thereto.
2. An agent that misuses such confidentialities or reveals them to another shall be liable therefor, even after the commercial agency contract terminates.

Article 815
Return of things made available for use

When the commercial agency contract terminates the agent must return to the mandator all the things delivered by the latter to the former for use while the contract was valid.

Article 816
Special case of liability

1. The agent shall only be liable to the mandator for the performance of obligations deriving from a contract on which the agent mediated or concluded in the latter's name under an authorisation if the former gave a special written guarantee of such.
2. A guarantee of performance under the first paragraph of this article shall only be possible for specific transactions or transactions with a specific person.
3. An agent that gives a guarantee to the mandator for the performance of the

obligations deriving from a contract on which the agent mediated shall also have the right to a special payment (del credere commission).

CHAPTER 3 MANDATOR'S OBLIGATIONS

Article 817 General rule

1. The mandator must act honestly and in good faith in the relationship with the agent. The mandator must notify the agent if the mandator will not fulfil a transaction with a third person or if a third person failed to fulfil a transaction.
2. The mandator must at the mandator's own expense make available to the agent all the necessary documentation, samples, plans, price lists, advertising material, general terms and conditions of business, etc. The costs of translating and printing advertising material in official languages in Kosovo shall be borne by the agents.
3. The mandator must provide the agent with all the necessary information for executing the commercial agency contract.

Article 818 Obligation to notify

1. The mandator may accept or reject the conclusion of a contract prepared by the agent at the former's own discretion, but must in each case notify the agent without delay regarding the decision. The mandator must also notify the agent regarding the fulfilment or non-fulfilment of transactions concluded with third persons.
2. The mandator shall be obliged to notify the agent without delay that it is necessary to reduce the scope of transactions concluded with the agent's mediation to a level smaller than that justifiably expected by the agent, so that the agent may reduce the agent's enterprise to an appropriate measure; otherwise the mandator shall be liable to the agent for damage incurred thereby.

Article 819 Obligatory nature of provisions

An agreement between the parties that is contrary to the previous articles shall be null and void.

Article 820 Payment (commission)

1. The mandator must pay the agent a commission for the contracts concluded with the latter's mediation, and also for those contracts concluded by the agent if so authorized.
2. The agent shall also have the right to a payment for those contracts concluded directly by the mandator with parties found by the agent.

3. An agent that in accordance with a contract only works in a specific area or with specific parties shall also have the right to a payment for those contracts concluded for the mandatory with parties from that area or with the specific parties without the agent's mediation.
4. The agent shall only have the right to a commission for a contract concluded after the termination of the relationship between the agent and the mandator if the contract is the result of the agent's endeavours during the relationship with the mandator and was concluded a reasonable time after the termination of this relationship or if the third person's offer to conclude the contract came to the agent or the mandator prior to the termination of their relationship and it is a matter of any of the contracts under the first, second or third paragraphs of this article.
5. Paragraph 2 and 3 of this Article shall not apply if the right to a commission was acquired by a previous agent in accordance with the paragraph 4. of this article, unless under the circumstances it would be just for the commission to be shared between the agents.

Article 821 **Size of payment**

1. If the amount of payment is not stipulated in the contract or a tariff the agent shall have the right to a payment customary in the area where the agent performed the activities for the mandator, with regard to the type of agency transactions. An agent that performed activities for the mandator in several areas shall be entitled to the commission customary in the area where the agent's head office is located.
2. If it is not possible to determine such a custom the agent shall be entitled to commission in an amount that takes all the circumstances of the transaction into consideration, particularly the number and value of the transactions between the mandator and the third person and the scope and difficulty of the agent's endeavours.
3. If in a particular case the payment is disproportionately large in comparison to the services, at the mandator's request the court may reduce it to a fair amount.

Article 822 **Acquisition of right to payment**

1. The agent shall acquire the right to a commission if, and in the extent to which, the mandatory performs or should have performed the transaction with the third person or if the third person performs such person's part of the obligations deriving from the transaction with the mandator.
2. The agent shall not have the right to a commission when it is clear that the contract will not be performed and the reason for the non-performance is not on the part of the mandator. If in such a case the commission has already been paid the agent must return it.
3. The agent shall acquire the right to a commission at the latest when the third person performs or should have performed such person's obligations from the contract if the mandatory has performed the mandator's part.

4. If the contract between the mandator and the third person is being executed for a longer period the agent shall have the right to an appropriate advance on the commission.
5. It shall not be possible to amend the rights specified in this article by contract to the detriment of the agent.

Article 823
Charging of commission

1. Every three months the mandator must formulate an invoice of the commission to which the agent is entitled, separately for each month, and send it thereto. The invoice must contain all the essential components based on which it was formulated.
2. The mandator shall be obliged to pay the commission for the entire period by the end of the month after the last month of the invoicing period. It may be stipulated by contract that the invoicing period be shorter than three months.
3. If the agent so requests, the mandator shall be obliged to deliver an excerpt from the ledgers on all the transactions entitling the agent to a commission and notify the agent regarding all the circumstances affecting the commission.
4. If the mandator refuses the agent's request or if the agent has doubts over the accuracy of the excerpt the agent may request that an official auditor inspect the mandator's ledgers and documents in respect of the figures significant to the commission and report them thereto.
5. The agent's rights under this article may not be limited or excluded by contract.

Article 824
Special payment

An agent that with the mandator's authorization collected any of the latter's claims shall have the right to a special payment on the amount collected.

Article 825
Costs

1. The agent shall not have the right to the reimbursement of costs originating from the ordinary performance of agency transactions, unless agreed otherwise or it is customary otherwise.
2. However the agent shall have the right to the reimbursement of special costs incurred in favour of the mandator or paid under the latter's mandate.

CHAPTER 4 LIEN

Article 826 Agent's lien

In order to secure the agent's due claims originating in connection with the contract the agent shall hold a lien on the sums collected thereby for the mandator under the latter's authorisation, and also on all the mandator's things received in connection with the contract from the mandator or any other person, as long as they are with the agent or with a person that holds them in possession for the agent, or as long as a document allowing the disposal thereof is held by the agent.

CHAPTER 5 TERMINATION OF CONTRACT

Article 827 Termination of contract concluded for indefinite period

1. A contract shall be deemed to have been concluded for an indefinite period unless the parties agree otherwise.
2. If the contract was concluded for an indefinite period either party may terminate it by giving notice of termination pursuant to this article.
3. The period of notice shall depend on the duration of the contract and shall amount to one month for each year begun during the contract. If the contract lasts longer than five (5) years the period of notice shall be six (6) months.
4. The parties may not stipulate shorter periods of notice by contract.
5. If the parties agree upon longer periods of notice the period must apply equally to the mandator and the agent.
6. Unless stipulated otherwise by contract, the period of notice shall begin on the first day of the next calendar month and shall end on the last day of the relevant calendar month.

Article 828 Termination of contract concluded for definite period

1. If a commercial agency contract was concluded for a definite period it shall terminate when the period ends.
2. If the two parties continue to perform a contract specified in the first paragraph after the period for which it was concluded ends, it shall be deemed a contract concluded for an indefinite period. In determining the period of notice the time elapsed since the conclusion of the contract shall be taken into consideration, as it applies to the termination of a contract concluded for an indefinite period.

Article 829

Withdrawal from contract without notice

1. On serious grounds, each of the parties may withdraw from contract without notice, citing these grounds.
2. If the declaration thereon does not cite the serious grounds the termination shall be deemed to have been made with the ordinary period of notice.
3. An agent whose activity is interrupted due to an unfounded notice shall be entitled to compensation to cover his lost commission, and should he cancel the contract without grounds, the right to redress shall belong to the mandator.
4. An unjustified termination shall give the other party the right to withdraw from the contract without notice.

Article 830

Withdrawal money

1. After termination of the contract the agent shall have the right to appropriate withdrawal money, if and insofar as the agent obtained new clients for the mandator or appreciably expanded the transactions with previous clients and after the contract terminates the mandatory enjoys significant benefits with such clients, or if the payment of withdrawal money is demanded by special circumstances, in particular the loss of commission on transactions with such clients.
2. In determining the withdrawal money it shall be necessary to make appropriate consideration of the commission obtained by the agent for contracts concluded after the termination of the relationship with the mandator and any prohibition on competitive activities after the termination of the relationship with the mandator.
3. The amount of withdrawal money pursuant to the first and second paragraphs of this article may not exceed the average annual commission over the last five (5) years or the relevant shorter period since the conclusion of the contract.
4. When a contract concluded for a definite period terminates before the end of this period or when a contract concluded for an indefinite period terminates before five (5) years have passed since it was concluded the agent shall have the right to appropriate withdrawal money in the amount of the difference between the costs incurred by the agent in connection with the introduction of the product to the market and all the other costs incurred by the agent in connection with the performance of the contract, and the revenues obtained by the agent on the basis of the performance of the contract and the revenues the agent would in all likelihood have obtained by the end of the duration of the contract if concluded for a definite period or in five (5) years from the conclusion of the contract if concluded for an indefinite period.
5. The agent shall also have the right to withdrawal money pursuant to the previous paragraph if not entitled to withdrawal money pursuant to the paragraph 1. of this article, or if the relevant withdrawal money pursuant to the paragraph 1. of this article would be lower than the relevant withdrawal money pursuant to the previous paragraph.
6. Payment of withdrawal money shall not exclude the agent's right to compensation.

Article 831
Grounds for excluding withdrawal money

1. The mandator shall not be obliged to pay withdrawal money if:
 - 1.1. the contract was terminated by the agent; however the agent may also demand withdrawal money in this case if the grounds for the termination of the contract are circumstances on the part of the mandator or if the agent terminated the contract because of age or disease on the part of the agent that would prevent the continuation of the contractual relationship;
 - 1.2. the mandator terminated the contract because of the agent's culpable behavior;
 - 1.3. in accordance with an agreement between the mandator and the agent another enters into the contract in place of the agent; such an agreement shall not be permissible before the termination of the contractual relationship.

Article 832
Exercise of withdrawal money

1. The right to withdrawal money shall also originate if the contract terminated because of the agent's death.
2. An agent that fails to report to the mandator within one (1) year of the termination of the contractual relationship that withdrawal money is being demanded shall lose the right to the withdrawal money.
3. The parties may not waive or reduce the rights in connection with withdrawal money in advance to the detriment of the agent.
4. With regard to the excerpt from the ledgers and notification of significant circumstances influencing the determination of withdrawal money, the agent shall as appropriate have the same rights as in the charging of commission.

Article 833
Prohibition on competition after termination of contract

1. It may be stipulated by contract that after the termination of the contract the agent may not perform any activities that would compete with the mandator's activities.
2. Such a provision shall only be valid if in written form and if it relates to the same area, the same persons and the same goods as those stipulated in the contract.
3. When the contract terminated on grounds on the part of the mandator, such a provision shall only bind the agent if the mandator paid appropriate withdrawal money thereto when the contract terminated and if during the prohibition on competition the mandator pays appropriate monthly compensation thereto in an amount equal to the average monthly commission over the last five (5) years of the contract or for the duration of the contract if it was in force for less than five (5) years.
4. Such a provision shall bind the agent for at least two (2) years after the termination of the contract.

5. If the agent terminated the contract because of the mandator's culpable behaviour and a prohibition on competition after termination of the contract was agreed in the contract, the agent may, within one (1) month of the termination, make a written declaration to the mandator that the agent will not observe the prohibition.
6. The provisions of this Article may not be amended by contract to the detriment of the agent.

PART XVIII BROKERAGE CONTRACT

CHAPTER 1 GENERAL PROVISIONS

Article 834 Definition

Through a brokerage contract the broker undertakes to endeavour to find and place in contact with the mandator a person that will negotiate with the mandator to conclude a specific contract, and the mandator undertakes to make a specific payment to the broker for such if the contract is concluded.

Article 835 Application of provisions on contract for work

When it is agreed that the broker will have the right to a specific payment even if the broker's endeavours remain unsuccessful, such a contract shall be assessed according to the provisions applying to a contract for work.

Article 836 Acceptance of performance

1. A mandate for brokerage shall not include the right for the broker to be able to accept for the mandator the performance of the obligations specified in the contract concluded via the broker's brokerage.
2. The broker must have a special written authorization for such.

Article 837 Cancellation of mandate for brokerage

The mandator may cancel the mandate for brokerage whenever desired, if this has not been waived and the cancellation is not in breach of good faith.

Article 838 Mandator not obliged to conclude contract

The mandator shall not be obliged to enter into negotiations for the conclusion of a contract with the person found by the broker, or to conclude a contract therewith under

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the conditions reported to the broker, but shall be liable for damage when having failed to act in good faith.

CHAPTER 2 BROKER'S OBLIGATIONS

Article 839 Obligation to seek opportunity

1. The broker must seek an opportunity to conclude the specific contract and draw the mandator's attention thereto with the diligence of a good businessperson.
2. The broker must broker the negotiations and endeavour to see the contract concluded if the broker specifically undertook to do so.
3. The broker shall not be liable if despite the necessary diligence the broker's endeavours do not succeed.

Article 840 Obligation to inform

The broker must inform the mandator of all circumstances significant to the intended transaction that were or should have been known to the broker.

Article 841 Broker's liability

1. The broker shall be liable for damage incurred by either party between whom the broker is brokering if the damage occurred because the broker brokered for a person with incapacity to contract whose incapacity was or should have been known to the broker, or a person whom the broker knew or should have known would be unable to perform the obligations specified in the contract, and in general for any damage incurred through the broker's fault.
2. The broker shall be liable for damage incurred by the mandator because the broker informed a third person regarding the content of the mandate, the negotiations or the conditions of the concluded contract without the mandator's permission.

Article 842 Brokerage diary and brokerage certificate

A broker in the commercial sector must record all the essential information on a contract concluded via the broker's brokerage in a special ledger (the brokerage diary), and at the request of clients must issue an excerpt from the ledger signed by the broker (a brokerage certificate).

CHAPTER 3
MANDATOR'S OBLIGATIONS

Article 843
Payment

1. The broker shall have the right to a payment, even if not agreed upon.
2. If the size of the payment is not stipulated by a tariff or any other legal act, by the contract or by custom the court shall stipulate it by taking the broker's endeavours and the services performed into consideration.
3. At the mandator's request the court may reduce the agreed brokerage payment if it finds that it is excessively high in comparison with the broker's endeavours and services.
4. It shall not be possible to request the reduction of the agreed payment if it was paid to the broker after the conclusion of a contract that the broker brokered.

Article 844
When broker acquires right to payment

1. The broker shall acquire the right to a payment when the contract that the broker brokered is concluded, unless agreed otherwise.
2. If the contract was concluded under a suspensive condition the broker shall acquire the right to a payment when the condition is fulfilled.
3. If the contract was concluded under a dissolving condition the fulfilment of this condition shall not affect the broker's right to a payment.
4. If the contract is invalid the broker shall have the right to a payment if the grounds for invalidity were not known thereto.

Article 845
Reimbursement of costs

1. The broker shall not have the right to the reimbursement of the costs incurred thereby in the fulfilment of the mandate, unless so agreed.
2. If the right to reimbursement of costs is recognised in the contract the broker shall also have the right to the reimbursement when a contract is not concluded.

Article 846
Brokerage for both parties

1. Unless agreed otherwise, a broker that obtained a mandate for brokerage from both parties may demand from each party only half of the brokerage payment and only half of the costs if it was agreed that they be reimbursed.
2. The broker must attend to the interests of the two parties between whom the broker is brokering with the diligence of a good businessperson.

Article 847
Loss of right to payment

A broker that acts in breach of contract or for the other party contrary to the interests of the mandator shall lose the right to the brokerage payment and the reimbursement of costs.

PART XIX
SHIPPING CONTRACT

CHAPTER 1
GENERAL PROVISIONS

Article 848
Definition

1. Through a shipping contract a freight forwarding agent undertakes to conclude a contract of carriage and other contracts as necessary in the agent's name and for the account of the mandator for the transport of a specific thing, and to perform other customary transactions and acts, and the mandator undertakes to make a specific payment thereto for such.
2. If so agreed in the contract the freight forwarding agent may conclude a contract of carriage and perform other legal acts in the name and for the account of the mandator.

Article 849
Withdrawal from contract

The mandator may withdraw from the contract of such person's own volition, but must in this case reimburse the freight forwarding agent for all the costs incurred thereby until that point and make a proportionate part of the payment thereto for the work done until that point.

Article 850
Application of rules on commission agency contract or commercial agency contract

The sense of the rules on a commission agency contract or a commercial agency contract shall apply to those relations between the mandator and freight forwarding agent not regulated in this part.

CHAPTER 2
FREIGHT FORWARDING AGENT'S OBLIGATIONS

Article 851
Warning of deficiency in mandate

The freight forwarding agent must draw the mandator's attention to any deficiencies in the mandate, in particular to those owing to which the mandator is exposed to greater costs or damage.

Article 852
Warning of deficiency in packing

If the thing is not packed or prepared for transport as it should be the freight forwarding agent shall be obliged to draw the mandator's attention to such deficiencies; if in waiting for the mandator to rectify them the agent would incur damage the agent must rectify them at the mandator's expense.

Article 853
Protection of mandator's interests

1. At every opportunity the freight forwarding agent shall be obliged to act as dictated by the mandator's interests and with the diligence of a good businessperson.
2. The freight forwarding agent must inform the mandator without delay of any damage to the thing and of any development significant thereto, and take all measures necessary to protecting the mandator's rights against the liable person.

Article 854
Action according to mandator's instructions

1. The freight forwarding agent shall be obliged to adhere to the instructions on the route, the means and method of transport and other instructions obtained from the mandator.
2. A freight forwarding agent that cannot act according to the instructions must ask for new instructions; if there is not time for this or it is impossible the freight forwarding agent must act as the mandator's interests dictate.
3. The freight forwarding agent must immediately inform the mandator of any deviation from the mandate.
4. If the mandator did not stipulate the route, the means or the method of transport the freight forwarding agent shall stipulate them as dictated by the mandator's interests in the case in question.
5. A freight forwarding agent that deviated from the instructions received shall also be liable for damage incurred owing to force majeure, unless it is shown that the damage would have occurred even if the instructions provided had been adhered to.

Article 855
Freight forwarding agent's liability for others

1. The freight forwarding agent shall be liable for the choice of carrier and for the choice of others with whom a contract is concluded during fulfilment of the mandate (warehousing of goods, etc.), but not for their work, unless such liability was accepted by contract.
2. A freight forwarding agent that instead of fulfilling the mandate in person entrusts it to another freight forwarding agent shall be liable for the latter's work.
3. If under the mandate the freight forwarding agent is expressly or tacitly authorised to entrust the fulfilment of the mandate to another freight forwarding agent or if such is clearly in the mandator's interest, the freight forwarding agent shall only be liable for the choice of the other freight forwarding agent, unless liability for the work thereof was accepted by contract.
4. It shall not be possible to exclude or limit the liability specified in the previous paragraphs by contract.

Article 856
Customs acts and payment of customs duty

A mandate for the dispatch of a thing across a border shall include an obligation for the freight forwarding agent to perform all the necessary customs acts and pay the customs duty for the mandator, unless stipulated otherwise in the contract.

Article 857
When freight forwarding agent performs transport or other tasks

1. The freight forwarding agent may also wholly or partly perform in person the transport of the thing entrusted thereto for dispatch, unless agreed otherwise.
2. A freight forwarding agent that performs the transport or a part thereof in person shall have the rights and obligations of a carrier and shall in such a case be entitled to an appropriate payment for transport in addition to the dispatch payment and the reimbursement of cost in connection with dispatch.
3. This shall also apply to other transactions covered by the mandate, custom or the general terms and conditions.

Article 858
Insurance of consignment

1. The freight forwarding agent shall only be obliged to insure the consignment if so agreed.
2. Unless the risks to be covered by the insurance are stipulated in the contract, the freight forwarding agent shall be obliged to insure the things against the customary risks.

Article 859
Provision of invoice

1. After the transaction is completed the freight forwarding agent must provide an invoice to the mandator.
2. At the mandator's request the freight forwarding agent must also provide an invoice while fulfilling the mandate.

CHAPTER 3
MANDATOR'S OBLIGATIONS

Article 860
Payment to freight forwarding agent

The mandator must pay the freight forwarding agent pursuant to the contract, or pursuant to a tariff or any other legal act if the payment was not agreed; if there are no such tariffs/acts the court shall stipulate the payment.

Article 861
When freight forwarding agent may demand payment

The freight forwarding agent may demand the payment once the freight forwarding agent's obligations from the shipping contract have been performed.

Article 862
Costs and advance

1. The mandator must reimburse the freight forwarding agent for all the necessary costs incurred by the latter when fulfilling the mandate on the dispatch of the thing.
2. The freight forwarding agent may demand the reimbursement of costs immediately.
3. At the freight forwarding agent's request the mandator must advance thereto a sum required for the costs demanded by the fulfillment of the mandate on the dispatch of the thing.

Article 863
If agreed that recipient of thing pays freight forwarding agent

If it is agreed that the freight forwarding agent's claims will be charged to the recipient of the thing, the freight forwarding agent shall retain the right to demand payment from the mandator if the recipient does not wish to make the payment thereto.

Article 864
Dangerous things and valuables

1. The mandator must notify the freight forwarding agent regarding attributes of the thing that could lead to the endangerment of people or property or cause damage thereto.

2. If the consignment contains valuables, securities or other expensive things the mandatory must notify the freight forwarding agent of such and report the value thereof when delivering them for dispatch.

CHAPTER 4 SPECIAL CASES OF FREIGHT FORWARDING

Article 865 Freight forwarding with fixed payment

1. When a total sum is stipulated in a shipping contract for fulfilment of the mandate on the freight forwarding of a thing, both the payment from the freight forwarding and the payment for transport and the reimbursement of all other costs are included therein, unless agreed otherwise.
2. In this case the freight forwarding agent shall also be liable for the work of the carrier and other persons attracted into working under the contractual authorisation.

Article 866 Collective freight forwarding

1. When fulfilling mandates acquired the freight forwarding agent may organise collective freight forwarding, unless such is excluded pursuant to the contract.
2. If through collective freight forwarding the freight forwarding agent gains a difference in the transport fee in favour of the mandator the freight forwarding agent shall have the right to a special additional payment.
3. In collective freight forwarding the freight forwarding agent shall be liable for any loss of the thing or damage thereto during transport that would not have occurred had the freight forwarding not been collective.

CHAPTER 5 FREIGHT FORWARDING AGENT'S LIEN

Article 867 Freight forwarding agent's lien

1. In order to secure the collection of his claims originated in relation to the shipping contract, the freight forwarding agent shall have the right of lien regarding the objects handed over for freight forwarding and in relation to freight forwarding, while he keeps them or while he is in possession of the document entitling him to dispose of them
2. If another freight forwarding agent is involved in the freight forwarding such person shall be obliged to attend to the settlement of the claims and the exercise of the liens of previous freight forwarding agents.
3. If the other freight forwarding agent settles the freight forwarding agent's claims against the mandator the claims shall be transferred thereto by law alone, and likewise for freight forwarding agent's liens.

4. This shall also apply if the other freight forwarding agent settles the carrier's claim.

PART XX CONTRACT ON CONTROL OF GOODS AND SERVICES

Article 868 Definition

1. Through a contract on control of goods and services one contracting party (the controller) undertakes to perform the agreed control of goods in an impartial and expert manner and to issue a certificate thereon, and the other party (the control ordering party) undertakes to provide an agreed payment for the control performed.
2. The control of goods may consist of determination of the identity, quality, quantity and other attributes of the goods.

Article 869 Extent of control

The controller shall be obliged to perform the control in the extent and in the manner stipulated in the contract, or in an extent and in a manner suited to the nature of the matter if nothing is stipulated in the contract.

Article 870 Nullity of individual contractual provisions

1. Contractual provisions that would charge the controller with duties that could affect the impartiality of the control and the accuracy of the document on the control performed (the certificate) shall be null and void.
2. The control shall be deemed to have been performed when the certificate is issued.

Article 871 Safekeeping of goods and samples

1. The controller must store the goods delivered thereto by the control ordering party for the agreed control to be performed and protect them against switching.
2. The controller must store samples delivered thereto for at least six (6) months, unless agreed otherwise.

Article 872 Obligation to notify control ordering party

The controller must notify the ordering party on time regarding all significant circumstances during the control and safekeeping of the goods, in particular the necessary and beneficial costs paid therefor by the controller.

Article 873

Payment

1. The controller shall have the right to the agreed payment or the customary payment for the control and safekeeping of goods performed.
2. The controller shall also have the right to the reimbursement of all necessary and beneficial costs paid for the ordering party.

Article 874

Lien

To secure the agreed or customary payment and the reimbursement of the necessary and beneficial costs the controller shall hold a lien on the goods delivered thereto for control.

Article 875

Entrusting of control of goods to another controller

1. The controller may entrust the agreed control of the goods to another, unless the ordering party expressly prohibited such.
2. The controller shall be liable to the ordering party for the work of the other controller.

Article 876

Control of goods with performance of individual legal acts

1. Following an express order by the ordering party the controller shall be entitled to perform individual legal acts in the name of and for the account of the ordering party in addition to the agreed control of goods.
2. The controller shall have the right to a special, customary or agreed payment for individual legal acts performed in the name of and for the account of the ordering party.

Article 877

Control of goods with guarantee

1. The controller may guarantee that the attributes of the controlled goods will not change over an agreed period.
2. The controller shall have the right to a special, customary or agreed payment for taking on a guarantee of the attributes of the goods.

Article 878

Control of services and things not intended for marketing

If the control relates to services or things not intended for marketing the controller and the control ordering party shall have the same rights and obligations as in the control of goods.

Article 879
Withdrawal from contract

The control ordering party may withdraw from the contract at any time until the control is performed, but in such a case shall be obliged to pay the controller a proportionate part of the payment and the necessary and beneficial costs incurred thereby, and to reimburse the damage.

PART XXI
CONTRACT ON ORGANISED TRAVEL
(TOURISTIC ARRANGEMENTS)

CHAPTER 1
GENERAL PROVISIONS

Article 880
Definition

1. Through a contract on organised travel the travel organiser undertakes to supply the traveller with a package of services comprising transport, accommodation and other services thereto connected, and the traveller undertakes to pay a lump-sum price for such.
2. A retailer of a travel package compiled by a travel organiser that does not have a head office in the country shall be deemed to be the travel organiser.

Article 881
Issue of travel confirmation

1. By the conclusion of the contract at the latest the travel organiser must issue the traveller with a travel confirmation or must conclude a contract in written form that contains all the mandatory components of the travel confirmation.
2. The travel confirmation must contain the place and date of issue, the logo and title of the travel organiser, the name of the traveller, the location and dates of the beginning and end of the travel package, the number of days of accommodation, the necessary information on timetables, prices and conditions of transport and the quality of the means of transport, the necessary information on the accommodation including the location of the accommodation and type and category of the accommodation facilities, information on the number of meals (e.g. full board, half board, bed and breakfast), a detailed travel itinerary and information on other services included in the total price, information whether a minimum number of travellers is required for the travel to take place and a deadline by which the traveller is to be notified of any cancellation, the total price for the package of services envisaged in the contract, the conditions under which the traveller may demand the annulment of the contract, the deadline for complaints and demands for a reduction in the price because of poor quality or incomplete services, the necessary information on border and customs formalities, hygiene, financial and

Civil laws

other administrative regulations, and other information deemed to be useful if included in the travel confirmation.

3. If prior to the issue of the travel confirmation a travel itinerary containing the information specified in the previous paragraph was delivered to the traveller the travel confirmation may merely refer to the itinerary.

Article 882

Relation between contract and travel confirmation

1. The existence and validity of a contract on organised travel shall not depend on the travel confirmation or the content thereof.
2. However the travel organiser shall be liable for any damage incurred by the other party if the latter was not issued with the travel confirmation or the travel confirmation was inaccurate.

Article 883

Presumption of accuracy of confirmation

That which is inscribed in the confirmation shall be presumed to be accurate until it is shown to be otherwise.

CHAPTER 2

TRAVEL ORGANISER'S OBLIGATIONS

Article 884

Protection of traveller's rights and interests

The travel organiser must provide the traveller with services that have the content and attributes of those cited in the contract, confirmation or travel itinerary, and attend to the traveller's rights and interests in accordance with good business customs in this area.

Article 885

Obligation to inform

Prior to the conclusion of the contract the travel organiser must provide for the traveller in written form or in any other suitable form the necessary information on border formalities (passports and visas) and the hygiene formalities that apply to travel and accommodation in the intended destination. Prior to the beginning of the travel the travel organiser shall be obliged to inform the traveller of the timetable in the same manner and to precisely indicate the traveller's place on the means of transport (e.g. cabin or deck on a ship, sleeper compartment on a train), information on the address and telephone number of the local representative of the travel organiser or retailer or if there is no local representative information on an emergency telephone number or any other information that will allow the traveller to contact the travel organiser and/or retailer, and information on the optional conclusion of insurance to cover the costs of cancellation of the contract and insurance to cover the costs of assistance and

repatriation in the event of illness or accident during travel. In the case of travel or stays abroad by minors the travel organiser must provide information on establishing direct contact with the minor or the responsible officer in the place where the minor is accommodated.

Article 886

Obligation to safeguard confidential information

Information obtained by the organiser on the traveller, the traveller's luggage or the traveller's movements may only be reported to others with the traveller's consent or at the request of a relevant authority.

Article 887

Liability for organisation of travel

The travel organiser shall be liable for damage inflicted on a traveller because the travel organiser failed to perform the contract and the obligations stipulated by the present Law relating to the organisation of travel, or only performed such in part.

Article 888

Travel organizer's liability if travel organizer performs individual services

A travel organizer that in person takes over the transport or accommodation of travellers or other services connected to the provision of organized travel shall be liable to the traveller for damage according to the regulations applying to such services.

Article 889

Travel organizer's liability if individual services are entrusted to third persons

1. A travel organizer that entrusts the transport or accommodation of travellers or other services connected to the provision of organized travel to third persons shall be liable to the traveller for damage incurred because such services were not performed or were only performed in part, in accordance with the regulations applying thereto.
2. Even if the services were provided in accordance with the contract and the regulations relating thereto the travel organizer shall be liable for damage incurred by the traveller during provision of the services, unless it is shown that in choosing the persons that performed the services the travel organizer acted with the diligence required.
3. The traveller shall have the right to demand the full or additional reimbursement of damage suffered thereby directly from the third person liable for the damage.
4. Insofar as the travel organizer reimburses damage to a traveller the former shall acquire all the rights the latter would have held against the third person liable for the damage (the right to recourse).
5. The traveller shall be obliged to surrender to the travel organizer documents and anything else the latter requires to exercise the right to recourse.

Article 890
Reduction in price

1. If the services specified in the contract on organized travel were performed incompletely or were not of sufficient quality the traveller may demand a proportionate reduction in the price, under the condition that a complaint was filed with the travel organizer within eight days of the end of the travel.
2. The demand for a reduction in the price shall not affect the traveller's right to demand the reimbursement of damage.

Article 891
Exclusion and limitation of travel organizer's liability

1. Provisions in a contract on organized travel by which the travel organizer's liability is excluded or limited shall be null and void.
2. However a written contractual provision whereby the maximum compensation is stipulated in advance shall be valid, under the condition that it is not in clear disproportion to the damage.
3. Such a limitation of compensation shall not be valid if it is a matter of bodily injury or if the travel organizer inflicted the damage intentionally or out of gross negligence.

CHAPTER 3
TRAVELLER'S OBLIGATIONS

Article 892
Payment of price

The traveller must pay the travel organizer the agreed price for the travel when agreed or whenever is customary.

Article 893
Obligation to provide information

At the travel organizer's request the traveller must submit on time all the information required for organizing the travel, in particular for travel tickets and accommodation reservations, and the documents required for crossing the border

Article 894
Fulfillment of prescribed conditions

The traveller shall be obliged to ensure that he/she personally, his/her travel documents and his/her luggage fulfills the conditions prescribed by border, customs, financial and other administrative regulations.

Article 895

Traveller's liability for damage inflicted

The traveller shall be liable for damage inflicted on the travel organizer by the traveller's failure to perform the obligations originating from the contract and the provisions of the present Law.

CHAPTER 4

SPECIAL RIGHTS AND OBLIGATIONS OF CONTRACTING PARTIES

Article 896

Replacement of traveller with other

Unless agreed otherwise, the traveller may designate another to exploit the agreed services in the traveller's place, under the condition that the latter satisfies the special requirements envisaged for the specific travel and that the traveller reimburses the travel organizer for the costs of making the replacement.

Article 897

Increase and reduction in agreed price

1. The travel organizer may only demand an increase in the agreed price if after the contract was concluded there were changes in a currency exchange rate or changes in carriers' tariffs that affect the price of the travel. If such changes caused a reduction in the price of the travel the travel organizer must refund the difference in the price to the traveller.
2. The travel organizer may only exercise the right to an increase in the agreed price or shall be obliged to recognize the reduction in the agreed price specified in the previous paragraph if the changing of the price after the conclusion of the contract and the method of calculating the change are envisaged in the travel confirmation. The price of the travel may be raised no later than twenty days before the beginning of travel.
3. If the increase in the agreed price exceeds ten per cent the traveller may withdraw from the contract without being obliged to reimburse the damage.
4. In this case the traveller shall have the right to be refunded that which was paid to the travel organizer.

Article 898

Traveller's right to withdraw from contract

1. At any moment the traveller may wholly or partly withdraw from the contract.
2. If the traveller withdraws from the contract before the beginning of travel by an appropriate deadline dependent on the type of arrangement (on-time withdrawal), the travel organizer shall have the right to the reimbursement of administrative costs only.
3. In the case of late withdrawal from the contract the travel organizer may demand,

as a refund from the traveller, a specific percentage of the agreed price, which must be proportionate to the time remaining until the beginning of travel and economically justified.

4. The travel organizer shall have the right to the reimbursement of the travel organizer's costs alone if the traveller withdrew from the contract owing to circumstances that could not be avoided or averted and that would have been justifiable grounds for the contract not to have been concluded had they been in place when the contract was concluded, and also if the traveller has supplied an appropriate replacement or if the travel organizer found the replacement.
5. If the traveller withdraws from the contract once the travel has begun and the grounds are not circumstances specified in the previous paragraph of this article, the travel organizer shall have the right to the whole amount of the agreed price of the travel.

Article 899

Travel organizer's right to withdraw from contract

1. The travel organizer may wholly or partly withdraw from the contract without being obliged to reimburse damage if before or during the performance of the contract there arise extraordinary circumstances that could not have been anticipated, avoided or averted and that would have been justifiable grounds for the travel organizer not to have concluded the contract had they been in place when the contract was concluded.
2. The travel organizer may also withdraw from the contract without being obliged to reimburse damage if the minimum number of travellers as cited in the travel confirmation has not been gathered, under the condition that the traveller is informed of this circumstance by a suitable deadline, which may not be less than five days before the day the travel was to begin.
3. In withdrawal from the contract prior to performance thereof the travel organizer must refund all that was received from the traveller.
4. A travel organizer that withdraws from the contract during performance thereof shall have the right to a fair payment for the agreed services that were performed, and shall be obliged to take any measures necessary to secure the traveller's interests.

Article 900

Change in travel itinerary

1. Changes in the travel itinerary shall only be permitted if caused by extraordinary circumstances that could not be anticipated, avoided or averted by the travel organizer.
2. The costs incurred by a change in the itinerary shall be borne by the travel organizer, while a reduction in costs shall be to the benefit of the traveller.
3. The agreed accommodation may only be replaced with accommodation in facilities of the same category or in facilities of a higher category at the travel organizer's expense, and only in the agreed location.

4. If there are significant changes to the itinerary without justifiable grounds the travel organizer must refund all that was received from a traveller who withdraws from the travel for this reason.
5. If there is a significant change to the itinerary during performance of the contract a passenger who withdraws shall only pay the actual costs of the services performed therefor.

PART XXII TRAVEL AGENCY CONTRACT

Article 901 Definition

Through a travel agency contract the agent undertakes to conclude in the name of and for the account of a traveller either a contract on organized travel or a contract on one or more special services that facilitate particular travel or a particular stay, and the traveller undertakes to pay the agent for such.

Article 902 Obligation to issue confirmation

1. An agent that through the travel agency contract assumes the obligation to conclude a contract on organized travel must issue a travel confirmation when the contract is concluded; in addition to the information relating to the travel itself and the travel organizer's logo and address the travel confirmation must also contain the agent's logo and address and information that the agent is acting as such.
2. If the travel confirmation makes gives no indication of the agent's attributes as such, the agent in the organization of the travel shall be deemed to be the organizer.
3. If the travel agency contract refers to the conclusion of a contract on any special services the agent must issue a confirmation referring to such services and must cite the amount paid therefor in the confirmation.

Article 903 Action according to traveller's instructions

1. The agent shall be obliged to act according to the instructions provided thereto on time by the traveller, if such are in accordance with the contract, the customary business of the agent and the interests of other travellers.
2. If the traveller fails to provide the necessary instructions the agent must act in the manner most favourable for the traveller in the given circumstances.

Article 904 Choice of third persons

The agent shall be obliged to conscientiously choose the third persons that are to perform the services envisaged by the contract, and shall be liable to the traveller for the choice.

Article 905
Application of sense of provisions on organized travel

The sense of the provisions of the present Law applying to a contract on organized travel shall apply to a travel agency contract, unless stipulated otherwise in this part.

PART XXIII
CONTRACT ON LEASE OF HOTEL CAPACITY (ALLOTMENT CONTRACT)

CHAPTER 1
GENERAL PROVISIONS

Article 906
Definition

1. Through an allotment contract a hotelkeeper undertakes to make available to a travel agency for a specific period a specific number of beds in a specific facility, to provide hotel services to persons sent by the agency and to pay a specific commission, and the travel agency undertakes to endeavour to occupy such capacity or to notify the hotelkeeper by specific deadlines that the agency is unable to do so, and to pay a price for the services performed insofar as the leased hotel capacity is exploited.
2. Unless stipulated otherwise in the contract, the hotel accommodation capacities shall be deemed to have been made available for one (1) year.

Article 907
Form of contract

An allotment contract must be concluded in written form.

CHAPTER 2
TRAVEL AGENCY'S OBLIGATIONS

Article 908
Obligation to notify

1. The travel agency shall be obliged to notify the hotelkeeper regarding the occupation of the accommodation capacity.
2. A travel agency that cannot occupy all the leased accommodation capacity must notify the hotelkeeper of such by the agreed or customary deadlines, send a list of guests thereto and stipulate a deadline in the notification by which the hotelkeeper may freely dispose of the leased capacity.
3. Hotel capacity not marked as occupied in the list of guests shall be deemed to be free from the day the hotel receives the list, for the period to which the list relates.
4. After this deadline the travel agency shall again acquire the right to occupy the leased accommodation capacity.

Article 909

Obligation to observe agreed prices

The travel agency may not for hotel services charge the persons it sends to the hotel facility higher prices than those agreed in the allotment contract or cited in the hotel price list.

Article 910

Obligation to pay for hotel services

1. Unless stipulated otherwise in the contract, the travel agency shall pay the hotelkeeper for the hotel services performed when they are performed thereby.
2. The hotelkeeper shall have the right to demand appropriate payment into an account.

Article 911

Obligation to issue special written document

1. The travel agency must issue a special written document to persons it sends to the hotelkeeper pursuant to the allotment contract.
2. The special written document shall refer to a name or a specific group, shall be nontransferable and shall contain an order for the hotelkeeper to provide the services cited therein.
3. The special written document shall be proof that the person is a client of the travel agency with whom the hotelkeeper concluded the allotment contract.
4. The mutual claims between the travel agency and the hotelkeeper shall be settled on the basis of the special written document.

CHAPTER 3

HOTELKEEPER'S OBLIGATIONS

Article 912

Obligation to provide agreed accommodation capacity

1. The hotelkeeper shall accept the final, irrevocable obligation to make available for use the agreed number of beds during the agreed period and to provide the services cited in the special written document to the persons sent by the travel agency.
2. The hotelkeeper may not conclude a contract with another travel agency by which the capacity already leased pursuant to the allotment contract would be provided.

Article 913

Obligation of equal treatment

The hotelkeeper shall be obliged to provide services to the persons sent by the travel agency under conditions equal to those enjoyed by those with whom the hotelkeeper directly concluded a contract on hotel services.

Article 914

Hotelkeeper's obligation to not change prices for services

1. The hotelkeeper may not change the agreed prices without notifying the travel agency of such at least six months in advance, unless there is a change in the exchange rate of currencies that affect the agreed price.
2. The new prices may only be charged a month after being received by the travel agency.
3. The new prices shall not apply to services for which the hotelkeeper has already been sent the list of guests.
4. Changes in price shall in no case have any effect on reservations confirmed by the hotelkeeper.

Article 915

Obligation to pay commission

1. The hotelkeeper shall be obliged to pay the travel agency a commission on the turnover enjoyed pursuant to the allotment contract.
2. The commission shall be stipulated as a percentage of the price for the hotel services performed.
3. If the percentage commission is not stipulated in the contract the travel agency shall be entitled to the commission stipulated in its general terms and conditions of business, or a commission according to business customs if there are no general terms and conditions.

CHAPTER 4

TRAVEL AGENCY'S RIGHT TO WITHDRAW FROM CONTRACT

Article 916

Right to withdraw from leased accommodation capacity

1. The travel agency may temporarily withdraw from using the leased accommodation capacity without withdrawing from the allotment contract and without being obliged to reimburse the damage to the hotelkeeper, if it sends notice of withdrawal thereto by the agreed deadline.
2. If the deadline for withdrawal is not stipulated the business customs in the hotel sector shall apply.
3. A hotelkeeper that does not receive the notice of withdrawal by the stipulated deadline shall have the right to the reimbursement of damage.
4. If the notice of withdrawal is sent by the agreed deadline the travel agency may withdraw from the contract entirely without being obliged to reimburse the damage.

Article 917

Travel agency's obligation to occupy leased capacity

1. It may be specifically stipulated in the allotment contract that the travel agency must occupy the leased hotel capacity.
2. If in this case the travel agency fails to occupy the leased hotel capacity it must pay the hotelkeeper per day for each bed unused.
3. The travel agency shall not have the right to wholly or in part terminate the contract by giving notice on time.

PART XXIV

INSURANCE CONTRACT

CHAPTER 1

COMMON PROVISIONS FOR PROPERTY AND PERSONAL INSURANCE

SUB-CHAPTER 1

GENERAL PROVISIONS

Article 918

Definition

Through an insurance contract the policyholder undertakes to pay an insurance premium or contribution to the insurance agency, and the insurance agency undertakes in the event of a development entailing an insurance case to pay out the insurance payout or compensation to the policyholder or a third person or do something else.

Article 919

Insurance case

1. A development with regard to which an insurance contract is concluded (the insurance case) must be an uncertain future development independent of the exclusive intention of the contracting parties.
2. An insurance contract shall be null and void if when it was concluded the insurance case had already arisen, was in the process of arising or was certain to arise, or if at that time the possibility of it arising had already ceased.
3. If it was agreed that the insurance will cover a specific period before the conclusion of the contract the contract shall only be null and void if when it was concluded it was known to a party concerned that the insurance case had already arisen or the possibility of it arising had already ceased.

Article 920

Exclusion of certain types of insurance

1. The provisions of this part shall not apply to marine insurance or to other types of insurance to which the rules on marine insurance apply.

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2. These provisions shall not apply to the insurance of claims, or to relations deriving from reinsurance.

Article 921

Deviation from provisions of this part

1. A contract may only deviate from those provisions of this part in which such is expressly permitted, or from those that allow the contracting parties to act as they wish.
2. Unless prohibited by the present Law or any other act of law, deviation from other provisions shall be permissible only if in the undoubted interest of the policyholder.

SUB-CHAPTER 2

CONCLUSION OF CONTRACT

Article 922

When contract is concluded

1. An insurance contract shall be deemed to have been concluded when the contracting parties sign an insurance policy or a confirmation of coverage.
2. A written offer to the insurance agency to conclude an insurance contract shall bind the offering party for eight days after the offer arrives at the insurance agency if no shorter period is stipulated; if a medical examination is required it shall be binding for thirty days.
3. If during this period the insurance agency does not reject an offer that does not deviate from the conditions under which the proposed insurance is concluded it shall be deemed to have accepted the offer and the contract shall be deemed to have been concluded.
4. In this case the contract shall be deemed to have been concluded when the offer arrived at the insurance agency.

Article 923

Policy and confirmation of coverage

1. The following must be cited in the policy: the contracting parties, the insured thing or insured person, the risk covered by the insurance, the duration of the insurance and period of coverage, the insurance sum or indication that the insurance is unlimited, the premium or contract, the day the policy was issued and the signatures of the contracting parties.
2. A confirmation of coverage in which the essence of the contract is inscribed may temporarily substitute for the insurance policy.
3. The insurance agency shall be obliged to warn the policyholder that the general and special insurance terms and conditions are constituent part of the contract, and must deliver the text thereof to the policyholder if they are not cited in the policy itself.

4. Performance of the obligations specified in the previous paragraph must be determined in the policy.
5. If any provision of the general or special terms and conditions fails to accord with any provision of the policy, the provision of the policy shall apply; if any printed policy provision fails to accord with a handwritten policy provision, the latter shall apply.
6. By agreement between the contracting parties the policy may be made out to a specific person, by order or to the bearer.

Article 924

Insurance without policy

In the insurance terms and conditions specific cases may be defined in which a contractual relationship deriving from insurance originates through the payment of the premium alone.

Article 925

Conclusion of contract in another's name without authorization

1. Any person that concludes an insurance contract in the name of another without the latter's authorisation shall be liable to the insurance agency for the obligations deriving from the contract until the person in whose name it was concluded approves it.
2. A concerned party may also approve a contract when an insurance case has already arisen.
3. If approval is refused the policyholder shall owe the premium for the insurance period in which the insurance agency was informed of the refusal.
4. A manager without mandate that informed the insurance agency that the former was appearing without authority in the name of and for the account of another shall not be liable for obligations deriving from insurance.

Article 926

Insurance for another's account or for account of another concerned

1. In insurance for the account of another or for the account of another whom the insurance concerns the policyholder must pay the premium and perform the other obligations deriving from the contract; however the policyholder may not exercise the rights deriving from the insurance despite holding the policy, unless the person whose interest was insured and to whom the rights pertain consents thereto.
2. The policyholder shall not be obliged to deliver the policy to the person concerned until the latter reimburses the former for the premium paid by the former to the insurance agency and the costs of the contract.
3. The policyholder shall have priority in the right to repayment of such claims from the owed reimbursement and the right to demand payment thereof directly from the insurance agency.
4. The insurance agency may exercise any objection held in respect of the

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policyholder deriving from the insurance contract against any beneficiary from insurance for another's account.

Article 927
Insurance agents

1. When an insurance agency authorizes a person to represent it but does not stipulate the scope of the authorization, the agent shall be entitled to conclude insurance contracts in the name and for the account of the insurance agency, to conclude contracts amending or renewing contracts, to issue insurance policies, to collect premiums and to accept declarations addressed to the insurance agency.
2. If the insurance agency limited the authorisation of its agent but the policyholder did not know of such, the limitations shall be deemed to have not been in effect.

SUB-CHAPTER 3
POLICYHOLDER'S AND INSURED PERSON'S OBLIGATIONS

**I. DECLARATION OF CIRCUMSTANCES SIGNIFICANT TO RISK
ASSESSMENT**

Article 928
Obligation to declare

When concluding the contract the policyholder shall be obliged to declare to the insurance agency all the circumstances significant to the assessment of risk that were known or could not have remained unknown to the former.

Article 929
Intentional false declaration

1. If the policyholder intentionally made a false declaration or intentionally concealed any circumstance of such a nature that the insurance agency would not have concluded the contract had it known the true state of affairs, the insurance agency may demand the annulment of the contract.
2. If the contract was annulled on the grounds specified in the previous paragraph the insurance agency shall retain the premiums already paid and shall have the right to demand the payment of the premium for the insurance period in which the annulment of the contract was
3. demanded.
4. The insurance agency's right to demand the annulment of an insurance contract shall expire if it fails to declare its intention to exercise this right to the policyholder within three months of learning of the false declaration or the concealment.

Article 930

Intentional falsehood or incompleteness of declaration

1. If the policyholder made any kind of false declaration or omitted any mandatory information but did not do so intentionally, the insurance agency may within one month of learning of the falsehood or incompleteness of the declaration choose to withdraw from the contract or to propose a higher premium in proportion to the greater risk.
2. In such a case the contract shall terminate fourteen days after the insurance agency notified the policyholder of its withdrawal from the contract; if it proposes a higher premium the contract shall be rescinded by law alone if the policyholder does not accept the proposal within fourteen (14) days of receiving it.
3. If the contract is rescinded the insurance agency must return the part of the premium pertaining to the time remaining to the end of the insurance period.
4. If an insurance case arose before the falsehood or incompleteness of the declaration was determined, or after such but before the rescission of the contract or before an agreement on a higher premium is reached, the insurance payout shall be reduced in proportion to the level of the premiums paid and the level of the premiums that should have been paid with regard to the true risk.

Article 931

Extension of application of previous articles

The provisions of the previous articles on the consequences of false declarations or concealment of circumstances significant to the assessment of risk shall also apply to insurance concluded in the name of and for the account of another to the benefit of a third person, for another's account or for the account of a person concerned if such persons knew of the falsehood of the declaration or the concealment of circumstances significant to the assessment of risk.

Article 932

Cases in which the insurance agency cannot refer to falsehood or incompleteness of declaration

1. If when the contract was concluded circumstances significant to the assessment of risk were known or could not have remained unknown to the insurance agency, and the policyholder made a false declaration or concealed them, the insurance agency may not make reference to the falsehood of the declaration or the concealment.
2. This shall also apply if the insurance agency learnt of such circumstances during the insurance but did not exercise the rights provided by law.

II. PAYMENT OF PREMIUM

Article 933

Obligation to pay and accept premium

1. The policyholder shall be obliged to pay the insurance premium, but the insurance agency shall be obliged to accept the premium from any person that has a legal interest in the payment.
2. The premium shall be paid by the agreed deadlines; if there must be a one-off payment it shall be paid when the contract is concluded.
3. The premium must be paid at the place where the policyholder has the head office or place of residence, unless any other place is stipulated in the contract.

Article 934

Consequences of non-payment of premium

1. If it is agreed that it is necessary to pay the premium when the contract is concluded, the insurance agency's obligation to pay the insurance payout or compensation stipulated in the contract shall begin on the day after the day the premium is paid in.
2. If it is agreed that it is necessary to pay the premium after the contract is concluded, the insurance agency's obligation to pay the insurance payout or compensation stipulated in the contract shall begin on the day stipulated in the contract as the day the insurance begins.
3. The insurance agency's obligation to pay the insurance payout or compensation stipulated in the contract shall terminate if the policyholder fails to pay an insurance premium that falls due after the conclusion of the contract by the time it falls due and this is not done by another interested party within thirty days of the policyholder being delivered a registered letter from the insurance agency stating that the payment has fallen due.
4. After the deadline specified in the third paragraph of this article expires the insurance agency may, if the policyholder is in delay with the payment of a premium that must be paid after the conclusion of the contract or other subsequent premiums, rescind the insurance contract without any notice of termination, such that the rescission of the insurance contract occurs with the passing of the deadline specified in the third paragraph of this article and the termination of the insurance coverage if the policyholder was warned in a registered letter that the premium had fallen due and insurance coverage would terminate.
5. If the policyholder pays the premium after the deadline specified in the paragraph 3. of this article passes but within one (1) year of the premium falling due, the insurance agency shall be obliged in the event of the insurance case arising to pay the insurance payout or compensation from midnight after the premium and penalty interest is paid.
6. The provisions of this article shall not apply to life assurance or health insurance.

III. NOTIFICATION OF INSURANCE AGENCY REGARDING CHANGES IN RISK

Article 935 Increase in risk

1. With regard to property insurance the policyholder shall be obliged to notify the insurance agency regarding any change in circumstances that could be significant to the assessment of risk; with regard to personal insurance the policyholder shall only be obliged if the risk increases because the insured person's work has changed.
2. He shall be obliged to notify the insurer without delay of the increase in risk, and should the increase of risk occur without his actions, he shall be obliged to notify the insurer within fourteen (14) days after becoming aware of it.
3. If the increase in risk is such that the insurance agency would not have concluded the contract if such was the situation when it was concluded, the insurance agency may withdraw from the contract.
4. If the increase in risk is such that the insurance agency would only have concluded the contract under a higher premium if such was the situation when it was concluded, the insurance agency may propose a new level of premium to the policyholder.
5. If the policyholder does not consent to the new level of premium within fourteen (14) days of receiving the proposal the contract shall terminate by law alone.
6. However the contract shall remain valid and the insurance agency shall no longer be entitled to propose a new level of premium to the policyholder or withdraw from the contract if it fails to exercise these rights one (1) month of learning in any way of the increase in risk or if before this deadline passes it shows in any way that it consents to the extension of the contract (if it accepts a premium, pays an insurance payout for an insurance case arising after the increase, etc.).

Article 936 If insurance case arises meanwhile

If an insurance case arises before the insurance agency was notified regarding the increase in risk or after it was notified but before it withdrew from the contract or agreed an increase in the premium with the policyholder, the insurance payout shall be reduced in proportion to the difference between the paid premiums and the premiums that should have been paid with regard to the increased risk.

Article 937 Reduction in risk

1. If after the insurance contract is concluded the risk reduces the policyholder shall have the right to demand an appropriate reduction in the premium, counted from the day the policyholder notified the insurance agency regarding the reduction.
2. If the insurance agency does not consent to a reduction in the premium the policyholder may withdraw from the contract.

Article 938

Obligation to notify regarding arisen insurance case

1. With the exception of life assurance and health insurance the policyholder must notify the insurance agency regarding an arisen insurance case within three (3) days of learning of it.
2. A policyholder that fails to perform this obligation within the period stipulated must reimburse the insurance agency for any damage it incurred for this reason.

Article 939

Nullity of provisions on loss of right

Contractual provisions pursuant to which the insured person would lose the right to compensation or the insurance sum if such person fails to perform any of the prescribed or agreed obligations after an insurance case arises shall be null and void.

SUB-CHAPTER 4

INSURANCE AGENCY'S OBLIGATIONS

Article 940

Payment of compensation or agreed sum

1. If an insurance case arises the insurance agency must pay the insurance payout or compensation by the agreed deadline, which may not be longer than fourteen (14) days, counted from the day it received the notification that the case had arisen.
2. If a specific period is needed to determine the existence of an obligation on the part of the insurance agency or the amount in question, the deadline shall run from the day the existence and amount of the obligation were determined.
3. If the amount of the obligation is not determined by the deadline specified in paragraph 1. of this article the insurance agency must pay the beneficiary the undisputed part of the obligation as an advance at the latter's request.

Article 941

Exclusion of insurance agency's liability in case of intent or fraud

If the policyholder, insured person or beneficiary caused the insurance case intentionally or via fraud the insurance agency shall not be bound to make any payment, and a contractual provision to the contrary shall be null and void.

Article 942

Objections by insurance agency

1. Against a claim by the bearer of a policy and against a claim by any other referring to the policy, the insurance agency may exercise any objection it holds in connection with the contract against the person with whom it concluded the contract.

2. In exceptional cases the insurance agency may only exercise objections that originated before the insurance case arose against claims by a third person in voluntary insurance against liability and against claims by the holders of specific rights on an insured thing whose right was transferred from the destroyed or damaged thing by law alone to the compensation deriving from the insurance.

SUB-CHAPTER 5 DURATION OF INSURANCE

Article 943

Beginning of effect of insurance

1. Unless agreed otherwise, the insurance contract shall be in effect from midnight on the day indicated in the insurance policy as the day the insurance begins, until the end of the final day of the period for which it was concluded. The duration of the insurance shall be deemed not to have been stipulated if there is a duration agreed in the insurance contract with the possibility of renewal of the contract for an equal period if the parties do not terminate the contract before the premium stipulated in the insurance terms and conditions falls due.
2. If the duration of the insurance is not stipulated in the contract each party may withdraw therefrom on the day the premium falls due, but must notify the other party of such in writing at least three (3) months before the premium falls due.
3. If the insurance is concluded for more than three (3) years each party may after this time passes withdraw from the contract with a period of notice of three (3) months by informing the other party of such in writing.
4. It shall not be possible to exclude a party's right to withdraw from the contract as stipulated in the previous paragraphs by contract.
5. The provisions of this Article shall not apply to life assurance or health insurance.

Article 944

Effect of bankruptcy on insurance

1. If the policyholder goes bankrupt the insurance shall continue, but each party shall have the right to withdraw from the contract within three (3) months of bankruptcy proceedings being introduced; in this case the part of the premium that accords to the remaining period of insurance shall go towards the policyholder's bankruptcy estate.
2. In the case of the bankruptcy of the insurance agency the insurance contract shall cease to be valid thirty (30) days after bankruptcy proceedings were introduced.

**CHAPTER 2
PROPERTY INSURANCE**

**SUB-CHAPTER 1
GENERAL PROVISIONS**

**Article 945
Insurance interest**

1. Property insurance may be concluded by any person that has an interest in an insurance case not arising and that would otherwise incur any kind of property loss.
2. Insurance rights may only be held by those that in the event of damage occurring have a property interest in an insurance case not arising.

**Article 946
Purpose of property insurance**

1. Through property insurance the reimbursement of the damage incurred on the insured person's property should an insurance case arise is ensured.
2. The insurance payout may not be larger than the damage incurred by the insured person through the insurance case arising.
3. In the insurance of crops, fruits and other land products the damage shall be determined with regard to the value they would have at harvesting, unless agreed otherwise.
4. Contractual provisions whereby the insurance payout is limited to an amount smaller than the damage shall be valid.
5. In the determination of the damage, lost profit shall only be taken into consideration if such was agreed.
6. If in the same insurance period several insurance cases occur in series, for each of the cases the full insurance payout from the insurance shall be determined and paid with regard to the whole insurance sum, without any reduction for the amount of compensation already paid in the period.
7. If through the insurance contract the value of the insured thing was determined by agreement the insurance payout shall be determined according to this value, unless the insurance agency shows that the value stipulated in the contract is significantly larger than the true value and there are no justifiable grounds for this difference (as for example the insurance of a used thing for the value of a new thing of the same type or the insurance of a subjective value).

**Article 947
Prevention of insurance case and relief**

1. The insured person shall be obliged to take the prescribed measures, agreed measures and all other measures necessary to preventing the insurance case from arising; if an insurance case arises the insured person must take all measures in such person's power to limit the damaging consequences.

2. The insurance agency must reimburse all the costs, losses and other damage caused by a reasonable attempt to avert the immediate danger of an insurance case arising and an attempt to limit the damaging consequences thereof, even when such attempts were unsuccessful.
3. The insurance agency shall be obliged to make the reimbursement even when together with the reimbursement of the damage from the insurance case it exceeds the insurance sum.
4. If the insured person fails to perform the obligation to prevent an insurance case or the obligation to relieve and has no excuse for this, the insurance agency's obligation shall be reduced by the amount of extra damage incurred because of this.

Article 948

Cession of damaged insured thing

Unless agreed otherwise, the insured person shall not have the right to cede the damaged insured thing to the insurance agency after an insurance case arises and demand therefrom the payment of the insurance payout in the amount of the whole insurance sum.

Article 949

Destruction of thing because of development not envisaged in policy

1. If the insured thing or a thing for which insurance against liability was concluded in connection with its use is destroyed during the insurance period because of any development not envisaged in the policy, the contract shall thenceforth cease to be valid and the insurance agency must return to the policyholder a proportionate part of the premium for the remaining time.
2. If one or more things covered by the same contract are destroyed because of any development not envisaged in the policy, the insurance shall remain valid in respect of the remaining things, with the changes required because of the diminution of the insured subject.

SUB-CHAPTER 2

LIMITATION OF INSURED RISKS

Article 950

Damage covered by insurance

1. The insurance agency shall be obliged to reimburse damage incurred accidentally or at the fault of the policyholder, the insured person or the insurance beneficiary, unless with regard to the specific damage such an obligation is expressly excluded in the insurance contract.
2. It shall not be liable for damage inflicted by such persons intentionally, and any provision in the policy pursuant to which it would be liable in such a case shall be null and void.

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3. If an insurance case occurs the insurance agency shall be obliged to reimburse any damage inflicted by any person for whose action the insured person is in any way liable, irrespective of whether the damage was inflicted intentionally or out of gross negligence.

Article 951

Damage inflicted because of defects in insured thing

The insurance agency shall not be liable for damage to an insured thing that originated from defects therein, unless agreed otherwise.

Article 952

Damage inflicted by military operations

1. The insurance agency shall not be obliged to reimburse damage inflicted by military operations, unless agreed otherwise.
2. The insurance agency must prove that the damage was inflicted by such a development.

SUB-CHAPTER 3

OVERINSURANCE AND CONTRACT WITH SEVERAL POLICYHOLDERS

Article 953

Overinsurance

1. If in the conclusion of a contract one party uses fraud to justify an insurance sum that is greater than the true value of the insured thing the other party may demand the annulment of the contract.
2. If the agreed insurance sum is greater than the value of the insured thing but no party acted in bad faith, the contract shall remain valid and the insurance sum shall be reduced to the true value of the insured thing while the premiums are proportionately reduced.
3. In both cases the insurance agency acting in good faith shall retain the premiums received and shall have the right to an unreduced premium for the current period.

Article 954

Subsequent reduction of value

If during the insurance the insured value decreases, each contracting party shall have the right to an appropriate reduction in the insurance sum and the premium, beginning on the day when the claim for a reduction was reported to the other party.

Article 955

Multiple and double insurance

1. If anything is insured with two or more insurance agencies against the same risk, for the same interest and for the same time such that the total of the insurance sums

does not exceed its value (multiple insurance), each of the insurance agencies shall be liable for the full performance of the obligations originating from the contract it concluded.

2. If the total of the insurance sums exceeds the value of the insured thing (double insurance) but the policyholder did not act in bad faith, all the insurance shall be valid and each insurance agency shall have the right to the agreed premium for the insurance period in progress, while the insured person shall have the right to demand from each of the insurance agencies the insurance payout pursuant to the contract concluded with it, but in total no more than the amount of damage.
3. If an insurance case arises the policyholder must notify each insurance agency that insured the same risk of such and inform it of the name and addresses of the other insurance agencies, and the insurance sums from the individual contracts concluded with them.
4. After payment of the compensation to the insured person each insurance agency shall bear part of the insurance payout in the same ratio as that between the insurance sum to which it committed and the total of all the insurance sums; an insurance agency that paid more shall have the right to demand from the other insurance agencies the reimbursement of the excess amount paid.
5. Any contract concluded without stipulating the insurance sum or unlimited coverage shall be deemed to have been concluded with the maximum insurance sum.
6. The other insurance agencies shall be liable for a share that an insurance agency cannot pay, in proportion to their shares.
7. A policyholder that concluded an insurance contract by which double insurance arose without knowing of the insurance previously concluded may, irrespective of whether the previous insurance was concluded by the policyholder or another person, demand an appropriate reduction in the insurance sum and premiums in the later insurance within one month of learning of such; however the insurance agency shall retain the premiums received and shall have the right to the premium for the current period.
8. If the double insurance occurred because the value of the insured thing decreased during the insurance the policyholder shall have the right to an appropriate reduction in the insurance sums and premiums starting on the day the request for a reduction is reported to the insurance agency.
9. If the policyholder acted in bad faith in the occurrence of the double insurance any insurance agency may demand the annulment of the contract, retain the premiums received and demand an unreduced premium for the current period.

Article 956 **Co-insurance**

If an insurance contract is concluded with several insurance agencies that have agreed to bear and share the risk equally, each of the insurance agencies cited in the insurance policy shall be liable to the insured person for the full insurance payout.

**SUB-CHAPTER 4
UNDERINSURANCE**

**Article 957
Underinsurance**

1. If it is found that at the start of the insurance period in question the value of the insured thing is greater than the insurance sum, the insurance payout owed by the insurance shall be proportionately reduced, unless agreed otherwise.
2. The insurance agency shall be obliged to provide full compensation up to the amount of the insurance sum if it was agreed that the relation between the value of the thing and the insurance sum was not significant for determining the insurance payout.

**SUB-CHAPTER 5
TRANSFER OF CONTRACT AND PAYMENT OF INSURANCE PAYOUT
FROM INSURANCE TO ANOTHER**

**Article 958
Transfer of contract to acquirer of insured thing**

1. In the alienation of an insured thing and a thing for which insurance against liability was concluded in connection with its use, the policyholder's rights and obligations shall be transferred by law alone to the acquirer, unless agreed otherwise.
2. If only a part of insured things that in respect of the insurance is not a separate entity is alienated, the insurance contract shall be transferred under law alone in respect of the alienated things.
3. If because of the alienation of the thing the likelihood of an insurance case arising increases or decreases the general provisions on an increase or decrease in risk shall apply.
4. A policyholder that fails to inform the insurance agency that the insured thing has been alienated shall remain bound in respect of the payment of premiums falling due after the alienation.
5. The insurance agency and the acquirer of the insured thing may withdraw from the contract with a period of notice of fifteen (15) days, whereby they must inform the other party within thirty (30) days of learning of the alienation.
6. It shall not be possible to withdraw from a contract if the insurance policy is made out to the bearer or by order.

**Article 959
Assignment of insurance payout to holders of lien and other rights**

1. After an insurance case arises the subject of the liens and other rights previously held on the insured thing, both in the insurance of a person's own thing and in the insurance of another person's things for the obligation of the safekeeping and

return thereof, shall be the owed insurance payout, and the insurance agency may not pay it to the insured person without the consent of the beneficiaries.

2. These may demand directly from the insurance agency that it pay their claims within the limits of the insurance sum according to the legally prescribed order.
3. However the payment of the insurance payout shall remain valid if upon payment the insurance agency did not know and was not obliged to know of the rights.

SUB-CHAPTER 6
TRANSFER OF INSURED PERSON'S RIGHTS AGAINST LIABLE PERSON
TO INSURANCE AGENCY (SUBROGATION)

Article 960
Subrogation

1. Upon the payment of compensation from insurance all the insured person's rights against a person that is in any way liable for the damage up to the amount of the insurance payout made shall be transferred by law alone to the insurance agency.
2. If through the fault of the insured person such a transfer of rights to the insurance agency is partly or wholly made impossible the insurance agency shall to an appropriate extent be free of its obligations towards the insured person.
3. The transfer of rights from the insured person to the insurance agency may not be to the detriment of the insured person; if the insurance payout obtained from the insurance agency is for any reason lower than the damage incurred the insured person shall have the right to obtain a payment from the liable person's assets for the remaining compensation before the payment of the insurance agency's claim deriving from the rights transferred thereto.
4. Irrespective of the rule on the transfer of the insured person's rights to the insurance agency, the rights shall not be transferred thereto if the damage was inflicted by a person who is a direct relative of the insured person, a person for whose action the insured person is liable or who lives in the same household, or a person who works for the insured person, unless any of these inflicted the damage intentionally.
5. If any of those specified in the previous paragraph was insured against liability the insurance agency may demand that his/her insurance agency reimburse the amount paid to the insured person.

SUB-CHAPTER 7
INSURANCE AGAINST LIABILITY

Article 961
Insurance agency's liability

1. In insurance against liability the insurance agency shall only be liable for damage incurred when an insurance case arises if a third injured party demands compensation.
2. The insurance agency shall bear the costs of any dispute over the insured person's liability within the limits of the insurance sum.

Article 962
Injured party's own right and direct suit

1. In insurance against liability the injured party may demand directly of the insurance agency that it reimburse the damage incurred by the party because of the development for which the insured person is liable, but no more than the amount of its obligation.
2. From when the insurance case arises the injured party shall have such party's own right to compensation from the insurance, and no subsequent change in the insured person's rights against the insurance agency shall have any effect on the injured party's right to compensation.

CHAPTER 3
PERSONAL INSURANCE

SUB-CHAPTER 1
GENERAL PROVISIONS

Article 963
Stipulation of insurance sum

In contracts on personal insurance (life assurance or accident insurance), the size of the insurance sum that must be paid by the insurance agency if an insurance case arises shall be stipulated in the policy by agreement between the contracting parties.

Article 964
Life assurance policy

1. In addition to the components that every policy must have, the following must be cited in a life assurance policy: the full name of the person to whose life the assurance relates, the date of birth thereof, and the development or period on which the origination of the right to demand payment of the insurance sum depends.
2. A life assurance policy may be made out to a specific name or by order, but may not be made out to the bearer.
3. In order for an endorsement of a policy to be valid it must contain the name of the beneficiary, be dated and be signed by the endorser.

Article 965
Age of policyholder or insured person

1. Irrespective of the general provisions of this title on the consequences of false declarations and concealment of circumstances significant to the assessment of risk, the following rules shall apply to false declarations of age in contracts on life assurance:
 - 1.1. A contract on life assurance shall be null and void and the insurance agency shall in any case be obliged to return all the premiums received if when it

was concluded the age of the policyholder or insured person was falsely declared and the true age exceeds the age limit up to which the insurance agency concludes life assurance pursuant to its conditions and price lists;

- 1.2. If the policyholder or insured person was falsely declared to be younger and the true age does not exceed the age limit up to which the insurance agency concludes life assurance, the contract shall remain valid and the insurance sum shall be reduced in proportion to the difference between the agreed premium and the premium envisaged for life assurance for a person of the insured person's age;
- 1.3. If the policyholder or insured person is younger than was declared when the contract was concluded, the premium shall be reduced by an appropriate amount and the insurance agency must refund the difference between the premiums received and the premiums to which it has a right.

Article 966

Consequences of unpaid premium and reduction of insurance sum

1. If in life assurance the policyholder fails to pay any premium when it falls due the insurance agency shall not have the right to demand payment in court.
2. If at the insurance agency's request, which must be delivered by registered post, the policyholder fails to pay a due premium by the deadline stipulated in the letter, which may not be shorter than one (1) month counted from when the letter was delivered, and this is not done by any other interested party, the insurance agency may only, if at least three (3) annual premiums have been paid prior to then, declare to the policyholder that it is reducing the insurance sum to the redeemable value of the insurance may declare that it is withdrawing from the contract.
3. If the insurance case arose before the contract was rescinded or the insurance sum reduced, the insurance sum shall be deemed to have been reduced or the contract shall be deemed to have been rescinded, with regard to whether premiums had been paid for at least three (3) years.

Article 967

Insurance of third person

1. Life assurance may refer to the life of the policyholder, and may also refer to the life of a third person (the insured person).
2. This shall also apply to accident insurance.
3. If the insurance refers to the case of the death of a third person, such person's written consent shall be required for the insurance to be valid, and shall be provided on the policy or in a special letter when the policy is signed, together with indication of the insurance sum.

Article 968

Insurance of minors and persons removed of capacity to contract for case of death

1. Insurance of a third person who has not reached the age of fourteen (14) or a

person whose capacity to contract has been totally removed for the case of death shall be null and void, and the insurance agency must therefore refund all the premiums received from such a contract.

2. For insurance of a third person who has reached the age of fourteen (14) for the case of death to be valid the written consent of such person's legal representative and the written consent of the insured person shall be required.

Article 969

Cumulation of compensation and insurance sum

1. In personal insurance an insurance agency that has paid out the insurance sum may not hold any right to compensation from a third person liable for the insurance case arising.
2. The policyholder or beneficiary shall hold the right to compensation from a third person liable for the insurance case arising, irrespective of the third person's right to the insurance sum.
3. The provisions of the previous two paragraphs shall not apply to the case when accident insurance is concluded as insurance against liability.

SUB-CHAPTER 2 EXCLUDED RISKS

Article 970

Suicide of policyholder or insured person

1. If the cause of death is suicide in the first year of the insurance the death shall not be covered by the insurance contract for the case of death.
2. If suicide occurs within three (3) years of the contract being concluded the insurance agency shall not be obliged to pay the insurance sum to the beneficiary, but only the mathematical reserve of the contract.

Article 971

Murder of policyholder or insured person

The insurance agency shall be free of the obligation to pay the beneficiary the insurance sum if the latter causes the death of the policyholder or insured person in a premeditated manner; if at least three (3) annual premiums have been paid by that time it must pay out the mathematical reserve of the contract to the policyholder, or to the policyholder's heirs if the contract applied to the policyholder.

Article 972

Intentional causing of accident

The insurance agency shall be free of the obligations deriving from a contract on accident insurance if the policyholder or insured person caused the accident intentionally.

Article 973
Military operations

1. If the death of the insured person is the consequence of military operations the insurance agency shall not be obliged to pay the insurance sum to the beneficiary, unless agreed otherwise, but must pay out the mathematical reserve of the contract.
2. Unless agreed otherwise, the insurance agency shall be free of the obligations deriving from a contract on accident insurance if the accident was caused by military operations.

Article 974
Contractual exclusion of risk

Other risks may also be excluded from the insurance through the contract on insurance for the case of death or on accident insurance.

SUB-CHAPTER 3
POLICYHOLDER'S RIGHTS BEFORE INSURANCE CASE ARISES

Article 975
Redemption

1. When a contract on life assurance is concluded for the whole life of the policyholder or insured person the insurance agency must at the policyholder's request pay out the redeemable value of the policy if at least three (3) annual premiums have been paid by that time.
2. The policy must cite the conditions under which the policyholder may request the payout of the redeemable value, and the method in which the value is calculated in accordance with the insurance conditions.
3. The right to redeem may not be exercised by the policyholder's creditors or by an insurance beneficiary; the insurance agency shall pay out the redeemable value to the insurance beneficiary at the latter's request if the designation of the beneficiary is irrevocable.
4. Irrespective of the previous paragraph the redemption of the policy may be requested by a creditor that had the policy delivered thereto in pledge if the claim secured by the pledge is not settled when it falls due.

Article 976
Advance payment

1. When a contract on life assurance is concluded for the whole life of the policyholder or insured person, at the policyholder's request the insurance agency may pay out in advance part of the insurance sum to the policyholder up to the redeemable value of the policy, which the policyholder may subsequently return.
2. The policyholder must pay the stipulated interest on the received advance payment.
3. A policyholder that is in delay with the payment of the interest due shall be treated as having requested redemption.

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4. The insurance policy must cite the conditions for advance payment, the possibility that the sum received at the account of the advance payment may be returned to the insurance agency, the interest rate, and the consequences of failing to pay the interest as it falls due as stipulated in the insurance conditions.

Article 977
Pledge of policy

1. A life assurance policy may be pledged.
2. The pledge of the policy shall only have an effect in respect of the insurance agency if it is informed in writing that the policy has been pledged to a specific creditor.
3. A policy made out by order shall be pledged by endorsement.

SUB-CHAPTER 4
LIFE ASSURANCE IN FAVOUR OF THIRD PERSON

Article 978
Designation of beneficiary

1. The policyholder may designate the person that will hold the rights deriving from the contract in the contract itself, of through a subsequent legal transaction or by a will.
2. If the insurance applies to the life of another, the written consent thereof shall be required for the designation of the beneficiary.
3. It shall not be necessary for the beneficiary to be designated by name; the citation of the information required to designate the beneficiary shall suffice.
4. If children or descendants are designated as beneficiaries, those subsequently born shall also benefit, while benefit intended for a spouse shall pertain to the person married to the policyholder at the policyholder's death.

Article 979
Division of benefit among beneficiaries

If children, descendants and heirs in general are designated as the beneficiaries and the policyholder did not stipulate the division among them, the insurance sum shall be divided in proportion to their hereditary shares, or in equal shares if the beneficiaries are not heirs.

Article 980
Revocation of provision on designation of beneficiary

1. A provision by which a specific person is to obtain the benefit from insurance may only be revoked by the policyholder; the rights thereof may not be exercised by either the policyholder's creditors or legal heirs.
2. The policyholder may revoke a provision on benefit at any time until the beneficiary in any manner declares that it is being accepted; it shall thereby become irrevocable.

3. However the policyholder may revoke a provision on benefit even after the beneficiary declares it is being accepted if the beneficiary attempts to kill the policyholder or the insured person; if the benefit was assigned gratuitously the provisions on revocation of a gift shall also apply to revocation.
4. The beneficiary shall be deemed to have rejected the benefit intended therefor if, after the policyholder's death, at the request of the policyholder's heirs the beneficiary fails within one (1) month to declare it is being accepted.

Article 981
Beneficiary's own direct right

1. The insurance sum to be paid to a beneficiary shall not count towards the policyholder's estate even when the policyholder's heirs are designated as beneficiaries.
2. The right to the insurance sum shall only be held by the beneficiary, from the conclusion of the contract itself, irrespective of how and when the beneficiary was designated and irrespective of whether the beneficiary declared acceptance before or after the death of the policyholder or insured person; the beneficiary may therefore turn directly to the insurance agency with a request for payment of the insurance sum.
3. If the policyholder designated his/her children, descendants or heirs in general as beneficiaries, each beneficiary so designated shall have the right to an appropriate part of the insurance sum, even if the inheritance is waived thereby.

Article 982
Policyholder's and insured person's creditors

1. The policyholder's and insured person's creditors shall have no right to the insurance sum agreed for the beneficiary.
2. If the premiums paid in by the policyholder were disproportionately large in comparison to the policyholder's circumstances when they were paid, the policyholder's creditors may request the delivery of the part of the premiums that exceeded the policyholder's circumstances if the conditions under which the creditors have the right to challenge the debtor's legal acts are fulfilled.

Article 983
Assignment of insurance sum

The beneficiary may also transfer the right to the insurance sum to another before the insurance case, but shall require the written consent of the policyholder therefor, which must cite the name of the person to whom the right is being transferred; if the insurance applies to the life of another such person's consent shall also be required.

Article 984

If designated beneficiary dies before maturity

If the person designated without reimbursement as the beneficiary dies before the insurance principal or annuity matures the benefit from the insurance shall pertain not to the beneficiary's heirs but to the next beneficiary; if no such beneficiary is designated it shall pertain to the policyholder's assets.

Article 985

Insurance for case of death without designated beneficiary

If the policyholder for the case of death does not designate a beneficiary or if the designation of the beneficiary remains without effect because of revocation, because of refusal by the designated person or for any other reason, and the policyholder does not designate another beneficiary, the insurance sum shall pertain to the policyholder's assets and shall be transferred as the policyholder's part with the policyholder's other rights to the heirs thereof.

Article 986

Payment of insurance sum in good faith to person not entitled

1. When the insurance agency pays out the insurance sum to a person that would have the right thereto had the policyholder not designated a beneficiary, the insurance agency shall be free of the obligations deriving from the insurance contract if when payment was made it did not know and was not obliged to know that the beneficiary was designated in a will or any subsequent legal act that was not sent to the insurance agency, while the beneficiary shall have the right to demand reimbursement from the person that received the insurance sum.
2. This shall also apply to a change of beneficiary.

PART XXV

CONTRACT OF PARTNERSHIP

Article 987

Definition

Through a contract of partnership two or more persons undertake to endeavour to achieve a common purpose permitted by law using their contributions as stipulated in the contract.

Article 988

Contributions

1. Each partner shall be obliged to contribute that which is stipulated by the contract (the contribution) to the partnership.
2. A contribution may be money, a thing, a right, a claim, or a service, allowance or omission with assets value.

3. Unless stipulated otherwise by the contract, the partner's contributions shall be equal.
4. Property may also be given solely for use or enjoyment as a contribution to the partnership.
5. If any of the partners is ensured benefit alone without an obligation to supply a contribution, the contract shall not be deemed to be a contract of partnership.
6. If such is required to preserve assets within the partnership or to avert damage, each partner shall be obliged, in addition to the contribution stipulated in the contract, to contribute a proportionate part of that required for preserving the assets or preventing the damage.
7. Each partner shall be liable as a seller or lessor for legal and material defects in the contribution.

Article 989

Decision-making and management

1. Each partner shall have one vote. The contract may stipulate a different number of votes for the partners.
2. The partners shall decide on partnership matters unanimously; the partners shall in particular decide in such a manner on the use of the profit and other benefits, the manner in which loss is covered, the entry of a new partner or exclusion of a current partner, claims against any partner for settlement of damage to the partnership, revocation of management, termination of the contract and other issues encroaching on management.
3. The contract may stipulate that the partners are to decide on the matters specified in the previous paragraph by a majority of votes. In such a case a majority or at least two-thirds (2/3) of the votes of all the partners shall be required for a decision.
4. The partners shall conduct the management jointly and equally.
5. It may be stipulated by the contract that each of the partners conduct management independently, or that management be conducted by only some of the partners jointly or independently, just one of the partners, or one or more other persons appointed unanimously by the partners.
6. The partners may on justifiable grounds revoke management by any of the partners.
7. The sense of the provisions of the present Law on a contract of mandate shall apply to managers.
8. The manager shall have the right to payment for such person's efforts, if the contract so stipulates.
9. Each partner shall have the right to be informed of the partnership's transactions and matters.

Article 990

Exercise of rights and obligations in partnership

1. Each partner must perform the partnership's transactions and be concerned therewith with the diligence and in the manner applied to the partner's own transactions.

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2. If the purpose of the partnership is connected to the partners' activities or profession, they shall be obliged to act with the diligence of a good businessperson or the diligence of a good expert.
3. A partner may not do anything that would diminish the possibility of achieving the common purpose.

Article 991
Benefits and loss

1. Each partner shall be entitled to part of the benefit achieved in the partnership, unless stipulated otherwise by the contract.
2. Each partner shall be obliged to bear part of the loss incurred by the partnership's functioning.
3. Unless stipulated otherwise by the contract, the partners shall participate in the benefits and loss with shares equal to their shares in the contributions.

Article 992
Appearance against third persons

1. A partner or manager that appears against third persons in such person's own name and for the account of the partnership shall alone acquire the rights and obligations in relation to the third person.
2. If a partner or manager appears in the name of the partnership or the partners the provisions of the present Law on representation in general shall apply.
3. In the case specified in the second paragraph of this article all the partners shall become joint and several creditors or debtors and the provisions of the present Law on joint and several liability shall apply; an agreement among the partners stipulating otherwise shall have no legal effect in respect of third persons.
4. The partners' obligations pursuant to this article towards third persons shall not terminate with the winding-up of the partnership.

Article 993
Assets in partnership

The partners shall hold equal co-ownership and other co-holding shares in the assets of the partnership originating through the partners' contributions or the partnership's operations, unless stipulated otherwise by the contract.

Article 994
Relationships among partners

1. If the costs and obligations towards third persons are not settled from the assets of the partnership, the partners shall be obliged to do so in equal parts; the contract may also stipulate different parts.
2. A partner that for the implementation of a contract settled any cost or any obligation of the partnership or other partners towards third persons in excess of

the amount the partner was obliged to settle by contract shall have the right to demand the reimbursement of a proportionate part from the other partners.

Article 995

Change in partners

1. If the contract so allows, a new partner may enter the partnership.
2. Unless stipulated otherwise by the contract, a partner that enters the partnership anew shall be obliged to provide the same contribution as the other partners and shall be entitled to the benefit originating after such partner's entry into the partnership.
3. The new partner shall only be liable towards third persons for obligations incurred after such became a partner.
4. A partner may not transfer such partner's position to a third person, but may transfer it to another partner if the contract so allows and under the conditions stipulated by the contract.

Article 996

Exclusion of partner

1. On justifiable grounds partners may demand the exclusion of a partner via a suit. The contract may also stipulate that the partners themselves decide on exclusion. In such a case the partner so affected may via a suit demand the annulment of the resolution if such partner feels it to be unjustified.
2. The excluded partner shall have the right to reimbursement of the market value of such partner's share at the time of exclusion.
3. Other partners may pay this amount within three (3) years from the moment of exclusion.
4. If the other partners demand compensation from the excluded partner, they may retain the value of the excluded partner's share until the judgment becomes final or an agreement is reached with the excluded partner.

Article 997

Winding-up of partnership

1. A partnership shall be wound up:
 - 1.1. when the period for which it was founded ends;
 - 1.2. when it achieves the purpose for which it was founded or when achieving this purpose becomes impossible;
 - 1.3. if the partners so conclude;
 - 1.4. if a partner dies or loses the capacity to contract, or if bankruptcy, liquidation or composition proceedings are introduced against a partner as a sole trader;
 - 1.5. if a partner ceases to exist as a legal person owing to changes in status, or if bankruptcy, liquidation or composition proceedings are introduced thereagainst;

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- 1.6. if after execution a partner's share is acquired by a third person;
- 1.7. if through an act by a national authority a partner is prevented from performing activities that are vital to achieving the common purpose;
- 1.8. if a partner terminates the contract.
2. If after the period specified in sub-paragraph 1. of paragraph 1 of this Article the partners continue to implement the contract of partnership, the contract shall be deemed to have been concluded for an indefinite period.
3. If the contract so stipulates, a contract of partnership shall apply to the remaining partners even after an individual partner no longer participates in the partnership for any of the reasons specified in sub-paragraph 1.4 to 1.8 of of paragraph 1 of this Article inclusive.

Article 998 Termination of contract

1. A partner may terminate the contract if such is stipulated in the contract.
2. Irrespective of the previous paragraph a partner may terminate a contract concluded for an indefinite period; a three-month period of notice shall apply to termination in this case.
3. On justifiable grounds a partner may via a suit demand the termination of a contract concluded for a definite period before the end of this period and with no period of notice.

Article 999 Liquidation

1. If the partnership is wound up the partners shall be obliged to perform liquidation, in particular such that obligations towards third persons are settled, the partners are compensated for the costs and payments that exceed the amount they are obliged to pay under the contract, and the remainder of the assets is divided among the partners in parts equal to those applying to the contributions; the contract may stipulate different parts.
2. If the partnership's assets are not sufficient to cover the costs and obligations the missing amount must be covered by the partners in the ratio applying to their contributions.

PART XXVI COMMUNITY

Article 1000 Definition

If any right pertains to several persons together the provisions of this title shall apply, unless stipulated otherwise by law.

Article 1001

Shares

1. In case of doubt, each participant shall have an equal share in the right that is the subject of the community.
2. Each participant may freely dispose of such person's own share.
3. If a participant transfers the share to another person the resolutions and obligations that applied to the first participant before transfer shall apply to the latter.
4. All the participants shall unanimously dispose of the subject of the community as a whole.

Article 1002

Participants' obligation

1. Participants shall use and enjoy the subject of the community and shall decide on common matters in a manner that suits the nature and purpose of the subject of the community and ordinary management.
2. If the participants fail to act in accordance with the first paragraph or cannot reach agreement on common matters, each participant may request that the court appoint an administrator in non-litigious proceedings to decide on common matters.

Article 1003

Use and enjoyment

1. If the subject of the community is divided in kind, each participant shall use and enjoy such participant's part, but such that the other participants and the subject as a whole are not affected.
2. The subject of a community that is not divided in kind and is intended for all the participants shall be used and enjoyed by each participant in accordance with the purpose of the subject and such that there is no detriment to simultaneous use by the other participants and to the subject as a whole.
3. It shall not be possible to limit participant's rights pursuant to the first and second paragraphs without the consent thereof.

Article 1004

Decision-making on common matters

1. The number of votes appropriate to the share thereof shall pertain to each participant.
2. The participants in a community shall decide by a majority of votes on the ordinary management, use and enjoyment of the subject of the community.
3. The participants may decide with a two-thirds (2/3) majority on the improvement of the subject of the community, on better use thereof or on measures important to increasing the value of the subject. If such a decision would limit the rights of any participant or would entail very high costs for the participants, the decision may only be adopted unanimously.

4. The participants in a community may agree that the matters specified in the second paragraph will be decided upon by one participant alone, certain participants alone or third persons. Such participants or third persons shall be elected with a majority of votes.
5. Irrespective of the second paragraph each participant may do whatever is required to avert the direct threat of major damage to the subject of the community, if such measures are not taken by participants or third persons pursuant to paragraph 2. and 4. of this Article.
6. The participants may not request any significant changes to the subject of the community or decide on such. Such a request or decision shall be deemed to be a request or decision to terminate the community.

Article 1005
Community's costs

1. Each participant shall be obliged to bear the costs of the subject of the community in proportion to such participant's share, particularly the costs of maintenance, management and joint use.
2. Each participant shall be obliged to bear a proportionate part of the costs arising because of a decision to improve the subject of the community, to use it better or to take measures important to increasing the value of the subject.

Article 1006
Request for termination

1. Each participant may at any time request the termination of the community.
2. By agreement the participants may permanently or for a definite period exclude the right to request the termination of the community or stipulate a period of notice.
3. In cases specified in paragraph 2. of this Article it shall also be possible to request the termination of the community if there are justifiable grounds for such.
4. The termination of the community pursuant to paragraph 1. and 3. of this Article may also be requested by a court-appointed administrator.
5. Irrespective of paragraph 2. of this Article, the participants may at any time unanimously decide to terminate the community.
6. A community shall also be terminated if the participants alienate the subject of the community as a whole or if the subject of the community no longer exists.
7. It shall not be possible by agreement to limit the rights of a participant or administrator pursuant to paragraph 1., 3. and 4. of this Article.

Article 1007
Consequences of termination

1. If such is possible without harming the value of the subject of the community, upon termination division in kind shall be carried out.
2. If division in kind is not possible the subject of the community shall be sold. From the proceeds the joint obligations towards third persons and participants that settled

such obligations for the account of other participants shall be settled first. The remaining proceeds shall be divided among the participants in the community with regard to their shares.

3. If the subject of the community is real estate it shall be sold at a public auction.
4. In the purchase pursuant to the paragraphs 2. and 3. of this Article one or more of the current participants shall have priority under the same conditions as third persons.
5. The sense of the second paragraph shall also apply if the termination occurs because the participants alienated the subject of the community as a whole or if the subject of the community no longer exists.
6. If the sale does not succeed the community shall not be terminated.

Article 1008 **Founding of partnership**

1. The community may also be terminated if the participants establish a partnership pursuant to the provisions of the present Law or pursuant to the provisions of other applicable law.
2. When the community is terminated pursuant to paragraph 1. of this Article, the division shall not be carried out if the entire subject of the community is invested in the partnership.
3. Even after the founding of a partnership the participants in the community shall be liable to third persons as before the founding. Through the contract on partnership the mutual obligations incurred while the community existed may be regulated differently.

PART XXVII **SURETY CONTRACT**

CHAPTER 1 **GENERAL PROVISIONS**

Article 1009 **Definition**

Through a contract of surety the surety undertakes to a creditor to perform a valid and due obligation of the debtor if the debtor has failed to do so.

Article 1010 **Form**

A contract of surety shall only be binding for the surety if such makes the declaration of surety in writing.

Article 1011 **Capacity to stand surety**

Only a person with full capacity to contract may be bound by a contract of surety.

Article 1012
Surety for person with incapacity to contract

Any person that as surety undertakes to perform the obligation of any person with incapacity to contract shall be liable to the creditor in the same manner as the surety of a person with capacity to contract.

Article 1013
Subject of surety

1. Surety may be stood for any valid obligation, irrespective of its content.
2. It shall also be possible to accept surety for a conditional obligation and for a specific future obligation.
3. Surety for a specific future obligation may be revoked before the obligation originates, if no deadline by which it should originate is stipulated.
4. Surety may also be stood for the obligation of another surety (surety's surety).

Article 1014
Extent of surety's obligation

1. The surety's obligation may not be larger than the obligation of the principal debtor; if it was agreed to be larger it shall be reduced to the size of the debtor's obligation.
2. The surety shall be liable for the performance of the entire obligation for which surety was accepted, unless the surety's obligation is limited to any part thereof or is otherwise tied to easier conditions.
3. The surety must reimburse the necessary costs incurred by the creditor in collecting the debt from the principal debtor.
4. The surety shall also be liable for any increase in the obligation incurred by the debtor's delay or through the fault of the debtor, unless agreed otherwise.
5. The surety shall only be liable for the contractual interest falling due after the contract of surety is concluded.

Article 1015
Transfer of creditor's rights to surety (subrogation)

A creditor's claim settled by the surety shall be transferred to the latter with all the accessory rights and guarantees for the fulfillment thereof.

CHAPTER 2
RELATIONSHIP BETWEEN CREDITOR AND SURETY

Article 1016
Forms of surety

1. The performance of the obligation may only be demanded of the surety when the principal debtor fails to perform it by the deadline stipulated in a written demand (subsidiary surety).

2. However the creditor may demand that the surety perform the obligation, even if the creditor has not previously demanded performance from the principal debtor, if it is clear that performance cannot be achieved from the assets of the principal debtor or if the principal debtor goes bankrupt.
3. A surety that is bound as surety and payer shall be liable to the creditor as the principal debtor for the entire obligation, and the creditor may demand performance thereof from either the principal debtor or the surety, or from both at once (joint and several surety).
4. The surety shall be liable as surety and payer for an obligation originating from a commercial contract, unless agreed otherwise.

Article 1017

Joint and several liability of sureties

Several sureties for a specific debt shall be jointly and severally liable, irrespective of whether they undertook to stand surety together or each of them made an undertaking to the creditor separately, unless their liability is regulated differently by the contract.

Article 1018

Loss of right to deadline

If the debtor has lost the right to the deadline stipulated for the performance of the debtor's obligation the creditor nevertheless may not demand performance from the surety before the deadline passes, unless agreed otherwise.

Article 1019

Bankruptcy of principal debtor

1. In the bankruptcy of the principal debtor the creditor shall be obliged to register the claim and notify the surety of such; otherwise the creditor shall be liable to the surety for the damage incurred thereby for this reason.
2. The reduction of the principal debtor's obligation in bankruptcy or composition proceedings shall not entail a corresponding reduction in the surety's obligation, and the surety shall therefore be liable to the creditor for the whole amount of the surety's obligation.

Article 1020

Case of reduced liability for debtor's heir

The surety shall be liable for the whole amount of the obligation for which the surety was accepted, even if the payment of only that part thereof that corresponds to the value of the inherited property could be demanded from the debtor's heir.

Article 1021
Surety's objections

1. The surety may exercise all the principal debtor's objections against the creditor's claim, including an objection to offsetting, but may not exercise the debtor's personal objections.
2. The debtor's waiver of objections and the debtor's acknowledgement of the creditor's claim shall have no effect in respect of the surety.
3. The surety may also exercise the surety's personal objections against the creditor, for example nullity of the contract of surety, statute-barring of the creditor's claim thereagainst, and an objection to the offsetting of mutual claims.

Article 1022
Obligation to inform surety of debtor's failure

If the debtor fails to perform the debtor's obligation on time the creditor must inform the surety of such; otherwise the creditor shall be liable for the damage incurred by the surety for this reason.

Article 1023
Release of surety because of creditor's delay

1. The surety shall be free of the obligation if at the request thereof after the claim falls due the creditor fails to claim performance from the principal debtor within one (1) month of the request.
2. When the deadline for performance is not stipulated the surety shall be free of the obligation if at the request thereof after the passing of one (1) year from the conclusion of the contract of surety the creditor fails to provide the necessary declaration for stipulating the day of performance within one (1) month of the request.

Article 1024
Release of surety because of abandonment of guarantees

1. If the creditor abandons a pledge or any other right by which the performance of the claim was secured, or loses such because of the creditor's own gross negligence, and thus prevents the transfer of the right to the surety, the surety shall be free of the obligation towards the creditor in the amount that would have been gained through the exercise of the right.
2. The rule specified in the previous paragraph shall apply both if the right originated before the contract of surety was concluded and if it originated after the contract of surety was concluded.

CHAPTER 3
RELATIONSHIP BETWEEN SURETY AND DEBTOR

Article 1025

Right to demand reimbursement from debtor

1. A surety that pays the creditor's claim thereto may demand that the debtor reimburse all that was paid for the debtor, and interest charged from the day of payment.
2. The surety shall have the right to the reimbursement of the costs incurred in any dispute with the creditor from when the debtor was informed of the dispute, and also to the reimbursement of any damage.

Article 1026

Right of surety to joint and several debtor

A surety to one among several joint and several debtors may demand that any of them reimburse the surety for that which was paid to the creditor and the costs.

Article 1027

Surety's right to security in advance

Before repaying the creditor a surety that stood with the knowledge or approval of the debtor shall have the right to demand the necessary security from the debtor for the surety's potential claims in the following cases: if the debtor failed to perform the debtor's obligation when it fell due, if the creditor demanded payment from the surety through court proceedings, or if the debtor's pecuniary situation after concluding the contract of surety deteriorates significantly.

Article 1028

Loss of right to reimbursement

1. Against a surety that paid the creditor's claim without the debtor's knowledge the debtor may exercise all legal means by which at the time of payment the debtor could have refused the creditor's claim.
2. A surety that paid the creditor's claim and failed to inform the debtor of such, whereby the debtor did not know of the payment and paid the same claim again, may not demand reimbursement from the debtor, but shall have the right to demand that the creditor return that which was paid thereto.

Article 1029

Right to return of that paid

A surety that without the debtor's knowledge paid a creditor's claim that was subsequently annulled at the debtor's request or expired through offsetting may demand the return of that paid from the creditor alone.

**CHAPTER 4
PAYER'S RECOURSE AGAINST SURETIES**

**Article 1030
The right of reimbursement form other sureties**

If there are several sureties and one of them pays a due claim, such person shall have the right to demand from the other sureties that they reimburse the part pertaining to them.

**CHAPTER 5
STATUTE-BARRING**

Article 1031

1. Upon the statute-barring of the principal debtor's obligation the surety's obligation shall also become statute-barred.
2. If the statute-barring period of the principal debtor's obligation is longer than two (2) years the surety's obligation shall become statute-barred two (2) years after the principal debtor's obligation falls due, unless the surety is jointly and severally liable with the debtor.
3. A discontinuance of the statute-barring of a claim against the principal debtor shall only take effect against the surety if the discontinuance occurred by any action of the creditor before the court against the principal debtor.
4. The suspension of the statute-barring of the principal debtor's obligation shall have no effect against the surety.

**PART XXVIII
TRANSFER ORDER (ASSIGNMENT)**

**CHAPTER 1
DEFINITION**

**Article 1032
Definition**

Through a transfer order (assignment) one person, the transferor (assignor), authorizes a second person, the transferee (assignee), to perform something for the former's account for a specific third person, the transfer order recipient (the assignment beneficiary), and authorizes the third person to accept performance in the third person's name.

CHAPTER 2
RELATIONSHIP BETWEEN TRANSFER ORDER RECIPIENT
AND TRANSFEREE

Article 1033
Transferee's acceptance

1. The transfer order recipient shall only have the right to demand performance from the transferee when the latter declares acceptance of the transfer order to the former.
2. It shall not be possible to revoke acceptance of the transfer order.

Article 1034
Transferee's objections

1. Upon the acceptance of the transfer order a debtor relationship shall originate between the recipient and the transferee, independent of the relationship between the transferor and the transferee and the relationship between the transferor and the transfer order recipient.
2. A transferee that has accepted the transfer order may only exercise against the transfer order recipient objections relating to the validity of the acceptance, objections based on the content of the acceptance or the content of the transfer order itself, and objections held by the former in person against the latter.

Article 1035
Transfer of transfer order

1. The transfer order recipient may transfer the transfer order to another person before the transferee accepts it, and the other person may transfer it onwards, unless it follows from the transfer order itself or from the particular circumstances that the transfer order is nontransferable.
2. If the transferee declared acceptance of the transfer order to the transfer order recipient, this shall take effect in respect of all persons to whom the transfer order is successively transferred.
3. A transferee that declares to the acquirer to whom the transfer order recipient transferred the transfer order that it is accepted may not exercise against the acquirer any objections held in person against the recipient.

Article 1036
Statute-barring

1. The transfer order recipient's right to demand performance from the transferee shall become statute-barred after one (1) year.
2. If the deadline for performance is not stipulated the statute-barring period shall begin to run when the transferee accepts the transfer order; if the transferee accepted it before it was forwarded to the recipient the statute-barring period shall begin to run when it is forwarded to the recipient.

CHAPTER 3
RELATIONSHIP BETWEEN TRANSFER ORDER RECIPIENT
AND TRANSFEROR

Article 1037

If transfer order recipient is transferor's creditor

1. The creditor shall not be obliged to consent to a debtor's transfer order by which the debtor would perform the debtor's obligation, but must inform the latter of refusal immediately; otherwise the creditor shall be liable thereto for damage.
2. A creditor that consents to the transfer order shall be obliged to demand performance from the transferee.

Article 1038

Transfer order is not performance

1. If the creditor consented to a transfer order by the debtor for performance of the obligation, unless agreed otherwise the obligation shall not terminate upon the former's consent to the transfer order or the transferee's acceptance, but only upon performance by the transferee.
2. A creditor that consented to a transfer order by the debtor may only demand that the transferor perform that which is owed to the creditor if the creditor did not obtain performance from the transferee at the time stipulated in the transfer order.

Article 1039

Transfer order recipient's obligation to notify transferor

If the transferee refuses to consent to the transfer order or refuses performance when demanded therefrom by the transfer order recipient, or declares in advance that the transferee will not perform the transfer order, the transfer order recipient must immediately notify the transferor of such; otherwise the transfer order recipient shall be liable thereto for damage.

Article 1040

Withdrawal from accepted transfer order

A transfer order recipient that is not the transferor's creditor and that does not wish to exploit the transfer order may withdraw therefrom, even if the former has already declared acceptance thereof, but must notify the transferor of such without delay.

Article 1041

Revocation of authorization given to transfer recipient

The transferor may revoke the authorization given to the recipient via the transfer order, unless the transfer order was issued for the performance of any debt of the former towards the latter or in general if the transfer order was issued in the interest of the latter.

CHAPTER 4
RELATIONSHIP BETWEEN TRANSFEROR AND TRANSFEREE

Article 1042
If transferee is transferor's debtor

1. The transferee shall not be obliged to accept the transfer order, even if the transferee is transferor's debtor, unless the former promised such to the latter.
2. If the transfer order was issued on the basis of the transferee's debt to the transferor, the transferee must perform it up to the amount of such debt if it is in no respect more difficult than performing the obligation towards the transferor.
3. Upon performance of a transfer order issued on the basis of the transferee's debt to the transferor, the transferee shall be free of the debt towards the transferor in the same extent.

Article 1043
Revocation of authorization given to transferee

1. The transferor may revoke the authorization given to the transferee via the transfer order at any time until the transferee declares the acceptance of the transfer order to the recipient or performs it.
2. The transferor may revoke it even if the transfer order itself states that it is irrevocable, and even if revocation would breach any obligation of the transferor towards the recipient.
3. The introduction of bankruptcy proceedings on the assets of the transferor shall by law alone have the consequence of revoking the transfer order, unless the transferee had already accepted the transfer order before bankruptcy proceedings were introduced and when accepting did not know and was not obliged to know of the bankruptcy.

CHAPTER 5
DEATH AND REMOVAL OF CAPACITY TO CONTRACT

Article 1044
Death and Removal of Capacity to Contract

The death of the transferor, the transfer recipient or the transferee and the removal of capacity to contract from any of them shall have no effect on a transfer order.

CHAPTER 6
TRANSFER ORDER IN FORM OF BEARER PAPER

Article 1045
Transfer order in form of bearer paper

1. A written transfer order may be issued to the bearer.

Civil laws

2. In this case each holder of the paper shall be in the position of the transfer order recipient in respect of the transferee.
3. The relationships that via a transfer order originate between the transfer order recipient and the transferor shall in this case only originate between each individual holder of the paper and the person that ceded the paper thereto.

CHAPTER 7 TRANSFER ORDER IN FORM OF PAPER BY ORDER

Article 1046 Transfer paper in form of paper by order

A written transfer order that refers to money, securities or replaceable things may be issued via a “by order” provision if the transferee is a person involved in commercial activities and if that which the transferee must perform belongs within the framework of these activities.

PART XXIX SETTLEMENT

Article 1047 Definition

1. Through a contract of settlement persons between whom there is a dispute or uncertainty in respect of any legal relationship end the dispute or remove the uncertainty by making mutual concessions, and stipulate their mutual rights and obligations.
2. An uncertainty shall be deemed to be in effect whenever the exercise of a specific right is uncertain.

Article 1048 Where mutual concessions lie

1. A concession may inter alia lie in the partial or total acknowledgement of any claim by the other party or in the waiver of the party’s own claim, in the takeover of any new obligation, in the reduction of an interest rate, in the extension of a deadline, in consent to repayment in part or in a given right to withdrawal money.
2. A concession may be conditional.
3. If only one party is making concessions to the other, for example acknowledging a right of the other party, this shall not be deemed settlement and the rules on settlement shall not apply.

Article 1049 Capacity

In order to conclude a contract of settlement the capacity to dispose of the right that is the subject of the settlement shall be required.

Article 1050

Subject

1. Any right that a person can dispose of may be the subject of settlement.
2. Settlement on the pecuniary consequences of a criminal act shall be valid.
3. Disputes concerning status relationships may not be the subject of settlement.

Article 1051

Application of provisions on bilateral contracts

1. The general provisions on bilateral contracts shall apply to a contract of settlement, unless stipulated otherwise therefor.
2. If under the name of settlement the contracting parties perform any other transaction the provisions of law applying to settlement shall not apply to their relationship, but rather those applying to the transaction actually performed.

Article 1052

Excessive deprivation

The annulment of settlement may not be demanded for reason of excessive deprivation.

Article 1053

Effect of settlement against surety and pledger

1. If through settlement a novation of an obligation is carried out the surety shall be free of the obligation for the performance thereof, and any pledge provided by a third person shall expire.
2. Otherwise the surety and third person that pledged a thing shall remain bound; their liability may be reduced through settlement, but may not be increased unless they consent to the settlement.
3. If through settlement a debtor acknowledges a disputed claim the surety and the pledger shall retain the right to exercise against the creditor any objections waived by the debtor through the settlement.

Article 1054

Settlement on transaction that can be annulled

1. Settlement on a legal transaction whose annulment could be requested by one party shall be valid if the party knew of the possibility when the settlement was concluded.
2. However settlement on a null and void legal transaction shall be null and void, even if the contracting parties knew of the nullity and wished to eliminate it through settlement.

Article 1055
Nullity of settlement

1. Settlement shall be null and void if it is based on an erroneous belief by the two contracting parties that there is a legal relationship that in reality does not exist, and without such an erroneous belief there would be no dispute or uncertainty between them.
2. This shall also apply if the contracting parties' erroneous belief relates to ordinary facts.
3. The waiver of the right to exercise nullity shall have no legal effect, and that which was provided for the account of performance of an obligation deriving from such settlement may be demanded back.

Article 1056
Nullity of provision of settlement

The provisions of settlement shall be interpreted as a whole, and the entire settlement shall therefore be null and void if an individual provision is null and void, unless it can be seen from the settlement alone that it is composed of independent parts.

PART XXX
TRANSITIONAL AND FINAL PROVISIONS

Article 1057
Implementation of the present Law

The provisions of the present Law shall not apply to obligational relationships which arose before the entry into force of the present Law.

Article 1058
Termination of validity and application of other laws

1. On the day of entry into force of the present law, the provisions of the UNMIK Regulation 2000/68 on contracts of sales of goods shall cease to exist.
2. In the meaning of this Law, and in accordance with Article 145 of the Constitution of Republic of Kosovo, the applicable Law on Contracts on International Sale of Goods shall be the United Nations Convention on Contracts for the International Sale of Goods.
3. On the day the present Law enters into force the Obligations Relations Act (Official Gazette of the SFRY, Nos. 29/78, 39/85 and 57/89) shall cease to apply, with the exception of the provisions of Title XXXI (Articles 1035 to 1046), Title XXXII (Articles 1047 to 1051), Title XXXIII (Articles 1052 to 1060), Title XXXIV (Articles 1061 to 1064), Title XXXV (Articles 1065 to 1068), Title XXXVI (Articles 1069 to 1071), Title XXXVII (Articles 1072 to 1082), Title XXXVIII (Articles 1083 to 1087) and Title XXXIX (Article 1088), which shall continue to be applied as appropriate as national regulations until the issue of the relevant regulations.

4. Upon entry into force of the present law, the provisions of previous laws that regulated this matter shall cease to exist, unless the law provides otherwise.

Article 1059
Entry into force

The present Law shall enter into force six (6) months after the publication in the Official Gazette of Republic of Kosovo.

Law No. 04/L-077
10 May 2012

Promulgated by Decree No.DL-024-2012, dated 30.05.2012, President of the Republic of Kosovo Atifete Jahjaga.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / No. 16 / 19 JUNI 2012, PRISTINA

LAW No. 03/L-154
ON PROPERTY AND OTHER REAL RIGHTS

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Assembly of Republic of Kosovo,

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

Adopts:

LAW ON PROPERTY AND OTHER REAL RIGHTS

**PART I
GENERAL PROVISIONS**

**Article 1
Scope of the Law**

1. This law governs the creation, content, transfer, protection, and termination of real rights.
2. This law regulates ownership and, as limited real rights, possession, real security rights and real rights of use. These limited real rights may be created in ownership and in other suitable real rights.
3. Other real rights can only be created by law. The general provisions and fundamental principles of this law shall also apply to real rights not referred to in paragraph 2 above, unless separate legislation provides otherwise.
4. Ownership and other real rights can only be limited or taken away against the lawful holders' will in accordance with conditions and procedures as defined by the applicable laws.
5. The provisions of this law do not apply to real rights in public or common assets, which are subject to specific legislation, unless specifically provided otherwise in this law.

**Article 2
Holders of Real Rights**

1. Any person can acquire real rights, unless otherwise provided by law.
2. The holder of a real right can assert this right against any other person, unless otherwise provided by law.

**Article 3
Priority of Real Rights**

If several limited real rights exist in a single asset, their priority is determined in accordance with the time of their creation, unless otherwise provided by law.

**Article 4
Presumption of Good Faith**

If the acquisition of a real right depends on the good faith of the transferee, good faith shall be presumed unless proven otherwise.

Article 5
Limitation of Real Rights

1. Real rights can be restricted by real rights in other assets as determined by this law.
2. Real rights must be exercised in accordance with the nature of the asset and the principles of this law.

Article 6
Prohibition of Abuse

1. The abuse of a real right is prohibited.
2. A real rights is abused if it is exclusively or patently used to damage other persons or their assets.

Article 7
Extinction of Real Rights

Real rights are not subject to extinction except by operation of law.

PART II
DEFINITIONS

Article 8
Assets

Assets are movable property, immovable property, and intangible rights.

Article 9
Moveable Property

1. Movables are independent corporal objects that are not permanently attached to the ground or a part of the ground, and are generally capable of being moved.
2. Physical objects that are not corporal, such as light or electricity, are intangible movables (untouchable).

Article 10
Immovable Property

1. Immovable property is a part of the earth's surface that is or can be enclosed. Immovable property includes plants enrooted in the ground and buildings firmly connected to the ground, but do not include natural resources in the subsoil.
2. Immovable Property includes:
 - 2.1. a building that belongs to a person other than the owner of the immovable property on which it is built;
 - 2.2. a building unit which is regulated by Articles 57 -62;
 - 2.3. a building right which is regulated by Articles 271-281;

- 2.4. a leasehold according to the relevant provisions on leaseholds.
3. All other property shall be deemed movable.

Article 11 **Intangible Rights**

Intangible rights are limited real rights and include the claim to demand the performance of a specific act by another person, in particular the payment of money.

Article 12 **Common Assets**

1. Common assets, such as air or water, are assets that cannot be the object of ownership or limited real rights of a person, or the subject of legal transactions.
2. Any person may utilize common assets within the limitations prescribed by law.

Article 13 **Component Parts**

1. A component part is movable property that is generally regarded as an integral part of other movables (principal movables) or of immovable property.
2. Component parts of immovable property include movables which are not only temporarily attached to the ground, stand on the ground, or extend underneath the ground.
3. A component part has the same legal status as the principal moveable property or immovable property and cannot be the object of separate rights, unless it is separated from the principal movable property or the immovable property.

Article 14 **Fixtures**

1. Fixtures are movables that are not component parts, but intended to permanently serve the economic purpose of principal movables or of immovable property, and are for that reason positioned pursuant to such purpose.
2. Fixtures of a farm include cattle, equipments, machines, farm produce and seeds insofar as these are necessary for the continuation of the farming operation until such time when the next crop of the product or seeds can be harvested.
3. Fixtures of immovable property on which handicraft, craft, industrial production, or trade is carried out include machines, tools, and other equipment that is needed and utilized for the purpose of the production or trade.
4. The rights and obligations relating to principal movables also extend to the fixtures unless otherwise provided by law or the parties.

Article 15 **Non-Personal Rights**

A non-personal right is a transferable right and the value of which can be expressed in money or monetary terms.

Article 16
Fruits

Fruits of assets or of a non-personal right are the natural and legal proceeds that directly derive from such asset or non-personal right or from their actual or legal use without diminution of the value of the asset or non-personal right.

Article 17
Utilisation

Utilisation of assets or of a non-personal right denotes the use of the fruits of the assets and non-personal right and of other advantages provided by the use of such assets or the non-personal right.

PART III
OWNERSHIP

CHAPTER I
GENERAL PROVISIONS

Article 18
Ownership

1. Ownership is the comprehensive right over a thing. The owner of a thing may, unless it is not contrary to the law or the rights of third parties, deal with the thing in any manner he sees fit, in particular possess and use it, dispose of it and exclude others from any interference.
2. Intellectual property is subject to special rules.

Article 19
Similar Rights

The provisions of this chapter also apply to similar rights regarding other assets that make no reference to a thing, in particular rights of claims and intellectual property, insofar in these rights by their nature those provisions are applicable.

Article 20
Danger Emanating from Assets

1. No person acts unlawfully if he damages or destroys movable property belonging to another person, in order to ward off from himself or a third person an imminent danger deriving from such movable property, provided that the damage to or destruction of the movable property was necessary to ward off the danger. If the danger was prompted by the person damaging or destroying the movable property or if that person could have avoided the imminent danger but intentionally or negligently failed to do so, this person is liable to compensate the owner of the movable property for the damage caused.

2. The owner of moveable or immovable property is not entitled to prevent others from exercising authority over such property if this is necessary to ward off an imminent danger, provided the danger would cause disproportionate damage compared to the damage caused to the owner. The owner can demand compensation for any damage caused.

CHAPTER II

ACQUISITION AND TERMINATION OF OWNERSHIP IN MOVABLES

Article 21

Acquisition of Ownership of Movables

1. For the transfer of ownership in movable property, a valid legal transaction agreement between the owner and the transferee passing ownership and the delivery of the movable property to the transferee are required.
2. If the transferee is in possession of the movable property, a valid agreement passing ownership is sufficient for the transfer of ownership.
3. If the owner is in possession of the movable property, the delivery may be substituted by an agreement between the owner and the transferee by which the transferee obtains indirect possession of the movable property.
4. If a third party is in possession of the movable property, delivery may be substituted by the owner assigning to the transferee the claim against the third party for the delivery of the movable property.

Article 22

Good Faith Acquisition

1. If moveable property transferred does not belong to the transferor, the transferee nevertheless acquires ownership, unless he is not acting in good faith at the time of the delivery.
2. If moveable property transferred pursuant to Article 21, paragraph 2 does not belong to the transferor, the transferee nevertheless acquires ownership unless he is not acting in good faith at the time he obtains possession.
3. If moveable property transferred pursuant to Article 21, paragraph 3 does not belong to the transferor, the transferee nevertheless acquires ownership at the time when the transferor delivers the property, unless the transferee was not acting in good faith at the time he obtained indirect possession.
4. If moveable property transferred pursuant to Article 21, paragraph 4 does not belong to the transferor, the transferee nevertheless acquires ownership at the time when the transferor assigns the claim, or when the transferee obtains possession from the third party, unless he is not acting in good faith at this time.
5. The transferee is not acting in good faith if he knows, or as a result of gross negligence does not know, that the movable property does not belong to the transferor.

Article 23

No Good Faith Acquisition of Lost Property on Involuntarily Lost Things

1. No good faith acquisition of ownership pursuant to Article 22 is possible, if the property was stolen from the owner or has been lost in any other way, unless as foreseen in Article 33 of this law.
2. Rule according to paragraph 1 of this law does not apply to money or bearer instruments or movable property that is transferred by way of public auction.

Article 24

Return of National Cultural Assets

1. National cultural assets are deemed to be things of artistic, historic or archeological value which are found especially in public institutions such as museums, archives, or libraries.
2. National cultural assets which have been illegally removed from the sovereign territory of a member state of the European Union or according to the loan contract have not been returned within the given term, are to be delivered by the possessor to the competent authorities.
3. Paragraph 1 of this article is also applicable on the removal of cultural assets from the territories of other countries on condition that factual reciprocity exists.

Article 25

Extinction of third parties' rights

1. If a transferred thing is encumbered with a third party's right, this right is extinguished upon acquisition of ownership toward that thing.
2. The right is not extinguished if the acquiring party was not in good faith at the time the ownership is transferred.

Article 26

Presumption of ownership in favor of the possessor

1. It is presumed in favor of the possessor of a movable thing that he is the owner of the thing. Notwithstanding the foregoing, this is not applicable against a former possessor if the thing was stolen from him, he lost it or otherwise involuntarily lost possession over the thing, except where the thing is either money or bearer instruments.
2. It is presumed in favor of the former possessor that during his possession he was the owner of the thing.

Article 27

Acquisition of Fruits

1. The fruits of movable property belong to the owner of the property, unless otherwise provided by law or agreement.

2. A person who possesses movable property as owner acquires ownership of the fruits of the property upon separation of the fruit from that property. Acquisition of ownership to the fruits is not possible if the proprietary possessor is not in good faith at the time when he acquires proprietary possession or learns of the defect of his right before the separation of the fruits from the property.

Article 28
Acquisition by Prescription

1. A person who has a movable property in his proprietary possession for a period of ten (10) uninterrupted years acquires ownership of the property at the end of the ten (10) year period (acquisition by prescription) if, at the beginning of the ten (10) year period, he was not aware that he was not entitled to ownership.
2. Prescription is excluded if the person, on acquiring the proprietary possession, was not in good faith or if he discovers during the ten-year period that he is not entitled to the ownership of the movable property.
3. Upon the acquisition of ownership by prescription, all third-party rights in the movable property which arose prior to the acquisition by proprietary possession are extinguished, unless the proprietary possessor is not in good faith with regard to these rights while acquiring proprietary possession.

Article 29
Joining of Movables

1. If movables that belong to different owners are joined in such a way that they become component parts of a single movable property, the previous owners become co-owners of that property. Their shares are determined in relation to the value of the original movables at the time when these were joined.
2. If one of the movables can be determined to be the main movable property, its owner acquires sole ownership of the new single property. The previous owners whose ownership ceases to exist are entitled to compensation from the new owner in an amount equal to the value of their movables.
3. Cessation of ownership rights in a movable property causes the cessation of all other rights in that property. This does not apply if the owner of an encumbered property becomes the owner or a joint owner of the new single property.

Article 30
Mixing of Properties

If movables of different owners are mixed or mingled in a way that they cannot be separated or such separation would entail disproportionately high cost, the provisions of Article 29 of this law apply *mutatis mutandis*.

Article 31 Processing

1. A person who creates new moveable property through processing or transformation his own materials acquires ownership of the processed or transformed property.
2. A person who creates new movables property through processing or transformation materials of other persons acquires ownership of the new movable property created, unless the value of the processing or transformation activity is substantially less than the value of the materials used to create the new movable property.
3. If the value of the processing or transformation activity is exactly equal to the materials used, the parties involved shall acquire joint ownership over the newly created movable property in equal proportions.
4. The activity of processing includes writing, drawing, painting, printing, engraving or any similar processing of the surface.
5. On the acquisition of ownership of the new movable property, all existing rights in the materials cease. The owner of the new property is obliged to compensate any third parties for the loss of their rights.

Article 32 Acquisition of Ownership of Ownerless Movables

1. A person who takes proprietary possession of ownerless movable property acquires ownership of that property unless the acquisition is prohibited by law.
2. Movable property becomes ownerless if the owner, with the intention of abandoning his ownership rights, gives up the possession of the property.
3. A domestic animal becomes ownerless if it gives up the habit of returning to the place provided for it.
4. A swarm of bees become ownerless if it lives in the wild and the owner fails to pursue it within forty eight (48) hours, and the new whereabouts are not marked.

Article 33 Finding

1. A person who finds lost moveable property and takes possession of it must notify the person who lost the property or the owner of that property without undue delay.
2. If the finder does not know the identity or whereabouts of the owner or the person who lost the property, the finder must notify the competent authority without undue delay of the find together with the related circumstances. If the property is not valued more than ten (10) Euros, no notification is necessary.
3. The finder has a duty to keep the property in safe custody. If it is feared that the property will decay, or if keeping the property in safe custody entails disproportionately great costs, the finder is obliged to deliver the property to the competent authorities for public auction.
4. Upon the expiration of one year after notifying the competent authorities of the

find, the finder acquires ownership of the property, unless the person entitled to receive the property has before this time become known to the finder or notified the competent authorities of his right. On the acquisition of ownership, all other rights in the property are ceased to exist.

5. The finder may demand a finder's reward from the person entitled to receive the property. The finder's reward is five percent of the value of the property up to five hundred (500) Euros, three percent upon this value and three percent (3%) in the case of animals. If the property has a value only for the person entitled to receive it, the finder's reward shall be determined as appears equitable. No claim for a reward can be made, if the finder violates the duty of notification or conceals the find on being questioned.

Article 34 Treasure Trove

1. If a property of exceptional value that was hidden for such a long time that the owner can no longer be ascertained (treasure) is found, than the ownership over that property is acquired according to the following division, 1/3 by the discoverer, 1/3 by the owner of the immovable property on which the treasure was hidden and 1/3 belongs to the state.
2. If the property is of exceptional historic, cultural, archaeological or artistic value, the acquisition of ownership shall be determined by a separate law.

Article 35 Abandonment of Ownership

Movable property is deemed abandoned if the owner unambiguously expresses his intention to irrevocably renounce his ownership over the property.

CHAPTER III ACQUISITION AND TERMINATION OF OWNERSHIP IN IMMOVABLE PROPERTY

Article 36 Acquisition of Immovable Property

1. The transfer of ownership of an immovable property requires a valid contract between the transferor and the transferee as a legal ground and the registration of the change of ownership in the immovable property rights register.
2. The contract for the transfer of ownership of an immovable property must be concluded in written in the presence of both parties before a competent court or a notary public.

Article 37
Scope of Application

The transfer of ownership of an immovable property includes the transfer of the area above the immovable property and the area below the original surface, but only if there is an interest for its performance and if by specific legislation and rights of third parties do not provide otherwise.

Article 38
Component Parts

The transfer of ownership of an immovable property includes the transfer of movables that have become component parts thereof.

Article 39
Fixtures

Upon the transfer of an immovable property, it is presumed that its fixtures are acquired at the same time.

Article 40
Acquisition by Prescription

1. A proprietary possessor acquires ownership of an immovable property, or a part thereof, after twenty (20) years of uninterrupted possession.
2. A proprietary possessor acquires ownership of an immovable property, or a part thereof, after ten (10) years of uninterrupted possession and if he is registered as the proprietary possessor in the immovable property rights register and no objection against this registration is filed during this period.

Article 41
Acquisition by Prescription Following Registration

A person who without having acquired ownership is registered as the owner of an immovable property in the immovable property rights register, acquires ownership of that property if the registration has existed for twenty (20) years and the person has the immovable property unit in proprietary possession during this period. The expiry of the term is suspended for as long as an objection to the accuracy of the registration is entered in the immovable property rights register.

Article 42
Relinquishment of Ownership

1. Ownership of an immovable property may be abandoned, if the owner declares to the competent authorities that he wishes to abandon the immovable property and such declaration is registered in the immovable property rights register.

2. The right to appropriate the abandoned immovable property belongs to the competent public body in the territory where the immovable property is located. The competent public body acquires ownership by registering itself in the immovable property rights register as owner.

Article 43

Joint and Collective Ownership of Immovable Property

The provisions of this law on ownership of an immovable property are also applicable to joint ownership and collective ownership of immovable property.

CHAPTER IV RIGHT OF PRE-EMPTION

Article 44

Concept of the Right of Pre-emption

1. An immovable property (or joint ownership over an immovable property) may be encumbered in such a manner that a person has a right of pre-emption.
2. The right of pre-emption can be established by law or by contract. The contractual right of pre-emption is established by agreement between the owner of the immovable property and the person entitled to the pre-emption. The right of pre-emption becomes effective against third parties once it is entered into the immovable property rights register.
3. The right of pre-emption may be granted for one or more instances of purchase, but is restricted to the sale by the owner who owned the immovable property at the time of the granting of the right of pre-emption, or by his heirs.

Article 45

Notification and Exercise of Right of Pre-emption

1. The relevant provisions of the Law on Obligations or any other applicable law are applicable if the right of preemption is exercised.
2. The right of preemption is exercised by notifying the person obliged by the preemption right. The exercise of this preemption right has to comply with the formal requirement of a contract for the transfer of immovable property units.

Article 46

Effect of a Right of Pre-emption

1. In exercising the right of pre-emption, a contract is concluded between the person exercising the right of pre-emption and the person obligated under this right in accordance with the terms agreed between the person obligated and the purchaser.
2. Against third parties the right of pre-emption has the effect of a priority notice given for the purpose of securing a claim for the transfer of ownership of the immovable property.

Article 47
Payment of the Purchase Price

1. The person entitled to the right of pre-emption must pay the purchase price to the seller.
2. If the buyer or his legal successor is registered as the owner, the holder of the right of pre-emption must reimburse the buyer for the purchase price he paid to the seller.

Article 48
Release of Pre-emption Right Holder

1. To the extent that the holder of the right of pre-emption is required to pay the purchase price to the buyer or the buyer's legal successor, the holder of the right of pre-emption is released from his obligation to pay the purchase price owed under the pre-emption.
2. If the buyer or his legal successor loses ownership as a result of the exercise of the right of pre-emption, the buyer shall be released from his obligation to pay the purchase price owed by him. The buyer cannot demand restitution or the repayment of a purchase price already paid by him.

Article 49
Preclusion of Unknown Holder of a Right of Pre-emption

If a holder of a right of pre-emption is unknown, he may be precluded from exercising his right, in the same manner as an unknown holder of a priority notice can be precluded from exercising his right pursuant to Article 124.

Article 50
Applicability of Provision for Pre-emptive Purchase

The relevant provisions of legislation on obligations are applicable to this Chapter on the right of pre-emption.

CHAPTER V
OWNERSHIP OF SEVERAL PERSONS

SUB-CHAPTER 1
JOINT OWNERSHIP

Article 51
Joint Ownership

1. If several persons are sharing ownership in an immovable property or movable property, these persons are joint owners.
2. If the shares of the joint owners are not specified, it is presumed that they are equal.

Article 52
Rights of Joint Owners

1. A joint owner is entitled to possess and use movable or immovable property in proportion to his share.
2. The fruits of immovable property are divided between the joint owners according to their shares. If the fruits are not divisible, the joint owners acquire joint ownership over the fruits.
3. A joint owner may dispose of his share without the consent of the other joint owners.
4. If immovable property is the object of joint ownership each joint owner is entitled to a right of pre-emption. If more than one joint owner chooses to exercise the right of pre-emption, each joint owner exercising this right shall be entitled to a portion of the property which is determined by the size of his share in the immovable property. The right of pre-emption persist even if a court orders the sale of the shares at a public auction. There is no right of pre-emption if a joint owner sells his shares to his heirs.

Article 53
Administration of Joint Ownership

1. Joint owners shall jointly administer the movable or immovable property that is the object of their joint ownership.
2. Ordinary acts taken in the course of administration of joint property are void without the consent of joint owners whose shares jointly amount to more than fifty percent (50%).
3. Extraordinary acts of administration, in particular the encumbrance of the joint property and the appointment of an administrator, require the consent of all joint owners.
4. Decisions taken by joint owners are binding upon a legal successor of a joint owner.

Article 54
Claims by Joint Owners

If the joint owners of an immovable property unit have settled the administration and the use of their immovable property unit or barred the termination of their community permanently or for a certain period of time, then this provision is only binding against the singular successor of a joint owner if it is entered into the immovable property rights register.

Article 55
Sole Successor of Joint Owner

If joint owners of immovable property have permanently or for a limited period of time settled the administration and the use of their immovable property or excluded the

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termination of their joint ownership, then this agreement is binding against a sole successor of a joint owner only if it is registered in the immovable property rights register.

Article 56 **Termination of Joint Ownership**

1. Joint ownership may be terminated in one of the following ways: severance, one or more of the joint owners acquiring the entire property, disposal of the movable property, or an auction of the immovable property.
2. If all of the joint owners deem the transfer to a third party inappropriate, the property may be sold at a public auction and the proceeds shall be allocated to the joint owners according to their shares.
3. If the termination of joint ownership takes place through severance or by one or more of the joint owners acquiring the entire property, the value is determined by an officially appointed appraiser, unless all joint owners wave their right to the official appraisal.
4. If joint owners cannot agree on how to proceed with the termination of their joint ownership, a movable property shall be disposed of in accordance with the rules on the disposal of pledged property, and immovable property shall be disposed of through a compulsory auction with the proceeds allocated to the joint owners in accordance with their shares. If an attempt to transfer ownership is unsuccessful, a joint owner may request that an additional attempt to be made, provided that he covers the expenses if this attempt is unsuccessful.

SUB-CHAPTER 2 **OWNERSHIP OF BUILDING UNITS**

Article 57 **Ownership of a Building Unit**

1. Ownership of a separate part of a building (building unit) is the separate ownership of a flat, an office, or a garage parking space together with a share of joint ownership of the immovable property in which the building unit is located.
2. Joint ownership exists for the immovable property on which the building is erected as well as all pertinent parts, installations and equipment unless owned separately and or owned by a third party.
3. Separate ownership of a building unit shall only be established if the flat, office, or garage parking space is self-contained.
4. The share of joint ownership of the immovable property cannot be separated from the respective separate ownership of the building unit.

Article 58 **Creation of Ownership Right**

1. Ownership of a building unit can be created by contract (in accordance with

- paragraph 2) or division (in accordance with paragraph 3).
2. Joint ownership of immovable property can be contractually limited by an agreement among the joint owners to the extent that each joint owner is allocated ownership of a specific flat, office or garage parking space in a building that is erected or to be erected on the jointly owned immovable property.
 3. The owner of an immovable property can divide the property into shares of joint ownership by officially declaring at the immovable property rights registry that together with each share in the joint ownership of the property separate ownership is established over a certain flat or room in a building that is erected or to be erected on the immovable property.

Article 59
Encumbrance with a Mortgage

1. If, in the case of Article 57, paragraph 3, the immovable property, or in the case of Article 58, paragraph 2, the jointly owned immovable property, is encumbered with a mortgage, the division of the property is subject to the mortgagee's consent.
2. Mortgages are transferred to the ownership of the building unit.

Article 60
Object of Separate Ownership

1. Separate ownership may also include specified rooms as well as component parts of the building belonging to these rooms which can be modified, removed or added without the joint ownership or separate ownership of third parties being impaired beyond an acceptable extent and without affecting the outward appearance of the building.
2. Separate ownership cannot be transferred or encumbered without the share of joint ownership connected to it.

Article 61
Provisions in respect of the form

1. The grant or termination of separate ownership requires a valid contract on the alteration of the original rights as well as the registration of the rights in the immovable property rights registry.
2. The contract must comply with the formal requirements set out in Article 36, paragraph 2.

Article 62
Immovable Property Rights Register

1. The grant of consent for an entry into the immovable property rights register by the owner or joint owner in accordance with Article 58, paragraphs 2 and 3 of this law must be supplemented with:
 - 1.1. a construction drawing signed by the building authority showing the

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- partition of the building as well as the location and size of the building units over which separate or joint ownership exists (building plans);
- 1.2. a certificate issued by the building authority stating that the requirements of self-containment are satisfied.
 2. The severance takes effect when entered into the immovable property rights register.

SUB-CHAPTER 3 COMMUNITY OF BUILDING UNITS` OWNERS

Article 63 Principles

1. The legal relationship amongst the owners of building units is determined by the provisions of this law. Unless otherwise provided by this law, the owners of building units by the agreement can adjust mutual relations.
2. Agreements by which the owners of building units deviate from this law or from such agreements are only binding against the legal successor of a separate ownership over if they are entered into the immovable property rights register as content of the separate ownership.
3. Legal actions in affairs which according to this law or to agreement can be taken by majority vote, are also binding against the owners of building units who did not consent to the decision or who were absent from the decision making.
4. In order to be effective, particularly against creditors and other third persons, decisions are not required to be entered into the immovable property rights register.

Article 64 Prohibition of Termination

The owner of a building unit can only demand the termination of joint ownership if the building is completely or partially destroyed and there is no obligation to rebuild.

Article 65 Rights of Owners of Building Units

1. Except where the rights of third parties are affected, each owner of a building unit may dispose of the parts comprising the separate ownership within the framework of the law as he see fit and exclude others from any interference.
2. It may be agreed that the content of the separate ownership of a building unit contain the restriction that the separate owner should only be allowed to dispose of his separate ownership of a building unit if the other owners building units or a third party agree. The consent may only be refused for an important reason. Such limitation only becomes effective upon registration in the immovable property rights register.

Article 66
Liability of Owners of Building Units

1. Each owner of a building unit shall:
 - 1.1. maintain that part of the building which is in his separate ownership and use the building part which is in his separate and joint ownership in such a manner that no other owner of a building unit suffers disadvantage;
 - 1.2. allow others to enter and use those parts of the building in his separate ownership
 - 1.3. if it is necessary to maintain and repair joint property bear the charges and pay the maintenance cost of the joint property in relation to his share of joint ownership of the property.

Article 67
Right of Exclusion

1. If an owner of a building unit repeatedly breaches his obligations toward other owners of building units in a way that they cannot reasonably be expected to continue the joint ownership with him, the other owners are entitled to adopt a resolution which requires that the owners in repeated breach dispose of his ownership over the building unit.
2. The resolution requires the vote of more than half of the owners.
3. The provisions in paragraph 1 and 2 are binding. Any contract or agreement to the contrary is void.
4. If the owner of a building unit does not participate in necessary measures for improvement of the joint property, the proportional expense related to his building unit will be calculated when the purchase price for this building unit is determined.

Article 68
Right of Pre-emption

When the ownership of a building unit is transferred, other owners of building units in the same building have the right of pre-emption. The provisions regarding pre-emption in the case of joint property in Article 52, paragraph 4, apply accordingly.

SUB-CHAPTER 4
ADMINISTRATION

Article 69
Regular Administration

1. Unless otherwise provided by this law or by agreement of the owners over a building unit, the owners of a building unit are jointly entitled to the administration of their joint property.
2. If the regular administration is not settled by agreement, the owners of building units may decide by majority of votes.

3. Regular administration in the interest of the owners of a building unit as a whole comprises in particular:
 - 3.1. the ordinary repair and maintenance of joint property, the conclusion of the necessary insurances against fire as well as building and property insurances,
 - 3.2. the accumulation of an appropriate financial provision for repairs,
 - 3.3. the inducement and toleration of all measures that are in particular necessary for the building's connection to the regular supplies, especially water, sewage and power, telephone and telecommunication installations,
 - 3.4. the establishing of an economic plan, and
 - 3.5. making the rules of the house known.

Article 70 Extraordinary Administration

1. Structural alterations and investments that exceed measures of regular administration require decision by unanimity amongst the owners of the building units.
2. If more than half of the building is destroyed and the reconstruction is not covered by insurance or other means, reconstruction can only be decided upon unanimously.

Article 71 Appointment, Dismissal, Rights and Liabilities of the Administrator

1. The appointment of an administrator is decided upon by majority vote of the owners of the building units. The duration of the appointment may not exceed five (5) years. An extension is permissible.
2. The appointment of an administrator is also then required if the community of building owners comprises only two parties.
3. In particular, the administrator is entitled and obliged to execute decisions of the owners of a building unit, to arrange for regular maintenance of the joint property and administer joint funds.
4. In particular, the administrator is authorized to assert and to receive, judicially and extra judicially, all payments and performances and legal declarations regarding the joint property.
5. The administrator's duties and powers as stated in Paragraphs 2 and 3 may not be limited by an agreement of the owners of the building units.

Article 72 Advisory Board

The owners of a building unit may establish an advisory board with the majority of their votes consisting of a chairperson and deputy chairperson. The advisory board supports the administrator taking care of the property and, in particular, audits the economic plan and its calculations and cost estimates.

Article 73
Assembly of Building Owners

1. The assembly of owners of building units is established on the matters on which, according to his law or another agreement of the owners of a building unit, a decision by it can be made.
2. The assembly is summoned at least once a year by the administrator and when a member of the advisory board or a quarter of owners of building units so demand. If there is no administrator or if he refuses to summon the meeting with no just cause, the chairperson of the advisory board can also summon the meeting.
3. In order for a resolution to be valid its subject must have been mentioned in the summons and the latter must have been effected ten days prior to the assembly. A resolution is also valid without an assembly summoned, if all owners of a building unit declare their consent thereto in writing.
4. The decisions agreed upon at the assembly are to be recorded in minutes. Each owner of a building unit has the right to inspect the minutes and to request a copy.

Article 74
Assembly Meeting

1. The assembly only reaches a quorum if the present owners of the building units represent more than half of the shares of the joint ownership calculated according to the building's area.
2. Every building unit is represented by one vote. If a building unit belongs to several owners, its vote must be unanimous.
3. Owners not entitled to vote, if the subject of this vote is agreement or a litigation with the other owners.

Article 75
Solution of disputes from the court

The Court decides, on the application of the person affected, upon the duties and rights of the owners over building units, upon the administrator's duties and powers regarding the administration of joint property, upon the appointment of an administrator and upon the validity of decisions taken by the assembly meeting.

Article 76
Implementation of provisions for administration of building units

Provisions of Articles 69 until 75 are applicable unless otherwise foreseen by separate law.

SUB-CHAPTER 5 COMMON OWNERSHIP

Article 77 Common Ownership

1. If several persons are entitled to the ownership over movable property in such manner that no shares are determined then they are common owners.
2. Common ownership can be established by law or agreement. An agreement creating common ownership may only be concluded if expressly permitted by law.
3. Common owners must dispose of their property collectively and are collectively accountable for its liabilities.
4. A common owner may request partition or sale of common property, but not at an inconvenient time.
5. The provisions on joint ownership apply to common ownership unless otherwise provided by law.

CHAPTER VI NEIGHBOUR LAW

Article 78 Duty of Care

1. Owners of adjoining immovable property units are obligated to take the rights and interests of their neighbours into consideration and to exercise their right in a manner which does not impede the rights of their neighbours.
2. The duty of care and all other provisions of this Chapter on a neighbour relationship apply to the relations between the owner of an immovable property and the owner of a building erected thereupon if, by their nature, they are applicable to this relationship.

Article 79 Confusion of Boundaries

If, in the case of a confusion of boundaries, the true boundary cannot be established, the relevant provisions of the Law on Cadastre are applicable.

Article 80 Boundary Markings and Boundary Structures

1. Owners of neighbouring immovable properties are required to cooperate in erecting fixed boundary marks and, if a boundary mark has moved or become unrecognizable, in the restoration of such marks.
2. The costs of boundary markings are to be borne by the parties in equal parts, unless an existing legal relationship between the neighbours leads to another result.
3. If a boundary structure (in particular a wall, fence, hedge, ditch, earth wall or stone

sign) is situated on the boundary between two adjoining immovable properties, it is deemed that the structure is jointly owned.

4. If a boundary structure is on one of the immovable properties, it is deemed to be owned by the person who owns the immovable property upon which it is built.
5. The type of markings and the procedure for maintaining such markings are determined in accordance with the common practice in the location of the properties concerned.
6. If a third party suffers damage due to the lack of maintenance of boundary marks, the owners are obliged to compensate for the damage caused.

Article 81 Tree on the Boundary

1. If a tree is standing on a boundary between immovable properties, the fruits from the tree and the tree itself belong to the neighbours in equal shares.
2. Each of the neighbours may require the tree to be removed. The cost of the removal shall be borne by the neighbours in equal shares. The neighbour who demands the removal, however, must bear the cost alone if the other neighbour waives his right to the tree. The claim to removal is excluded if the tree serves as a boundary mark and, in view of the circumstances, cannot be replaced by another appropriate boundary mark.
3. These provisions also apply to a bush and other plants standing on the boundary between immovable properties.

Article 82 Emissions

1. The owner of an immovable property may not prohibit the introduction of gases, steam, smells, smoke, soot, heat, noise, vibrations and similar interference emanating from another immovable property to the extent that the interference does not materially or completely impede the use of his immovable property. Interference is generally not considered material if the limits or targets laid down in applicable law and regulations are not exceeded.
2. The same applies to a material interference caused by the use of an immovable property which is customary in the location and which cannot be prevented by measures that are financially reasonable for users of this kind.

Article 83 Fruit

Fruit that fall from a tree or a bush onto a neighbouring immovable property are deemed to be the fruit of the owner of the neighbouring immovable property at the time the fruits separate from the tree.

Article 84
Branches and Roots

1. The owner of an immovable property is entitled to cut off branches of a tree or a bush intruding over the boundary from a neighbouring immovable property if the owner has set a reasonable period for the possessor of the neighbouring immovable property to remove such branches and the removal is not effected within the period set. The owner is not entitled to such right if the boundary is in a forest.
2. The owner of an immovable property may only cut roots growing from a neighbouring property if the roots threaten to destroy or endanger, a structure, a building or a culture of plants on his own property.

Article 85
Access to Retrieve Animals

1. Household or farm animals may be pursued by their owners onto neighbouring immovable properties. This also applies to a swarm of bees.
2. The owner of the immovable property on which the animals are loitering may deny access if he immediately turns over the animals to their owner.

Article 86
Necessary Passage

1. The necessary passage over an immovable property must be tolerated if the neighbouring immovable property has no other access way to a public road, or the connection to a public road involves a significant detour, provided that the benefit to the neighbouring property exceeds the disadvantage caused to the immovable property on which the passage occurs.
2. The direction of the necessary passage and the scope of its use are determined by the manner in which the least obstruction is imposed on the neighbour granting the passage, and the manner in which the greatest convenience is given to the person requesting it.
3. The neighbour over whose immovable property the necessary passage occurs must be compensated with periodic payments for the use of the property and for any damage that may be caused by the passage.
4. The right of passage is terminated when the necessity ends.
5. This Article also applies to the affixing of supply lines.

Article 87
Right of Passage for Buildings

The provisions of Article 78 also apply to an owner of a building who requires the necessary passage over the immovable property surrounding it.

Article 88
Temporary use of a Neighbouring Immovable Property

1. The owner of an immovable property can demand from the owner of a neighbouring property that temporary access is granted to the neighbouring property in order to carry out work provided that the work cannot be carried out in any other manner or otherwise only at a disproportionately high cost. The work must be announced with a proper notice period prior to its commencement.
2. After using the neighbouring immovable property, it must be restored to its former condition.
3. The owner who allows the use of his immovable property may require payment of a reasonable fee as compensation for the use. The claim for such compensation expires six (6) months after the work is completed.

Article 89
Collapse of a Building

If there is a serious risk that a building or a part thereof could collapse and endanger a neighbouring or surrounding immovable property, the owner of the immovable property that is at risk may require the owner of the building to take all action necessary to ward off such danger.

Article 90
Building over Boundary Lines

1. If the owner of an immovable property constructs a building over a boundary line, the owner of the neighbouring property does not have to endure such construction.
2. The neighbour shall be indemnified by payment of a rent, provided he objects in writing to the owner of the building that infringes the boundary line. The objection must be made no later than one year after the neighbour learns of the infringement and no later than five years after the infringement. The rent shall be paid after the objection is made.
3. The neighbour whose immovable property was infringed may demand from the owner of the building:
 - 3.1. that ownership of the building be divided taking into account the boundary line;
 - 3.2. that the owner of the building remove such part of the building which is located on the neighbour's immovable property; or
 - 3.3. that the owner purchase the immovable property that has been covered by the infringing part of the building.
4. The neighbour shall exercise any one of the rights provided under sub-paragraph 3.1. and 3.2. above within one year of the objection. Until the right is exercised and the respective action under sub-paragraph 3.1. through 3.3., is completed by the owner of the infringing building, the rent under paragraph 2 of this article must be paid.

Article 91
Excavation

There may not be any excavation on an immovable property which may cause the ground of a neighbouring immovable property to lose its necessary support, unless care has been taken to provide sufficient reinforcement of another kind.

Article 92
Watercourse

The owner of an immovable property may not change the watercourse or the amount or quality of a body of water flowing through his immovable property if this would be detrimental to a neighbouring property.

CHAPTER VII
PROTECTION OF OWNERSHIP

Article 93
Claim for delivery

The owner may demand the delivery of the thing determined from anyone who is not entitled to possess it.

Article 94
Objections of the Possessor

1. The possessor may refuse the delivery of the thing, if he or the indirect possessor from whom his right of possession derives, is entitled to the possession.
2. If the indirect possessor is not entitled to possession as against the owner, the owner may request the direct possessor to deliver the thing to the indirect possessor, or, if the indirect possessor does not or cannot take possession of the thing, to himself (owner).

Article 95
Claims against the Possessor in Good Faith

1. The owner may demand delivery of the fruits as well as of other advantages which the use of the thing affords from the bona fide possessor.
2. A person who is obliged to deliver the fruits taken to the owner may demand compensation for his reasonable expenses he incurred in the production or collection of the fruits, but not for a higher sum than the value of the fruits he had to deliver.
3. The claim for return of fruits and compensation of expenses are prescribed three years after return of the thing to the owner.

Article 96
Claims of bona fide Possessor

1. The bona fide possessor is entitled to demand compensation for necessary and useful expenditure insofar as the value of the thing has been increased by the expenditure.
2. A necessary expenditure is an expense which, at the moment of its incurrence, was, according to objective standards, essential to maintain or run the thing.
3. A useful expenditure is any expense that, according to objective standards, leads to the increase in the value of the thing.
4. The bona fide possessor is entitled to retain the thing until the owner has compensated him for the necessary and useful expenditures.
5. The claim for compensation of expenditure prescribes three (3) years after delivery of the thing.

Article 97
Good Faith

1. A possessor is not bona fide if he or his possessory servant knew or should have known that he was not entitled to possession.
2. The bona fide possessor is to be treated as a possessor in bad faith from the moment at which either the claim for delivery or the claim prescribed under Article 95 of this law has been served on him.

Article 98
Claims against the mala fide Possessor

1. The mala fide possessor is liable to deliver the proceeds of the thing to its possessor as well as compensation for proceeds if he no longer has them or refrained from obtaining them.
2. The mala fide possessor is responsible to the owner for the damage caused which due to his fault led to the deterioration or destruction or another reason for which he is unable to deliver the thing.

Article 99
Claims of the mala fide Possessor

1. The mala fide possessor is entitled to demand compensation for necessary expenditure made.
2. He is not entitled to retain the thing on the grounds of this claim.

Article 100
Liability of the Wrongful Possessor

If the possessor has taken possession by an unlawful interference or by a criminal offense, he is liable to the owner pursuant to the provisions concerning damages for delicts.

Article 101
Exclusion

The claims of owner and possessor against each other as provided for in Articles 93 – 100 exclude any other claims.

Article 102
Claim for Removal and Injunction

1. If ownership is interfered with by removing or retaining possession of movable property, the owner may require that such interference with his right ceases forthwith. If further interference is feared, the owner may seek an injunction against such interference.
2. A claim against interference with an owner's rights can not be brought if the owner is obliged to tolerate such interference.

PART IV
POSSESSION

Article 103
Possession

A person exercising material control over movable property is a direct possessor.

Article 104
Acquisition of Possession

Possession of movable property is acquired by obtaining material control over such property. An agreement between a previous possessor and a transferee is sufficient for acquiring possession if the transferee is in a position to exercise control over the property at the time of the agreement.

Article 105
Agent in Possession

A person exercising material control over movable property on behalf another person, in another person's household or in the business of another person or in a similar relationship that requires the person to follow instructions from another person relating to the property, is not deemed possessor.

Article 106
Heritability

Upon the death of a possessor, possession passes to the heirs.

Article 107
End of Possession

1. Possession comes to an end as a result of the possessor giving up material control over the property or losing material control in any other way.
2. Possession does not end as a result of the possessor being prevented from exercising control in a way that is temporary in nature.

Article 108
Joint Possession

If several persons have joint possession of movable property, one person's right to use the property in relation to the others, and the individual possessor's protection of his possession, is limited by the right of the other persons to use the property as it was intended to be used.

Article 109
Indirect Possession

1. A person granting possession of movable property based on a pledge, a lease, a depository or similar agreement or legal relationship that entitles another person to the possession of such property for a period of time is an indirect possessor.
2. If the indirect possessor derives indirect possession from a legal relationship of the nature set out in paragraph 1 above with a third party, the third party is also an indirect possessor.

Article 110
Proprietary Possession

A person possessing movable property that is owned by that person is a proprietary possessor.

Article 111
Unlawful Interference with Possession

1. A person depriving the possessor of possession or interfering with the possessor's possession against the will of the possessor acts unlawfully, except where the deprivation or the interference is expressly permitted by law.
2. Possession obtained as a result of unlawful interference is defective. The successor in such possession must allow the lawful possessor to assert possession against him if the possessor knew about the defective possession of his predecessor at the time the possessor acquired possession or if the defective possession was passed to the possessor by inheritance.

Article 112
Self-Help by the Possessor

1. The possessor may use reasonable force as defence against unlawful interference with his possession, provided that the interference is concrete and adequate measures of defence are taken immediately upon occurrence of the interference.
2. If movable property is taken away from the possessor by acts of unlawful interference, the possessor may use reasonable force to retrieve the property if the interferer is caught in the act or in pursuit.
3. The rights of a possessor under subsections above may also be exercised by an agent in possession pursuant to Article 105 of this law.

Article 113
Claim against Interference with Possession

1. If a possessor is deprived of his possession by unlawful interference, the possessor may require that his possession is restored by the interferer in defective possession as against the deprived possessor.
2. If a possessor is disturbed in his possession by unlawful interference, the possessor may require the disturber to remove the interference. If further disturbances are feared, the possessor may seek an injunction against such disturbances.
3. A claim against interferences is excluded if the possessor possesses the property defectively in relation to the disturber or the predecessor in title of the disturber.

Article 114
Exclusion of Claims to Possession

The claim can only be asserted within thirty (30) days after the possessor became aware of either the deprivation or of the disturbance of his possession. The claim expires one year after the deprivation or disturbance of the possession.

PART V
SUBSTANTIVE PROVISIONS ON IMMOVABLE PROPERTY
RIGHTS REGISTRATION

Article 115
Acquisition, Modification and Termination of a Right

1. Acquisition, variation, transfer and termination of ownership, a right of pre-emption or a limited right relating to immovable property require a legally valid contract and registration of the relevant transaction in the immovable property rights register.
2. Registration of entries in the immovable property rights register remains subject to the requirements in Law on the Establishment of the Immovable Property Rights Register no. 2002/5 and the Law no. 2003/13 on Amendment and Supplementation of the Law no. 2002/5.

Article 116
Subsequent Limitation of Disposal

If a holder of a right to immovable property submits an application to acquire, vary, or terminate the right, the application remains valid even if the entitlement to the right becomes restricted after submission of the application.

Article 117
Third Party Rights

If a right over immovable property is encumbered with the right of a third party, termination of the encumbrance requires the consent of the third party. If the right to be terminated is held by the owner of another immovable property that is encumbered with the right of a third party, the third party must consent to the termination if the termination affects any of its rights.

Article 118
Ranking of Rights

1. The ranking of several rights encumbering the same immovable property shall be determined according to their date of entry into the register. Rights that were registered on the same day and at the same time have equal ranking.
2. Registration of a right also determines its ranking if the transaction necessary for the acquisition of the right is completed only after the registration.

Article 119
Changing the Order of Ranks

1. A change in the order of ranking of rights requires an agreement between the holder of the rights that are affected by the ranking change and registration in the immovable property rights register.
2. If a mortgage is to be lowered in ranking, the consent of the owner of the immovable property is required in addition to the registration. This consent is irrevocable.
3. If a right that is to be ranked lower was encumbered with the right of a third party, the consent of the third party is also required.
4. Other rights ranking between the rights that are changed in ranking are not affected by that change.

Article 120
Reservation of Priority Ranking

1. The owner of an immovable property when registering an encumbrance on such property may make a reservation that grants authority to have a different, clearly defined right registered with priority ranking over the encumbrance.
2. Reservations of priority rankings must be registered in the immovable property rights register next to the registrations for the rights that are to be lowered in ranking.

3. If a right with a reservation of priority ranking is registered for an immovable property that is already encumbered with another right free of any ranking reservation, the reservation of priority ranking is only effective on the pre-registered right to the extent that this right is not encumbered beyond the lower ranking it will take as a result of the new priority ranking reservation.

Article 121

Registration of Reservations

1. A reservation may be entered in the immovable property rights register for securing a claim of a right to or for encumbering immovable property or varying the contents or the ranking of such rights. The registration of a reservation is admissible for securing future or conditional claims.
2. The registration of a reservation can also be effected on the basis of a preliminary injunction, as enforcement of a judgment or in the course of insolvency procedures.
3. A transaction made after the registration of a reservation in respect of immovable property or a right to the property, is without effect to the extent that the transaction would adversely affect the claim secured by the reservation. This also applies if the transaction is effected as enforcement of a judgment, by way of preliminary injunction or in the course of insolvency procedures.

Article 122

Effect of Reservations

1. A claimant secured by reservation is entitled to demand from any third party acquiring ownership or another right to the immovable property without validity against the secured claimant that the third party consents to any change in the register necessary for the realization of the right secured by the reservation.
2. The ranking of rights to immovable properties secured by reservations registered in the immovable property rights register is determined by the entry of the respective reservations in the register.
3. If a reservation is registered to secure a claim arising in the event of death, the heirs are liable to the person whose claim is secured by the reservation.

Article 123

Removal of Reservation for Barred Claims

1. If the assertion of the claim, which is secured by the priority notice, is permanently precluded, the obliged party may demand the removal of the priority notice from the creditor.
2. If the creditor, whose claim is secured by the priority notice, is unknown, he may be precluded by means of public notice if ten (10) years since the last entry regarding the priority notice in the register have passed and if the obliged party has not acknowledged the claim in this period of time.

Article 124
Legal Presumption

1. If a right has been registered in the immovable property rights register for the benefit of a person, it is presumed that such person is entitled to the right so registered.
2. If a registered right is deleted from the immovable property rights register, it is presumed that such right does not exist any more.

PART VI
PROPRIETARY SECURITY RIGHTS

CHAPTER I
GENERAL PROVISIONS

Article 125
Definition

1. A proprietary security right entitles the secured creditor (“Secured Party”), to obtain payment of the secured claim and of interest and costs from the encumbered assets with priority before the other creditors of the party granting security (“Security Grantor”), if the contractually agreed or legally prescribed conditions have occurred, in particular upon maturity of the secured claim.
2. The Security Grantor can create a security right in order to secure a personal debt or as a surety to secure the debt of another person.

Article 126
Legal basis

Security rights over immovable property units and movable property can be created only pursuant to the provisions of law.

Article 127
Scope of Application

1. The provisions of this part apply to all legal transactions and dispositions, regardless of their form, which have the purpose of creating a proprietary security right. The provisions of this law also apply in particular to:
 - 1.1. a contract through which the seller transfers the sold assets for use to the buyer but subjects the transfer of ownership to the buyer on the condition that the buyer pays the purchase price for the assets acquired (“Pledge for Purchase Price”); and
 - 1.2. a lease contract, respectively a leasing contract (financial lease), by which the lessor as owner of the assets leased, respectively given for leasing, transfers these assets to the lessee, respectively financial lessee, for use and subsequent acquisition.

Article 128
Exclusions

1. The provisions of this law do not apply to:
 - 1.1. the creation of a security right in the salary claims of an employee; and
 - 1.2. the sale of pecuniary claims in the context of the sale of a business enterprise.

Article 129
Security Agreement

1. By means of a security agreement, the Security Grantor assumes the obligation to grant a proprietary security right to the secured creditor.
2. The security agreement can be an independent contract or can be included in another contract, in particular in a credit agreement.
3. The Security Grantor may be the debtor of the secured claim or a third party.

Article 130
Void agreements

1. An agreement, entered into before the secured claim has matured, is void if it provides that upon non-payment after maturity of the secured claim the encumbered assets are to become or to be transferred into the ownership of the secured creditor or the encumbered assets are to be sold at a fixed price.
2. After maturity of the secured claim, the agreements mentioned in the preceding paragraph can validly be concluded.

Article 131
Secured claim

A proprietary security right can be granted for securing present, future and conditional claims.

Article 132
Extinctive prescription of a secured claim

A proprietary security right can be exercised even if the period of extinctive prescription for the secured claim has expired.

**CHAPTER II
PLEDGE**

**SUB-CHAPTER 1
GENERAL PROVISIONS**

**Article 133
Definition**

1. "Pledge" means the creation by agreement or by law of an interest in movable property or over a right, which gives the pledge holder the right to take possession of such property or exploit such right for the purpose of satisfying an existing and sufficiently identifiable obligation that is secured by the pledge.
2. The pledge agreement may deviate from the provisions of this Chapter. It may in particular provide for a pledge to secure an obligation that will only come into existence after the conclusion of the pledge agreement.

**Article 134
Types of pledge**

1. Unless the pledgor and the pledge holder agree in the pledge agreement that the pledge is possessory, the pledgor retains the right to possess, use and otherwise enjoy all rights in the pledge item.
2. A Possessory pledge is effective against third parties at the time the pledge agreement is signed and the pledged item has come into the possession of the pledge holder or the pledge holder's designated agent.
3. A non-possessory pledge is effective against third parties at the time a notification statement is filed in accordance with this law.
4. The creation of a pledge over a right requires the registration of a pledge in the pledge register.

**Article 135
Statutory Pledges**

1. The following provisions also apply to a pledge over a movable item which is created by operation of the law (statutory pledge).
2. The statutory pledge is effective against third parties at the time a notification statement is filed in accordance with this law.
3. Unless otherwise agreed between the parties, a landlord's statutory pledge becomes effective at the time a pledged item comes into the possession of a landlord.

**Article 136
Pledge Agreement**

1. The validity of a pledge agreement requires a written document containing the following particulars:

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- 1.1. the name and address of the pledgor and if the pledgor is a person other than the debtor;
 - 1.2. a description of the obligation to be secured;
 - 1.3. a description of the pledged item;
 - 1.4. a statement that the purpose of the agreement is to create a pledge in favor of the pledge holder;
 - 1.5. the signatures of the parties to the agreement; and
 - 1.6. the date on which the pledgor signs the pledge agreement.
2. If the pledge agreement is signed by a person who acts on behalf of the pledgor, the pledge is only valid if the person signing the pledge agreement is independent from the pledge holder.

Article 137 **Specification of the Agreement**

A pledge agreement may, in addition to the particulars required by the preceding article, also contain agreements of the parties with respect to their reciprocal rights and obligations, subject to mandatory provisions. The agreement may be supplemented, modified or terminated at any time.

Article 138 **Pledged items**

1. Any movable item or right that is legally transferable can be pledged.
2. Subsoil minerals and hydro-carbons and rights to subsoil minerals and hydro-carbons can be pledged in accordance with the provisions for the transfer and encumbrance of subsoil minerals and hydro-carbons or such rights in the applicable law.

Article 139 **Authority to Dispose the Pledged item**

1. The pledgor must be the owner of the pledged item at the time the pledge becomes effective. If the pledger is not the owner of the pledged item, he must have the legal authority to pledge the item.
2. Property that is jointly or commonly owned may be pledged only if all joint or common owners consent the pledge.
3. A person who owns a partial interest in movable property may pledge that interest without the consent of other holders of a partial interest.

Article 140 **Acquisition of Possessory Pledge in Good Faith**

1. If the pledgor is not the owner of the pledged item or does not otherwise have legal authority to pledge the item, the pledge holder acquires the pledge only if at the time the pledge becomes effective the pledgor is in possession of the pledged item

and the pledge holder could assume in good faith that the pledgor is the owner or has legal authority to pledge the item.

2. If the pledged item is encumbered with the right of a third party, the pledge holder acquires the pledge unencumbered only if the pledgor is in possession of the pledged item at the time the pledge becomes effective and the pledge holder could assume in good faith that the pledge is unencumbered.

Article 141

Pledge over mixed generic things

1. In the case of a non-possessory pledge over generic things, if the pledgor mixes them inseparably with generic things of the same kind and quality, the pledgor must objectively assess the entire quantity at the time of the pledge and communicate this to the pledgee.
2. The pledge then consists of a quota in the entire quantity which changes respectively with every change of the entire quantity.
3. The pledgor is obliged to keep account of the additions to and reductions of the entire quantity and keep the evidence for verification.
4. The preceding rules apply mutatis mutandis to a possessory pledge.

Article 142

Pledge of Future Items and Inventory

1. A pledge can extend to such items as identified in the pledge agreement which comes into the ownership or otherwise under the legal authority of the pledgor after the conclusion of the pledge agreement.
2. A pledge can be created over an inventory or changeable items if the location and content of the inventory are sufficiently clear described in the pledge agreement. Each item added to the inventory over which a pledge is created becomes subject to the pledge from the time it is added to the inventory.

Article 143

Secured Obligation

A pledge is only valid and enforceable if the obligation to be secured by the pledge is valid and enforceable.

Article 144

Scope of Secured Obligation

A pledge secures the entire amount of an obligation, including any unpaid principal and interest, penalties, the costs of enforcement, maintenance and sale of the pledged item.

Article 145
Change of Pledged Item or Increase of the Secured Obligation

Subsequent to the creation of a pledge, the pledgor and the pledge holder may agree to increase the secured obligation, or to add to the pledged item. Any addition that is not permanently attached or connected to the pledged item is to be treated as the creation of a new pledge.

Article 146
Additional Security

1. The pledge holder may demand additional or adequate security, if the pledged item does not offer sufficient security for the secured obligation and a pledge holder could not be aware of this at the time the pledge agreement was concluded.
2. If the pledgor does not grant additional or adequate security, the pledge holder may demand immediate fulfillment of the secured obligation.

Article 147
Right to Inspection

In the case of a non-possessory pledge the pledge holder has the right upon reasonable notice to the pledgor to inspect the pledged item. In the case of a possessory pledge the pledgor has the right upon reasonable notice to the pledge holder to inspect the pledged item.

Article 148
Rights and Duties of a pledge Holder

1. In the case of a possessory pledge the pledge holder must not use and has to prudently maintain the pledged item. The pledge holder is entitled to the fruit from the pledged item. In case of a non-possessory pledge the pledgor has to use the pledged item in a manner consistent with the ordinary use of such items of property.
2. Unless otherwise agreed between the parties, the pledge holder may re-pledge the pledged item if he can ensure that the pledged item will be returned to the pledgor in accordance with the terms of the pledge agreement. The pledge holder is liable to the pledgor for any damage to, the loss or a delay in the return of the pledged item.

SUB-CHAPTER 2
PLEDGE AND THIRD PARTY RIGHTS

Article 149
Pledge over Claim for Money

1. If a claim for money is pledged, the debtor of such claim ("Third Party Debtor") may discharge the claim according to the agreement with the pledgor. If the

pledgor or the pledge holder has notified the Third Party Debtor of the pledge, the third party debtor has to effect payment to the pledge holder once the pledged claim falls due.

2. The notification to the Third Party Debtor must be in writing, contain the names of the pledgor and the pledge holder identify the claim secured by the pledge and give precise instructions for payment to the pledge holder.

Article 150

Objections of the Third Party Debtor

The third Party Debtor is entitled to the same objections against a payment demand from the pledge holder which he has against the pledgor as the initial creditor of the pledged claim.

Article 151

Set-Off of the Claims

1. After receiving payment from the Third Party Debtor, the pledge holder is entitled to set off from this payment any amount due to him under the obligation secured by the pledged claim. Until the secured obligation falls due the pledge holder has to hold payment received from the third party debtor including any interest accruing thereon as agent on behalf of the pledgor.
2. If the amount paid by the Third Party Debtor to the pledge holder exceeds the amount due under the secured obligation, the pledge holder has to pay the surplus amount to the pledgor without delay.
3. Third Party Debtor who is required to make payment to the pledge holder has to be notified by the pledge holder if the secured obligation has been discharged before the payment to the pledge holder falls due.

Article 152

Application of the Provisions for Pledge over Claim for Money

The provisions for a pledge over a claim for money are also applicable for pledges over other rights.

Article 153

Right of Pledge over Securities

1. A right of pledge over securities which have been issued to a holder, is deemed to be a right of pledge over a thing.
2. The right of pledge over a negotiable instrument to order or over an endorsable security to a named beneficiary is created by endorsing and delivering the security to the pledgee. The endorsement must explicitly state that it is an endorsement for a pledge (pledge endorsement).
3. If the pledged security is in the name of the debtor, the right of pledge is created if the pledgor notifies the debtor that the claim deriving from the security has been pledged to the pledgee.

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4. The right of pledge over un-certificated securities is created by registration of the right of pledge in the register of the institution in whose register the account for the pledged securities is kept.

Article 154

Applicable Provisions for the Right of Pledge over Securities

In all other respects, the provisions regarding the right of pledge over a claim apply *mutatis mutandis*.

Article 155

Priority of Several Pledges

1. Unless otherwise agreed, a pledgor can grant more than one pledge over the same item of property or a same right.
2. Unless this law provides otherwise more than one pledge created over the same item of property or the same right are ranked according to the time at which each pledge becomes effective against a third party.
3. A pledge that is effective against a third party always has priority over a pledge that is effective only between the pledgor and the pledge holder. Several pledges that are not effective against third parties are ranked according to the time at which the pledges become effective against the pledgor.

Article 156

Special rules regarding the priority of pledges

1. A possessory pledge over money, over transferable securities over shares of companies, over rights to goods or rights to monetary payment has priority over every other right of pledge over these assets.
2. A right of pledge to secure a claim for the purchase price (purchase money pledge) has priority over every other right of pledge the pledgor has granted over the same thing, if
 - 2.1. it is effective against third persons; and
 - 2.2. the pledgee notifies previous pledgees of his acquisition of a right of purchase money pledge and its priority, and at the latest, after the pledgor takes possession of the pledged asset. The purchase money pledgee must state in the notification that he has such a right of pledge or that he shall acquire it in the near future. In addition, the notification must contain a precise description of the pledged asset over which there exists or shall exist a purchase money pledge.
3. If a new right of pledge is granted according to Article 152 this does not continue the priority of the previous right of pledge.

Article 157

Preserving priority after a Change in the Form of Pledge

1. If, in the case of a possessory pledge, the pledged asset is returned to the pledgor, the right of pledge only preserves its priority if, at the latest when the pledged asset is returned, the conditions for the effectiveness of the non-possessory pledge as against third persons are fulfilled.
2. If the possession of the pledged asset over which an effective non-possessory right of pledge exists, is handed over to the pledgee, the possessory pledge preserves the same priority as the already existing non-possessory pledge.

Article 158

Change in the order of priority

1. For a change in the order of priority, the provisions of Article 119 apply mutatis mutandis.
2. Notwithstanding the foregoing, the signatures of the participating parties do not require certification and instead of the registration in the immovable property rights register, the registration in the pledge registry is required.

Article 159

Acquisition of Pledged Item by Third Party

1. Subject to the provisions of this law a pledged item can only be encumbered or acquired by a third party subject to an existing pledge. A pledged item is acquired free of any pledge, if:
 - 1.1. the pledged item is sold in the ordinary course of the pledgor's business;
 - 1.2. the pledged item is sold with the written consent of all pledge holder having a pledge over the item;
 - 1.3. the pledged item is a share, debt, or security instrument quoted on a recognized market, a negotiable instrument or document of title, or cash; or
 - 1.4. the buyer could assume in good faith at the time of the purchase that the pledged item is not encumbered with a pledge.
2. Items from the inventory sold in the pledgor's ordinary course of business can be acquired free of any pledge, even if the buyer had knowledge of the pledge.

Article 160

Transfer of the Secured Obligation

1. The transfer of a secured obligation by the pledge holder is deemed a transfer of the pledge securing this obligation. The pledge holder shall notify the pledgor of the transfer.
2. If the pledge holder transfers only part of a secured obligation, the transferee becomes entitled to the pledge jointly with the pledge holder and up to the amount of the secured obligation that was transferred.
3. The pledgor is entitled to the same rights against the new pledge holder which he had against the initial pledge holder.

Article 161
Termination of a Pledge

1. A pledge terminates when:
 - 1.1. the pledgor and the pledge holder so agree;
 - 1.2. the secured obligation is satisfied or otherwise ceases to exist;
 - 1.3. the pledged item or right or any surrogate replacing it ceases to exist;
 - 1.4. the pledged item or right is changed or incorporated with another item or right such that it ceases to exist in an identifiable or separable form;
 - 1.5. when the pledge holder becomes owner of the pledged item or right;
 - 1.6. in the case of a possessory pledge, the pledge holder's possession of the pledged item ceases;
 - 1.7. the obligation secured by the pledge is transferred, but the transfer does not extend to the pledge;
 - 1.8. a third party validly acquires the pledged item or right pursuant to the provisions of this law; or
2. The pledge holder shall return the pledged item to the pledgor upon termination of a possessory pledge.

SUB CHAPTER 3
REGISTRATION OF A NON-POSSESSORY PLEDGE

Article 162
Filing of a Notification Statement

1. The registration of a non-possessory pledge in the Pledge register is effected by filing a Notification Statement with the office of the pledge registry. A Notification Statement shall include:
 - 1.1. a clear identification of the pledgor, the person owing the secured obligation (if not a pledgor) and the pledge holder;
 - 1.2. a specific or general identification of the nature of the secured obligation;
 - 1.3. the maximum value of the secured obligation expressed in money terms;
 - 1.4. a specific or general identification of the pledged item;
 - 1.5. a signature by or on behalf of the pledgor; and
 - 1.6. the date of the pledge agreement.
2. A pledge shall be deemed to be filed in the pledge register when the Notification Statement is presented to the office of the Pledge Registry in prescribed form and accompanied by payment of the prescribed fee.

Article 163
Duration of Registration and Extension

1. A registration in the Pledge Register is valid for three (3) years from the time of registration.
2. Upon expiry of the three (3) year term the non-possessory pledge becomes ineffective against the third parties, unless the registration is extended or non-possessory pledge is transformed into a possessory pledge

Article 164
Termination of Registration

1. If a pledge terminates the pledge holder must within a month of the termination register the termination in the Pledge Register by submitting a Termination Statement to the office of the Pledge Registry.
2. Termination Statement shall contain the pledge holder's signature and a statement that the pledge holder no longer claims a pledge over an item or right as indicated in the Notification Statement, which shall be identified by its document number. A Termination Statement that is signed by person other than the pledge holder shall be accompanied by a written authorization duly executed by the pledge holder before it may be filed.
3. A pledge holder who does not or not within the prescribed time file a Termination Statement is liable to the pledgor for the damages caused by delayed or failure to register the termination of the pledge.

Article 165
Establishment of the Pledge Registry Office

1. The Pledge Registry is established by separate legislation.
2. The Pledge Registry shall ensure that index and registration documents are open to the public for at least five (5) hours business day.
3. With the law on establishment of the pledge registry office is regulated the inner functioning of the Registry Office.

SUB CHAPTER 4
ENFORCEMENT OF THE PLEDGE

Article 166
Delivery of the Pledged item to Pledge Holder

1. Of the pledgor or the debtor of the secured obligation, if he is not identical with the pledgor defaults on the secured obligation or the pledge agreement, the pledge holder of a non-possessory pledge can demand delivery of the pledged item from the pledgor.
2. If the pledgor of a non-possessory pledge fails to deliver the pledged item, the pledge holder can take possession of the pledged item with the help of a competent court.

Article 167
Judicial Enforcement of the Claim for Possession

1. The pledge holder of a non-possessory pledge may file an application with the competent court to issue an order, *ex parte* and without notice to the pledgor authorizing the pledged item to be sequestered and delivered to the pledge holder pursuant. Such application shall be adjudicated by the competent court not later than five (5) business days after the date of filing the application.

2. The pledgor, or the debtor of the secured obligation, if he is not identical with the pledgor, can file a request with the competent court to issue a declaration that the pledge is partially or totally invalid. If the court issues such declaration, it shall at the same time determine whether to revoke or change any order issued pursuant to paragraph 1 of this article, and if it decides to do so, whether and to what extent the pledge holder is liable for damages caused by the decision to sequester and delivery of pledged item to the pledge holder.

Article 168 Disposal of Pledged Item

1. Upon default, a pledge holder may sell, lease or otherwise dispose the pledged item. A sale of a pledged item can be effected by public auction or in any other suitable manner. The pledge holder shall endeavor to achieve a fair market value while disposing the pledged item.
2. The pledge holder must notify the pledgor at least fourteen (14) days prior to the sale of the pledged item of the time and place of such sale. The notification shall also be communicated to the debtor of the secured obligation, if he is not identical with the pledgor and to all other holders of a pledge over the same pledged item.
3. The proceeds of any disposition of the pledged item shall be applied in the following order:
 - 3.1. to the reasonable expenses incurred by the pledge holder in connection with any enforcement of his right of possession to end disposing of the pledged item;
 - 3.2. to the discharge of the secured obligation;
 - 3.3. to the discharge of any lower ranking pledge holder for the same pledged item, if written demand is made by the holder of such pledge prior to the disposition; and
 - 3.4. the remains shall be paid to the pledgor.
4. The pledgor remains liable for any deficiency in the amount obtained through the disposal of the pledged item.

Article 169 Restriction to Acquire Pledged Item

The pledge holder may purchase the pledged item only at a public sale or a private sale if the pledge item is sold in a recognized market, or in cases where commonly known standard prices exist for the pledged item.

Article 170 Acceptance of Pledged Item

1. A pledge holder may offer to the pledgor to accept the pledged item in full or partial discharge of the secured obligation. The offer becomes binding, if the pledgor agrees in writing and the debtor of the secured obligation, if he is not identical with the pledgor, or any other party with legal interest to fulfill the

secured obligation does not object in writing within fourteen (14) days after the offer is received.

2. The pledgor, or the debtor of the secured claim, if he is not identical with the pledgor or any other party with a legal interest to fulfill the secured obligation, can redeem the pledged item after having discharged the secured obligation entirely.
3. The redemption may be made at any time before the pledge holder disposes off or accepts the pledged item as partial or total discharge of the secured obligation.

SUB CHAPTER 5 RECOGNITION OF FOREIGN SECURITY RIGHTS

Article 171 Equality of foreign security rights

1. A foreign security right of any form or denomination which has been validly acquired and is still valid according to right of foreign country, has the effect of a valid and effective right of pledge, if the thing encumbered by the security right is brought on the territory of Kosovo.
2. From the time in which the pledged asset is located on the territory of Kosovo, the effect of this security right is determined by the applicable laws of Kosovo.
3. The Registry Office must be notified of a non-possessory right of pledge within three (3) months of the entry of the encumbered asset into the territory of Kosovo. The necessary information provided for in Article 146 must be submitted in certified translations into the official languages of Kosovo as is prescribed by law.

CHAPTER III MORTGAGE

SUB-CHAPTER 1 GENERAL PROVISIONS

Article 172 Definition

“Mortgage” means the creation by agreement or by law of an interest in immovable property, which gives the mortgage creditor (mortgagee) the right to initiate foreclosure proceedings for such immovable property for the purpose of satisfying sufficiently identifiable obligation that is secured by the mortgage and has fallen due.

SUB-CHAPTER 2 CREATION OF THE MORTGAGE

Article 173 Creation of mortgage with contract

A mortgage is created by an agreement between the owner of an immovable property unit and the mortgage creditor and by entry into the immovable property rights register.

Article 174 **Mortgage Agreement**

1. The mortgage agreement must be in writing. The signature of the owner of the immovable property unit and of the mortgage creditor need to be certified in accordance with the rules applicable to other legal agreements over immovable property units.
2. The mortgage agreement must contain at least the following:
 - 2.1. names and addresses of the owner of the immovable property unit and of the mortgage creditor as well as of the debtor of the secured claim, unless he is the same person as the owner of the mortgaged immovable property unit;
 - 2.2. the exact description of the immovable property unit which is to be encumbered, containing its location, full address or
 - 2.3. other exact particulars regarding the location and cadastral number;
 - 2.4. a certificate of possession and, if necessary, a certificate regarding the use of the immovable property unit;
 - 2.5. the amount of the claim secured by the mortgage, including the rate of interest; if applicable, the maximum amount agreed upon;
 - 2.6. a warning in written with capital bold letters, that in the case of delayed payment or occurrence of the other stipulations agreed upon the mortgage creditor may initiate an enforcement process which might result in the loss of ownership over the mortgaged immovable property unit or in eviction from it or the house on it;
 - 2.7. further agreements amongst the parties if this law or other laws require so;
 - 2.8. further agreements as far as other mandatory requirements allow;
 - 2.9. the date the agreement was signed;
 - 2.10. certified signatures both of the owner of the immovable property unit as well as of the mortgage creditor.

Article 175 **Void Agreements**

1. Apart from those agreements mentioned in Article 130, an agreement is also void if it is made before the maturity of the secured claim and if it allows the creditor to use the immovable property unit.
2. Furthermore, an agreement committing the owner of the immovable property unit to neither sell nor to further encumber the immovable property unit is void.

Article 176 **Encumbered Immovable Property Unit**

1. The mortgage encumbers all parts of the immovable property unit, including the buildings thereupon that are firmly attached to the ground.
2. Other than is provided for in Paragraph 1, a separate mortgage may be established over a building unit as defined in Article 10 paragraph 2 sub-paragraphs 2.1. and 2.2. of this law, that does not extend to other parts of the immovable property unit.

Article 177
Extent of Mortgage on Fixture

1. The mortgage covers all component parts and natural fruits of the immovable property unit as long as the latter are not separated from the principal thing.
2. The mortgage also covers all fixtures belonging to the owner of the immovable property unit.
3. Liability for the mortgage terminates if component parts, products or fixtures are sold and removed from the immovable property unit before having been sequestered in favor of the mortgage creditor. If a party acquiring the things, removes these from the immovable property unit after the mortgage creditor has sequestered them, the sequestration is only valid against the acquiring party if it was aware or should have been aware of the sequestration when removing the things from the immovable property unit.

Article 178
Leased Immovable Property Unit

1. If the immovable property unit is leased, the mortgage also covers the rental claim of the owner.
2. As far as the claim has matured it is freed from this liability twelve (12) months after maturity, unless the mortgage creditor sequestered it prior to this.

Article 179
Immovable Property Unit belonging to several persons

A share of joint or collective ownership can be encumbered with a mortgage without the consent of the other joint or collective owners of the immovable property unit.

Article 180
Aggregate Mortgage

A mortgage can be created for the same claim over several immovable property units belonging to the same owner or to different owners (aggregate mortgage). Each immovable property unit is liable for the entire claim.

Article 181
Secured Claim

Articles 143 and 144 are applicable mutatis mutandis to the mortgage.

Article 182
Maximum Amount Mortgage

1. A mortgage may be created as security of a specific maximum amount (maximum amount mortgage).

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2. The maximum amount mortgage can secure an individual claim or all claims deriving from a particular contractual relationship.
3. Interest and expenses of the secured claim or claims are only covered within the maximum amount.

SUB-CHAPTER 3 EFFECTS OF MORTGAGE

Article 183

Duties of the Owner of an Encumbered Immovable Property Unit

1. The owner has to administer and take care as is usual of the encumbered immovable property unit as well as the buildings erected upon it and its fixtures, to the extent necessary for its regular maintenance and conservation of value.
2. At the request of the mortgage creditor, the owner of the immovable property unit has to insure the items mentioned above at his own expense.
3. The owner of the immovable property unit has to allow the mortgage creditor or a third party authorized by the latter to inspect the encumbered immovable property unit, if due notice is given prior to the visit.

Article 184

Depreciation of the Encumbered Immovable Property Unit

1. If the immovable property unit has a defect which the mortgage creditor did not notice when concluding the mortgage contract and if the immovable property unit therefore does not offer sufficient security for the secured claim, the mortgage creditor may request an additional security or grant reasonable time for the owner to repair the defect.
2. If the encumbered immovable property unit for whatever reason loses value after having been encumbered, Paragraph 1 applies mutatis mutandis.
3. If after the time granted by the mortgage creditor the defect or depreciation mentioned in previous paragraph of this Article still exists, and if the owner of the immovable property unit has not provided additional adequate security, the mortgage creditor may demand immediate payment of the secured claim according to the provisions of sub-chapter 5 of this law.

Article 185

Prevention of danger through the court

1. If due to acts or omissions of the owner of the encumbered immovable property unit or of a third party, a depreciation of the immovable property unit has taken place or threatens to do so, the mortgage creditor may file an action for forbearance.
2. If acts or omissions of the owner of an encumbered immovable property unit threaten to lead to a depreciation, the court may, if the mortgage creditor so applies, order measures to prevent the threat.

Article 186
Depreciation of Fixtures

Provisions of Articles 184 and 185 apply mutatis mutandis if the value of the fixtures belonging to the encumbered immovable property unit depreciates or if they are removed from there contrary to the rules regarding regular maintenance.

Article 187
Objections Against the Secured Claim

1. The owner of the immovable property unit is entitled to raise all objections against the mortgage creditor that a debtor is entitled to raise against a creditor as far as they concern the secured claim.
2. The owner of the encumbered immovable property unit also is entitled to raise all objections which a guarantor may raise against a creditor of a secured claim.
3. If the owner of the encumbered immovable property unit is not the debtor of the secured claim, he may raise an objection that the debtor would have been entitled to, even if the debtor renounced his right to do so.
4. He may not claim that after the death of the debtor the latter's heir has merely limited liability for the secured claim.

Article 188
Indivisibility of the Mortgage

1. The mortgage secures the secured claim until it is completely paid off. A partial payment does not affect the mortgage.
2. If the immovable property unit is divided, an aggregate mortgage is created which encumbers the immovable property units created by the division according to Article 180.

Article 189
Termination of the Mortgage by notification

1. If the maturity of the secured claim is dependent on a notice of termination, the notice of termination is, if the owner of the encumbered immovable property unit is not the same person as the debtor of the secured claim, only effective if it is declared by the creditor to the owner of the encumbered property unit or by the owner to the creditor.
2. If the owner of the encumbered immovable property unit is not resident in Kosovo, or if the person giving notice of termination is unaware of the whereabouts of the person who has to receive the notice, then the court, in whose district the immovable property unit is located, shall, upon application of the creditor, appoint a representative, to whom the creditor's notice can be served.

Article 190
Owner's Right to Satisfy the Debt

The owner of an encumbered immovable property unit is entitled to satisfy the creditor if the claim against the former has matured or if the personal debtor is entitled to perform.

Article 191
Transfer of Claim

1. If the owner who is not the personal debtor to the claim satisfies the mortgage creditor, the secured claim is transferred to him insofar as he satisfied the creditor.
2. The transfer may not be asserted to the disadvantage of the creditor. Objections based on a contractual relationship between the debtor and the owner of the immovable property unit remains unaffected.
3. If a claim is secured by an aggregate mortgage, then the provisions of Article 202 of this law are applicable to it.

Article 192
Satisfaction through one Owner in Case of Aggregate Mortgage

1. The owner of an immovable property unit that is encumbered together with further immovable property units by an aggregate mortgage (in accordance with the provisions of Article 180) may satisfy the mortgage creditor once the secured claim has matured.
2. If the owner mentioned in Paragraph 1 can claim compensation from the owner of one of the other immovable property units, the mortgage encumbering this immovable property unit is transferred to him.
3. Paragraph 2 is applicable mutatis mutandis if the owner mentioned in Paragraph 1 is entitled to claims against several owners of the other immovable property units which were encumbered with an aggregate mortgage.

Article 193
Extinction of the Mortgage

1. The mortgage becomes extinct by deleting the entry in the immovable property rights register.
2. Extinction may be applied for if:
 - 2.1. the debtor of a secured claim has satisfied this by payment or in any other way;
 - 2.2. the secured claim ceases to exist for other reasons;
 - 2.3. the mortgage creditor renounces the mortgage in writing and with certified signature;
 - 2.4. the mortgage creditor and the owner of the encumbered immovable property unit are the same person or come to be the same person;

- 2.5. the encumbered immovable property unit is sold in order to satisfy the secured claim.

CHAPTER IV RELATIONSHIP TO THIRD PARTIES

Article 194 Effectiveness of the Mortgage

1. A mortgage must be entered into the immovable property rights register in order to be effective.
2. Procedures and effects of registration are based on law on establishing a registry for immovable rights (immovable property rights register).

Article 195 Priority of Mortgages

1. If not otherwise provided for in this law, the priority of several mortgages is based on the time of their registration in the immovable property rights register.
2. For an amendment of the priorities, the provisions of Article 119 of this law apply.

Article 196 Transfer of mortgaged immovable property unit

A mortgage is also valid against a person who acquires the mortgaged immovable property unit.

Article 197 Transfer of the Secured Claim

1. With the transfer of the secured claim, the mortgage is also transferred to the new creditor, unless the parties have agreed to the contrary.
2. The transfer of the mortgage is not effective until entered into the immovable property rights register.
3. If the owner of the immovable property unit dies and the encumbered immovable property unit is transferred to several heirs, an aggregate mortgage is created according to Article 192 of this law.
4. Otherwise, the provisions of the relevant provisions of the Law on Obligations or any future applicable law.

**CHAPTER V
ENFORCEMENT OF THE MORTGAGE**

**SUB-CHAPTER 1
GENERAL PROVISIONS**

**Article 198
Breach of Contract as precondition**

A breach of contract by the debtor of the secured claim occurs if the debtor is in delay with the payment. For such cases the relevant provisions of the Law on Obligations are used.

**Article 199
Satisfaction of the mortgage creditor's claim by enforcement**

1. In case of delay or another breach of contract by the debtor, the mortgage creditor can acquire the right to sell the mortgaged immovable property unit by civil action and to satisfy the secured claim in priority (from the proceeds of the sale).
2. Conditions and procedures are governed by the provisions on forced execution.

**Article 200
Notification of other parties**

All other persons registered as holders of a proprietary right over the encumbered immovable property unit shall be notified of the opening of the execution or of an extra-judicial sale of the encumbered immovable property unit at the same time as its owner.

**SUB-CHAPTER 2
EXTRA-JUDICIAL ENFORCEMENT OF A BUSINESS MORTGAGE**

**Article 201
Extra judicial Realization of a “trade association mortgage”**

1. A “trade association mortgage” is realized either according to the procedure as mentioned above in sub-chapter 1 or extra-judicially through a sales agent according to the following provisions.
 - 1.1. A mortgage is a “trade association mortgage” if the following conditions are met:
 - 1.1.1. the owner of the immovable property unit is a merchant or a business enterprise;
 - 1.1.2. the mortgage creditor is a domestic financial institution admitted to do business; and
 - 1.1.3. a business enterprise carries out business on the encumbered immovable property unit. If, after the creation of a mortgage

encumbering the immovable property unit, the business enterprise is discontinued, the classification of the mortgage is not affected thereby. An agricultural enterprise is not a business enterprise according to this provision.

Article 202

Power of Attorney for Sale

1. The Power of Attorney for Sale of an owner of an encumbered immovable property unit for extra-judicial realization of the immovable property unit must contain at least the following information for it to be valid:
 - 1.1. name and address of the owner of the encumbered immovable property unit, of the debtor of the secured claim, if this is a person other than the owner of the immovable property unit; and of the mortgage creditor. Alternative postal addresses are to be noted in writing;
 - 1.2. an explicit statement that the parties have agreed that in the case of non-performance of the claims by the owner of the encumbered immovable property unit, the sale of this immovable property unit is to take place without any court proceedings;
 - 1.3. an explicit statement and explanation that the three conditions provided for in Article 210 are fulfilled in this case;
 - 1.4. a Power of Attorney by the owner of the immovable property unit and by the mortgage creditor, by which the sales agent is authorized, to sell the immovable property unit according to the provisions of this law;
 - 1.5. a precise description of the conditions under which the Power of Attorney to sell may be exercised.
2. The parties may include further conditions or clarifications into the Power of Attorney, provided that these do not deviate from the mandatory provisions of this law.
3. The parties may agree in particular that the Power of Attorney be irrevocable and /or remain valid for an indefinite period of time.
4. The Power of Attorney is valid also in the case of death, incapacity, discharge from employment or termination of the owner of the immovable property unit or of the mortgage creditor and that it is binding upon the respective legal successors.

Article 203

Form and Registration of the Power of Attorney

1. The signatures of the parties are to be certified.
2. The Power of Attorney only becomes effective after being entered into the immovable property rights register.

Article 204

Applicable provisions

1. Subject to other provisions of this law, the general rules on agency and Power of Attorney apply to the Power of Attorney (see the relevant provisions of the Law on Obligations or any future applicable law)

2. In case of invalidity of the Power of Attorney, the mortgage creditor can apply for satisfaction by enforced sale (in accordance with the provisions of Article 199).

Article 205

Conditions for the exercise of the Power of Attorney to sell

1. A Power of Attorney to sell the mortgaged immovable property unit can be exercised if:
 - 1.1. there is a non-performance as provided by the Power of Attorney;
 - 1.2. the notification of non-performance is registered in the immovable property rights register and in the cadastre; and
 - 1.3. the notification for intended sale is registered in the immovable property rights register and the cadastre.

Article 206

Notice of Non-Performance

1. Before the initiation of an extra-judicial sale, the mortgage creditor has to submit an application to register the notification of non-performance in the immovable property rights register and in the cadastre. The application has to contain the following information:
 - 1.1. description of the certificate and content of the mortgage securing the claim which has not been satisfied;
 - 1.2. names and addresses of the mortgage creditor, of the owner of the encumbered immovable property unit as well as of the debtor of the secured claim, if this is a person other than the owner of the immovable property unit;
 - 1.3. name and address of the agent appointed by the mortgage creditor for the sale of the immovable property unit;
 - 1.4. full address or another description of the location of the encumbered immovable property unit and its cadastral number;
 - 1.5. a statement of non-performance and its nature;
 - 1.6. a statement of whether and how the non-performance can be remedied within a given term; the term may not be any shorter than forty five (45) days;
 - 1.7. a statement that the mortgage creditor will opt for the extra-judicial sale if the non-performance has not been remedied within the given term.
2. The notification of non-performance is to be registered in the language required by law. The notification starts with the following words in writing and notable font 14:

“THIS IS A NOTIFICATION THAT YOU HAVE NOT PERFORMED YOUR CREDIT OBLIGATIONS. ACCORDING TO THE LAWS OF KOSOVO YOUR IMMOVABLE PROPERTY UNIT MAY BE SOLD WITHOUT LEGAL PROCEEDINGS IF YOU DO NOT CURE THE NON-PERFORMANCE OF YOUR OBLIGATIONS. YOU HAVE THE RIGHT TO PAY OFF YOUR FINANCIAL OBLIGATIONS BY MAKING ALL THE

DUE PAYMENTS INCLUDING INTEREST AND EXPENSES ALLOWED FOR WITHIN THE TERMS AS DEFINED BY LAW. THE DAY OF SALE OF THE IMMOVABLE CANNOT BE FIXED BEFORE THE EXPIRY OF THIRTY (30) DAYS AFTER THIS NOTIFICATION OF DEFAULT HAS BEEN REGISTERED (THE DATE OF THAT IS INDICATED ON THIS NOTIFICATION)”.

3. The notification is to be entered at the request of the mortgage creditor into the immovable property rights register and in the local cadastre. The respective offices, are not responsible for the damages caused to the mortgage creditor through his own mistakes.

Article 207

Copies of Notification of Non-Performance

1. The mortgage creditor according to paragraph 2 has to send two copies of the notice of non-performance to the following persons:
 - 1.1. the owner of the immovable property unit;
 - 1.2. the debtor of the secured claim, if he is not identical with the owner of the immovable property unit;
 - 1.3. the agent for selling the immovable property unit;
 - 1.4. any other person who is registered as a holder of a proprietary right in the mortgaged immovable property unit; as well as
 - 1.5. any person who requests a copy.
2. The mortgage creditor has to post the copies of the notification of non-performance within seven days after notification of non-performance is registered. The delivery is to take place by registered and stamped mail in an envelope containing a number issued by the postal service and the date of posting.

Article 208

Right to remedy the Non-Performance

1. The owner of the immovable property unit and the personal debtor, if he is a person other than the owner, have the right to remedy the non-performance by paying the secured claim, including the interest and costs, as provided for in the notice of non-performance, no later than five (5) business days before the date determined for the sale of the immovable property unit. They are also required to pay claims arising later, in particular the fee of the agent of sale for the immovable property unit and his expenses as well as the expenses that were incurred by the mortgage creditor by preparing the extra-judicial execution of the mortgage.
2. If the owner of the immovable property unit, or another person entitled to do so, remedies the non-performance, the mortgage creditor has to notify the owner of the immovable property unit in writing within twenty one (21) days of the performance and hereby give notice that the non-performance was remedied from that date. The owner of the immovable property unit has to apply for the notification of non-performance to be cancelled at the immovable property rights register respectively the cadastral office at which the notification was initially

registered. Apart from the registration fee no further costs or expenses are incurred for the entry of cancellation.

Article 209 **Notification of sale**

1. If the non-performance is not remedied in accordance with the provisions of Article 208 by the time as determined by the notice of non-performance specified in Article 206, the mortgage creditor may instruct the sales agent to proceed with the extra-judicial sale of the mortgaged immovable property unit.
2. The sales agent has to calculate the minimum purchase offer for the immovable property unit that may be accepted at the auction of the encumbered immovable property unit. The minimum offer must at least be the sum of the following items:
 - 2.1. unpaid claims for which security rights over the encumbered immovable property unit are registered;
 - 2.2. fee of the sales agent;
 - 2.3. sale price of the immovable property unit;
 - 2.4. unpaid taxes on the immovable property unit; and
 - 2.5. costs of the sale itself.
3. The sales agent has to submit an application to enter the notification of sale into the immovable property rights register. The application must contain the following information:
 - 3.1. date and time of the sale;
 - 3.2. place of sale which shall be in the same municipality as the immovable property unit;
 - 3.3. address, cadastre number and name of location of the cadastral office of the encumbered immovable property unit as well as a description of its kind of use;
 - 3.4. amount of the minimum offer for purchasing the immovable property unit;
 - 3.5. whether instead of cash payment in money another method is acceptable for payment of the purchase price and if so which kind;
 - 3.6. amount of a security to be deposited; and
 - 3.7. name, address and telephone number of the sales agent for the mortgaged immovable property unit sale.

Article 210 **Distribution and Publication of Notice of Sale of the Immovable Property Unit**

1. No later than ten (10) days after registration of the notice of sale of the immovable property unit, the mortgage creditor and sales agent of the immovable must send copies of the notice of sale to all persons who are entitled to receive a notification of non-performance according to Article 207.
2. The mortgage creditor or the sales agent must send copies of the notice of sale to all persons mentioned in Article 207 and follow the procedure that this provision requires.
3. The sales agent has to publish the notice for sale of the immovable property unit

for three consecutive weeks at least once a week in newspapers or journals with a circulation of more than five thousand (5000) copies in Kosovo and in the area where the immovable property unit to be sold is located. The first notice shall be published no later than twenty one (21) days before the date of the sale.

4. No later than fourteen (14) days before the date of sale, the sales agent has to communicate the notice of sale by announcement on public boards for announcements in the office of the local authority of the place where the immovable property unit shall be sold; as well as in a visible place on the immovable property unit that is to be sold, if this is feasible and is not barred for any reason.
5. If the immovable property unit consists of a building, the announcement is to be attached to the door of the building. If this is not possible or not feasible, the notice is to be placed in a visible place of the building. If entry to the building is possible only through one entrance, the announcement is to be attached to this door or to a similar place.

Article 211 Postponement of Sale

1. Until all the obligations resulting from the sale are paid, the mortgage creditor can instruct the sales agent of the encumbered immovable property unit to defer the sale.
2. A sale according to Paragraph 1 can be postponed no more than two times without a new notice of sale becoming necessary. Where the sale is postponed more than twice a new notice of sale according to the provisions of Articles 209 and 210 must fix a new date of sale.
3. A sales agent of an encumbered immovable property unit has to defer the date of sale if the competent court of Kosovo so orders or if the procedure is interrupted due to a law or if the owner of the immovable property unit and the mortgage creditor has so agreed. A rescheduling of the sale on the basis of this paragraph is not a voluntary rescheduling according to Paragraph 2 and is therefore not to be counted towards the maximum number of deferrals to be admitted according to Paragraph 2. The same applies if the sales agent defers the sale of the encumbered immovable property unit due to a reasonable concern that a request to open bankruptcy proceedings will be filed. The sales agent for the encumbered immovable property unit announces publicly any deferral of the sale and its reasons in the final location where the sale should have been held. The new time and place of the sale are to be announced at the same time and in the same manner.

Article 212 Sale

1. The encumbered immovable property unit is to be sold according to the provisions of this Article and the following Article. Any provisions in the mortgage agreement that are contrary to the foregoing are void.
2. The sale can take place on any day from Monday to Saturday between 9 and 15

hours, except for bank holidays, but no sooner than forty five (45) days after the registration of the notice of sale and no later than ninety (90) days after this registration.

3. Prior to the request to submit offers, the sales agent may request proof of qualification from each participant of the auction by lodging a deposit of ten (10) per cent of the required minimum offer. The deposit may be in cash or another manner corresponding to cash in accordance with the notice of sale.

Article 213

Sale through public auction

1. Sale takes place through public auction. The mortgaged immovable property unit is sold to the offeror who offers the highest purchase price. The sales agent acts as an auctioneer and conducts the sale in a commercially reasonable manner in order to achieve the highest possible price.
2. Each offer of a price for the purchase of the immovable property unit is deemed to be irrevocable. Each subsequent offer of the same offeror or of another offeror repeals the prior offer.
3. Within five (5) days after the auction is finalized, the successful offeror must pay the sum of the successful offer to the sales agent, deducting any deposit.
4. If the payment mentioned in Paragraph 3 is not made, the owner of the immovable property unit acquires the deposit. A new sale takes place.

Article 214

Transfer of the mortgaged immovable property unit

The transfer of ownership over the encumbered immovable property unit to the buyer is effective upon being entered into the immovable property rights register.

Article 215

Distribution of proceeds of sale

1. The sales agent distributes the proceeds of sale of an encumbered immovable property unit according to the following ranking:
 - 1.1. fiscal claims related to the encumbered immovable property unit and other charges or claims with which the immovable property unit is encumbered which have priority in enforcement of a mortgage;
 - 1.2. expenses of the sale including taxes which the sales agent is obliged to pay because of his instructions as provided for in Article 217 of this law;
 - 1.3. the secured claim of the mortgage creditor;
 - 1.4. claims secured by any other mortgage over the encumbered immovable property unit according to their ranking;
 - 1.5. the excess to the owner of the immovable property unit.
2. The owner of the immovable property unit remains liable to the mortgage creditor, insofar as the secured claim is not fully discharged by the proceeds of the sale.
3. If the mortgage creditor does not file a law suit for his unpaid claim against the

owner of the immovable property unit within ninety (90) days after the sale of the immovable property unit, the proceeds of the sale are deemed to have fully satisfied the claim of the mortgage creditor and he cannot claim any further payment for the unpaid part of the secured claim.

Article 216

Legal remedies of the owner of the immovable

1. The owner of the immovable property unit may file a request to the court which has jurisdiction over the location of the immovable property unit to discontinue the sale of the immovable property unit or to declare a performed sale to be void or to establish other measures.
2. The request has to be filed within thirty days (30) after completion of the sales contract according to Article 213. The court has to decide whether: there is in fact a non-performance of the owner of the immovable property unit which justifies the extra-judicial sale of the encumbered immovable property unit; or the sales agent of the encumbered immovable property unit has conducted the procedure of the sale offer or of the sale itself in breach of the provisions of this law or other mandatory provisions.
3. The court decides in expeditious proceedings.
4. The credit institution which violates the provisions of this section of the law in order to obtain unjustified advantages, is subject to disciplinary measures by the Authority for Banks and Payments in Kosovo and other measures that the court may order.

Article 217

Duties and obligations of the sales agent

1. The sales agent for the encumbered immovable property unit must comply with the provisions of this section of the law. The agent is not liable for consequences of actions undertaken in good faith whilst complying with these provisions.
2. The agent may ask, within an agreement with the mortgage creditor, for reimbursement of his expenses for his services regarding the sale of the immovable property unit as for the taxes relating to that transaction. The amount of such expenses cannot exceed 1.5 percent of the sale proceeds.
3. The sales agent opens a bank account at a bank that is licensed by the Kosovo Central Bank for every sale procedure of a mortgaged immovable property unit according to the provisions of this Paragraph. The account shall only be used for distribution of the sale proceeds of a mortgaged immovable property unit in accordance with Article 215. The account is designated in a specific way referring to the immovable property unit subject to sale.

**PART VII
REAL RIGHTS OF USE**

**CHAPTER I
USUFRUCT**

**SUB-CHAPTER 1
USUFRUCT IN THINGS**

**Article 218
Concept of Usufruct**

1. Movable and immovable property can be encumbered in such way that a person for whose benefit the encumbrance is made is entitled to use and encumber the property (usufruct) provided the substance of the property remains unimpaired.
2. The usufruct may be restricted to exclude specific uses.

**Article 219
Transferability of Usufruct**

1. A usufruct held by a natural person is not transferable. The encumbered property, however, may be relinquished to another person in order for this person to exercise the usufruct.
2. If a usufruct is held by a legal person or a partnership with legal personality, the usufruct is transferred if the assets of the legal person or the partnership are assigned to another person by way of universal succession. If a business or part of a business operated by a legal person is transferred to another person, a usufruct may be transferred to the acquirer if the usufruct is considered beneficial for the purposes of operating the business or a part thereof.

**Article 220
Creation of Usufructs**

Usufructs may be created by contract or court decision.

**Article 221
Establishment of Usufruct in Movable**

For the creation of usufructs in movable property, the owner has to deliver the property to the beneficiary (usufructuary) and both have to agree that the usufruct passed to the usufructuary.

**Article 222
Establishment of Usufruct in Immovable Property**

For the creation of usufructs in immovable property, a written contract stating that the

owner and the usufructuary intend to establish the usufruct and the registration of the usufruct in the immovable property rights register are required.

Article 223
Extension to Fixtures

1. A usufruct in immovable property extends to the fixtures of the property without the requirement for the fixtures to be delivered to the usufructuary.
2. The owner and the usufructuary may agree otherwise.

Article 224
Right of Possession of Usufruct

The usufructuary is entitled to possession of the movable property encumbered by the usufruct.

Article 225
Exercise of Usufruct

1. In exercising the right of use, the usufructuary must maintain the current economic purpose of the property and must proceed in compliance with the rules of proper management.
2. If, at the time the usufruct was established, the immovable property is used for the exploitation of raw materials such as stone, gravel, sand, loam, clay, marl, peat or other, the usufructuary may construct or otherwise erect new installations to extract such raw materials except where the economic purpose of the property is materially altered as a result of such installation.

Article 226
Maintenance of Property

1. The usufructuary must provide for the maintenance of the property in order for its substance to remain unimpaired.
2. The usufructuary is obligated to carry out repairs and renovations only to the extent that these are part of the normal maintenance of the property.
3. The usufructuary is not obligated to carry out extraordinary repairs and renovations, but must permit the owner to undertake such repairs or renovations.

Article 227
Compensation for Expenditures

If the usufructuary incurs expenses for the property beyond what is necessary for maintaining the substance of the property, the owner is obliged to reimburse the usufructuary based on the provisions applicable for expenditures incurred by unauthorised agents.

Article 228
Duty of Notification by the Usufructuary

If the property is destroyed or damaged or if an extraordinary repair or renovation or a precautionary measure for protection of the property against unforeseen hazards becomes necessary, the usufructuary must notify the owner without undue delay. A third party claiming a right to the property has to be informed in the same way.

Article 229
Payment of Charges

1. For the duration of the usufruct, the usufructuary is obligated to pay all ordinary public charges due for the property, such as taxes and fees. The usufructuary is further obligated to pay private charges that were levied on the property as of the date the usufruct was created, in particular interest on a mortgage and land charges.
2. Extraordinary public charges aiming at the original value of the property need not be paid for by the Usufructuror.

Article 230
Protection of Owner's Rights

1. If the conduct of the usufructuary, in particular relating to its obligation to maintain and return the property, threatens a material impairment of the owner's rights, the owner may demand a security. If the usufructuary does not provide such security, the usufruct is deemed to be cancelled.
2. If the usufruct is deemed to be cancelled, the usufructuary is entitled to compensation for the uncollected benefits of the usufruct.

Article 231
Application Prohibitory Injunction

If the usufructuary uses the property in an unauthorised manner, the owner may issue a warning to the usufructuary. If the usufructuary continues the unauthorised use notwithstanding that a warning was issued, the owner may seek an injunction against the usufructuary prohibiting the unauthorised use.

Article 232
Protection of Usufruct

The usufructuary is entitled to the same rights as the owner against any third party interference with the usufruct.

Article 233
Limitation of Claims for Compensation

The compensation claim of the owner for modifications or deterioration of the property, and the claim of the usufructuary for reimbursement of expenses or permission to remove an installation are subject to a one year limitation period.

Article 234
Usufructuary's Duty to Return

The usufructuary is required to return the property after the usufruct has terminated.

Article 235
Death of the Usufructuary

1. The usufruct terminates:
 - 1.1. with the death of the usufructuary, if the usufructuary is natural person.
 - 1.2. in the case that the Usufructor is a legal entity with its termination.

Article 236
Termination of Usufruct abandoned by usufructuary

1. A usufruct in immovable property terminates when the usufructuary gives the owner a notice of termination and the termination is registered into the immovable property rights register.
2. A usufruct in movable property terminates when the usufructuary declares to the owner that the usufruct is abandoned.

Article 237
Usufruct in Share of Joint Ownership

1. If a usufruct is established in the share of a joint owner, the usufructuary may administer and use the property in the same manner as the joint owner.
2. A request to terminated joint ownership in property for which a usufruct is established must be made jointly by the joint owner and the usufructuary.

Article 238
Usufruct in Consumable Property

If consumable property is subject to a usufruct, the usufructuary becomes the owner of the property. After the termination of the usufruct, the usufructuary must reimburse the previous owner for the value that the property had at the time the usufruct was granted. Both, the previous owner and the usufructuary, at their own expenses may have the value of the property established by experts. The previous owner and the usufructuary may enter into an agreement setting out different conditions for the usufruct.

CHAPTER II USUFRUCT IN RIGHTS

Article 239 Usufruct in Rights

1. A transferable right may be encumbered by a usufruct.
2. Usufructs in rights are governed by the provisions on usufructs in property, unless the following provisions provide otherwise.

Article 240 Creation of a Usufruct in a Right

1. The creation of a usufruct in a right is governed by the provision applicable for the transfer of the right, with the necessary modifications.
2. A usufruct may not be created in a right that is not transferable.

Article 241 Usufruct in Right to a Performance

If a right under which performance may be demanded is encumbered with a usufruct, the legal relationship between the usufructuary and the person obliged to perform is governed by the provisions that apply to the legal relationship between the transferee of the right to demand a performance and the person obliged to perform with the necessary modifications.

Article 242 Termination or Alteration of Encumbered Right

A right encumbered by a usufruct may only be altered or terminated by a legal transaction with the approval of the usufructuary.

Article 243 Effect of Performance

1. Upon performance by the obliged party to the usufructuary, the creditor of the claim for performance acquires ownership of the property and the usufructuary acquires a usufruct in the property.
2. If consumable property is delivered, the usufructuary acquires the ownership.

Article 244 Usufruct in Interest-Free Claims

1. The usufructuary of a claim may collect any payment made on the claim when it falls due. If the due date depends on a notice to be given, the usufructuary may give such notice.

2. If the usufructuary collects funds, the collection in an orderly manner has to be ensured
3. The usufructuary is not entitled to any further dispositions.

Article 245

Usufruct in Interest Bearing Claims

1. If an interest bearing claim is the subject of a usufruct, the following provisions apply:
 - 1.1. the debtor may only pay the principal amount due to the usufructuary and the creditor jointly. Each of the creditor and the usufructuary may require that payment or a deposit on the payment is made to them jointly.
 - 1.2. the usufructuary and the creditor may give notice of the due date only jointly. A notice from the debtor is effective only if it is declared to both the usufructuary and the creditor.
 - 1.3. when collecting payment on a claim fallen due or giving notice of its due date to the debtor the usufructuary and the creditor are obligated to cooperate, in particular if the due date for such claim depends their prior notice and the claim's viability is at risk.
 - 1.4. the usufructuary and the creditor are obliged to cooperate in the investment of the principal collected and the creation of a usufruct for the benefit of the usufructuary, who may also determine the nature of the investment. The creditor may refuse such determination if the investment does not seem sufficiently safe.

Article 246

Usufruct in Bearer Instruments or Instruments Made out to Order

1. If a bearer instrument or an instrument made out to order and bearing a blank endorsement are the subjects of a usufruct, the usufructuary and the owner are jointly entitled to possession of the instrument and the renewal certificate for the instrument. The usufructuary is entitled to possess the interest, annuity or dividend coupons.
2. The usufructuary or the owner may request that the instrument and the renewal certificate be deposited at a depository institution with the stipulation that delivery may be requested only by the usufructuary and the owner jointly.
3. The usufructuary and the owner of the instrument are obligated to cooperate for the purpose of collecting the capital due, obtaining new interest, annuity or dividend coupons and undertaking other measures that are necessary for proper asset management.
4. In case of a redemption of the instrument, the provisions of Article 245 of this law apply with necessary modifications.

Article 247
Usufruct in Assets, Inheritance and Enterprises

A usufruct in the assets of a person, an inheritance, or an enterprise may be created only in such a way that the usufructuary obtains the usufruct in the individual items constituting such assets, inheritance, or enterprise.

Article 248
Rights of Creditors of the Usufructuary

1. Creditors of the owner of assets encumbered by a usufruct may, to the extent that their claims arose before the usufruct was granted, satisfy their claims out of the property encumbered by the usufruct.
2. If the property encumbered with usufruct is consumable, the creditors of the owner may claim compensation for the value of the property from the usufructuary; satisfaction of claims out of the property encumbered by the usufruct is excluded.

Article 249
Relationship between Usufructuary and Owner of Assets

1. If a claim for a particular asset falls due which arose before the usufruct in the owner's assets was created, the owner may require the usufructuary to return the asset that is necessary to satisfy the creditor's claim.
2. If the asset owed is encumbered by the usufruct, the usufructuary may satisfy the claim by delivering the asset to the creditor. If the asset owed is not subject to the usufruct the usufructuary is entitled, for the purpose of satisfying the creditor, to dispose of any of the encumbered assets, provided that it cannot reasonably be expected from the creditor to wait for the claim to be fulfilled by the owner.

Article 250
Liability of Usufructuary

1. The owner's creditors whose claims were already subject to interest at the time when the usufruct was created may, for the duration of the usufruct, require the usufructuary to pay the interest. The same applies to other recurring payments that are under normal circumstance satisfied from the income of the assets encumbered by the usufruct, if the claim arose before the usufruct was created.
2. The usufructuary is liable to the owner for the satisfaction of creditors for all liabilities arising under paragraph 1 of this Article.
3. The liability of the usufructuary to satisfy the owner's creditors may not be excluded or restricted by agreement between the usufructuary and the owner.

Article 251
Usufructs in Enterprises

1. The creation of a usufruct in an enterprise must also be entered into the Companies Registry.

2. The usufructuary is entitled to the use and operation of all assets of the enterprise and becomes the ultimate beneficiary of all claims the enterprise has against third parties, unless owner and usufructuary agree otherwise.
3. The usufructuary must manage the enterprise with the due care and diligence of an ordinary businessman.
4. The usufructuary is entitled to all profits of the enterprise. Annual financial statements of the enterprise determine the amount of profit available to the usufructuary. The financial statements must be prepared in accordance with the relevant legislation not taking into account that the enterprise is encumbered with the usufruct. All financial statements must determine the amounts of depreciation and reserves appropriate for the enterprise.
5. At the time the usufruct terminates, the usufructuary must return the enterprise and all its assets to the owner. In addition and if the value of all current assets returned to the owner is lower than their value at the time of the creation of the usufruct, the usufructuary must compensate the owner accordingly.

CHAPTER III REAL SERVITUDES

Article 252 Definition

1. A real servitude is an encumbrance of an immovable property (subservient plot) that grants the owner of another immovable property (dominant plot) the right to use the subservient plot in a specific manner, or to require that particular acts are not undertaken on the subservient plot, or to exclude the exercise of a right arising from the ownership of the subservient plot in relation to the dominant plot.
2. A real servitude that should offer any benefit for the use of the dominant plot by the person entitled is impermissible.
3. A real servitude cannot commit the owner of the subservient plot to any specific act or performance.

Article 253 Establishment of a Real Servitude

1. A real servitude may be established by a legal transaction, a decision of a state body, or by law.
2. A contract establishing a real servitude requires the written agreement of the parties setting out the content of the real servitude and the entry of the real servitude in the immovable property rights register. The contract must contain the agreement of the parties that they want to establish a real servitude and its content.
3. Provisions in paragraph 1 and 2 of this article shall apply in all cases if by the administrative decisions or by separate law is provided otherwise.

Article 254
Considerate Exercise of the Real Servitude

1. A person entitled to a real servitude must exercise it in a manner that affects the subservient immovable property as modestly as possible.
2. When exercising a real servitude, the person entitled must observe the interest of the owner of the subservient plot as far as possible unless this would limit the exercise of the servitude.

Article 255
Duty of Maintaining Installations

1. If the exercise of a real servitude includes the use of an installation on a subservient plot, the beneficiary of the servitude must maintain such installation. If the installation is maintained on the subservient plot for the mere purpose of exercising the servitude, the beneficiary of the servitude must keep the installation in proper condition to the extent that the interest of the owner of the subservient plot requires this.
2. Notwithstanding paragraph 1, the parties may agree that the owner of the subservient plot must maintain the installation to the extent that the interest of the beneficiary of the servitude requires this.
3. If the owner of the subservient plot is also entitled to use the installation, it can be agreed that the beneficiary of the servitude must maintain the installation to the extent necessary for the exercise of the owner's right of use.
4. For the duties of maintenance, the provisions on land charges apply with the necessary modifications.

Article 256
Moving the Encumbrance

1. If the exercise of a real servitude is restricted to a part of the subservient plot, the owner of the plot may require the use to be moved to another place on the subservient plot in order to reduce the burden on the plot, provided that this does not limit the essential interest of the beneficiary of the servitude.
2. The right to request such move may not be excluded or restricted by legal transaction.

Article 257
Division of Plot

1. If the dominant plot is divided, the real servitude continues to exist for the separated parts. If the real servitude benefits only one part, it is extinguished for the other parts. The use of the real servitude after such division may not place an additional burden on the subservient plot.
2. If the subservient plot is divided, the real servitude continues to encumber the separated parts. If the use of the real servitude is restricted to a particular part of

the subservient plot, the parts that lie outside the area of use are released from the real servitude.

Article 258
Protection with Real Servitude

If the exercise of servitude is interfered with, the beneficiary of the servitude has the rights set out in Article 102 of this law.

Article 259
Protection of Lawful Possessor

If the possessor of a dominant plot is disturbed in the use of the real servitude registered in the immovable property rights register, the provisions applying to the protection of a possessor are applicable with necessary modifications.

Article 260
Termination of Real Servitudes

1. The termination of a real servitude requires the owner of the dominant plot to give notice of the intent to terminate the real servitude and an entry into the immovable property rights registry.
2. The owner of the subservient plot can demand the termination of a real servitude if it is no longer necessary for the use of the dominant plot or if the circumstances since the creation of the servitude have otherwise substantially changed. An entry into the immovable property rights register is required.

CHAPTER IV
PERSONAL SERVITUDES

Article 261
Definition

1. A personal servitude is the right of the person for whose benefit the immovable property unit has been encumbered entitling him to use the immovable property unit in a specific way or to require certain actions to be omitted or to refrain from exercising a right that arises out of the immovable property unit
2. The provisions of Articles 253 to 259 apply to personal servitudes *mutatis mutandis*.

Article 262
Non-Transferability of Personal Servitude

1. A personal servitude is not transferable in favour of a natural person. The rights arising from a personal servitude can be left to be exercised by a third party. It is not permissible to surrender the immovable property to another person for the purpose of such person to exercise the rights from the personal servitude.

Civil laws

2. The transfer of a personal servitude or the right to be granted a personal servitude registered for a legal person or a partnership with legal personality follows the provisions of Article 219 paragraph 2 of this law.

Article 263

Termination of Personal Servitudes

1. A personal servitude terminates with the death of the entitled person.
2. A personal servitude granted to a legal person or a partnership with legal personality terminates when the entity ceases to exist.

Article 264

Right of residence

1. A personal servitude can be granted to entitle a person to use a building or part of a building as a residence.
2. The right to use such building may not be transferred to another person.
3. This right of residence is governed by the provisions applying to usufruct, with necessary modifications.

CHAPTER V

REALTY CHARGES

Article 265

Realty Charges

1. Any immovable property may be encumbered in such a manner that recurring performances are to be rendered to a beneficiary on account of the immovable property (charge).
2. A charge may be created for the benefit of a person (personal realty charge) or in favour of the current owner of another immovable property (realty charge).

Article 266

Creation of Charges

1. The creation of a charge requires a written agreement and registration of the charge in the immovable property rights register.
2. A charge may be created by law.

Article 267

Personal Liability of Owner

1. Individual performances resulting from a charge shall be delivered by the owner of the immovable property so charged, unless otherwise provided.
2. The owner of an immovable property encumbered by a charge is personally liable for all performances that fall due while his ownership lasts, unless otherwise provided in a written agreement between the owner and the beneficiary.

Article 268
Individual Performances

The provisions applicable to the payment of interest on a claim secured by a mortgage apply, with the necessary modifications, to individual performances due under a charge.

Article 269
Division of Immovable Property

1. If an immovable property that benefits from a charge on another immovable property is divided, the charge will continue to benefit the separated parts of the property.
2. If the performance is divisible, the shares in the entitlement are determined according to the size of the parts of the divided property.
3. If the performance is not divisible, the owner of the encumbered immovable property may only deliver to all beneficiaries jointly. Every beneficiary may demand performance to all beneficiaries. The exercise of the right under the charge is, in case of doubt, permissible only in such a manner that it does not become more onerous for the owner of the immovable property so encumbered.
4. The beneficiaries may determine that all rights out of the charge shall be linked only to one part of a divided immovable property. Such determination must be registered in the immovable property rights register.

Article 270
Charge on Land

A charge on an immovable property which exists in favour of the current owner of another immovable property may not be severed from the ownership of this immovable property.

CHAPTER VI
BUILDING RIGHT

Article 271
Concept

1. A building right is a right to ownership of a building on or under the surface of an immovable property.
2. A building right encumbers at the time of its creation the immovable property on which the building exists or will be constructed.
3. A building constructed pursuant to a building right is a component part of the building right.
4. A building right may not be restricted to a part of the building, such as a level or storey.
5. A building right may be alienated or inherited.

Article 272
Application of Real Rights

The provisions of this law applicable to immovable property, in particularly the provisions concerning mortgages, apply to building rights, with necessary modifications.

Article 273
Establishing a Building Right

1. The establishment of a building right requires a valid contract between the owner of the immovable property and the beneficiary by which the parties agree on establishment of a building right and the registration of the right in the immovable property rights registry.
2. The owner of an immovable property may establish a building right for his own benefit.
3. A contract to establish a building right must contain the name of the immovable property owner, a precise description of the immovable property encumbered by the building right, and the duration of the building right.
4. The duration of the building right shall be regulated with the agreement between parties, if it is not provided otherwise by separate law, but the duration shall not exceed ninety nine (99) years.

Article 274
Optional Content of a Building Right

1. The content of the building right may include provisions on the following:
 - 1.1. the erection, maintenance and use of a building;
 - 1.2. the immovable property owner's remedies in case of a breach of the contract establishing the building right, in particular as to violations of the obligation to erect, maintain, or use the building;
 - 1.3. the building insurance and any plans for re-erecting the building in the event the building is destroyed;
 - 1.4. the liability for public and private charges and encumbrances;
 - 1.5. the obligation of the beneficiary to transfer the building right to the owner of the immovable property unit under certain conditions (reversion);
 - 1.6. the immovable property owner's entitlement to consent to transfers, encumbrances, and realty charges concerning the building right;
 - 1.7. the obligation of the beneficiary to pay compensation for use and penalties for the breach of the contract establishing the building right.

Article 275
Compensation for Use

1. If for reasons to compensate for the use of the immovable property a recurring performance is agreed, the provisions on realty charges apply with necessary modifications.

2. The compensation for use must be specified for the amounts due during specific periods of time. The compensation for use may be specified in a foreign currency. The value of the compensation for use may be indexed to official public valuations that may exist for such building right or to the officially determined rate of inflation.
3. If it is impossible to determine the value of a compensation for use, the competent court shall determine an adequate evaluation of or any adjustment to the compensation for use. The personal circumstances of the parties may not be taken into consideration when such determining is made.

Article 276

Establishing Separate Ownership over Building Units

1. The Separate Ownership over a building unit may also be established in a building right.
2. If several persons are entitled to the building right, each one of them must be allocated singular ownership over one or several particular rooms.
3. If only one person is entitled, the provisions regarding the creation of singular ownership over a building on the part of one owner are applicable *mutatis mutandis*.

Article 277

Enforcement Actions

1. In case enforced actions are executed against an immovable property encumbered with a building right, the provisions regarding enforcement actions taken against an immovable property encumbered with a real servitude are applicable with necessary modifications.
2. In case enforcement a building right may have to be enforced against an immovable property, the provisions regarding enforcement actions taken against an immovable property are applicable with necessary modifications.

Article 278

Termination of Building Right

1. A building right terminates after the agreed period of time.
2. A building right can be terminated early if the owner of the immovable property and the beneficiary of the building right agree by contract that the building right is terminated.
3. The provisions regarding the creation of a building right apply with necessary modifications to the termination contract.
4. If a building right is encumbered with the right of a third party, the termination requires the written consent of the third party.

Article 279
Termination of a Building Right for Non-Payment

If the beneficiary is in arrears with amounts of up to two annual payments of compensation for use the owner of the immovable property may terminate the building right and demand from the beneficiary the transfer of the building right (reversion).

Article 280
Consequence of Termination

1. Upon the termination of a building right, the building becomes part of the immovable property.
2. If the owner and the beneficiary have not agreed otherwise, the owner must compensate the beneficiary with a sum equal to one-fourth of the market value of the building. The compensation shall be calculated based on the value of the building on the day the building right is terminated.

Article 281
Mortgages and Real Servitudes over the Building Right

1. After the termination of the building rights the building's right creditor (the mortgage creditor or the realty charge's beneficiary) obtains a claim for satisfaction out of the claim for compensation.
2. The owner is not released from his obligation to compensate until he delivers the indemnification to the mortgage creditor or the real servitude's beneficiary.
3. Furthermore the mortgage creditor and the realty charge's beneficiary are entitled to the same rights they would have in the case of termination due to forced execution.

PART VII
TRANSITIONAL PROVISIONS

Article 282

1. This law is applicable to all conveyances of ownership over movable things or immovable property units after its coming into force.
2. Conveyances of ownership for which at the time of coming into force of this law only the underlying obligational legal transaction for the transfer of ownership existed whereas according to former law, legal validity was subject to additional requirements (especially approvals for registration), remain subject to special regulation other than this law.

Articles 283

1. A bona fide acquisition has to comply with Article 21 of this law if the acquisition of ownership in accordance with Article 21, paragraphs 1, 2 and 4 or of the indirect

possession in accordance Article 21, paragraph 3 as well as of a transfer in accordance with Paragraph 4 have taken place after this law has come into force.

2. This also applies to the extinguishment of rights in accordance with article 25 of this law.

Article 284

The exclusion of a bona fide acquisition is determined in accordance with article 23 of this law if the time when direct possession was acquired, or indirect possession as well as the transfer, is after the coming into force of this law. This also applies if the time of the involuntary loss of the thing was before the coming into force of this law.

Article 285

The presumption of ownership in accordance with article 26 is also then barred against the former possessor if the latter lost possession involuntarily before the coming into force of this law.

Article 286

Regarding proof of entitlement to acquire ownership

1. In favor of persons who on the day of the coming into force of this law, are in possession of a Tapia-Deed issued before 23rd March 1989 stating that they or their legal predecessor are owner of an immovable property unit, it is presumed that they are the owners of the immovable property unit.
2. The presumption according to Paragraph 1 can only be rebutted by the enforceable decision of a court.
3. Persons which at the day of coming into force of this law are in possession of a Tapia Deed issued after 23rd March 1989 stating that they or their legal predecessor are owner of an immovable property unit must have the Deed verified by the competent court of Kosovo in the procedure foreseen by the law.

Article 287

1. The acquisition of ownership in an immovable property unit requires entry into the registry for immovable property rights, if the registry for immovable property rights has been established and is functioning.
2. Before establishment and functioning of the registry for immovable property rights acquisition of ownership in an immovable property unit requires that the agreement on the purchase of the immovable property unit be registered with the competent court. A regulation issued by the competent ministry determines the procedure on registration.

Article 288

A movable thing cannot be acquired by acquisitive prescription if the owner involuntarily lost his direct or indirect possession over it in the period between March 23nd, 1989 and the coming into force of this law.

Article 289

Ownership can only be acquired according to article 41 of this law if the period according to article 41 of this law, first sentence, has begun after the time in which the immovable rights register was established and commenced its activities.

Article 290

Claims based on articles 93 – 102 can also be made if necessary and useful expenditures were made before the coming into force of this law.

Article 291

1. The provisions of this law are applicable to possessory relationships that exist on the day of the coming into force of this law.
2. Unless existing legal relationships provide for more favorably, natural persons or legal entities are entitled to possess an immovable property unit:
 - 2.1. who built or have commenced to build a building with the required permission of public authorities, or
 - 2.2. who have bought a building erected on an immovable property unit.

Article 292

Ownership over a building unit

1. Independent ownership over a building unit is to be registered on application of the entitled party as an encumbrance of the immovable property unit. An independent immovable property rights register folio needs to be created for the building.
2. The acquisition of independent ownership over a building unit is only possible if the ownership over the building is registered as an encumbrance of the immovable property unit.

Article 293

Rights of pledge, which according to typed in paragraph 1 must comply with the provisions, which are applicable on the coming into force of this law or which may come into force in the future.

Article 294

1. Mortgages which are still in existence according to the Law on Mortgages (2002/21) from December 20th 2002 remain subject to the provisions of that law.
2. Mortgages, which were established before the coming into force of this Law should be in compatibility with applicable conditions of registration established by this law.

Articles 295

1. All rights of usufruct, real servitudes, personal servitudes and realty charges which were in existence on the day of the coming into force of this law remain further subject to the provisions which were applicable to them before the coming into force of this law.
2. Contrary to paragraph 1 the necessity, requirements and effects of the registration of a right mentioned in paragraph 1 must comply with the provisions which are applicable to them before the coming into force of this statute.
3. If an entry into the immovable rights register becomes necessary according to provisions which are applicable at the time of the coming into force of this law, the entry must be applied for. In three months after entry of this law into force, otherwise is the right terminated.

Article 296

By the entering into force of this law, all provisions of the previous laws that have regulated this field shall have no effect, unless the law otherwise provides.

Article 297

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

**Law No. 03/L-154
25 June 2009**

Promulgated by the Decree No. DL-016-2009, dated 15.07.2009, of the President of Republic of Kosovo, Dr. Fatmir Sejdiu.

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**PART ONE
GENERAL PROVISIONS**

I. PRINCIPLES

**Article 1.
Scope of Regulations**

This Law regulates engagement, marriage, relations between parents and children, adoption, custody, protection of children without parental care, family property relations and special court procedures for disputes of family relations.

**Article 2.
Family**

1. Family is a vital community of parents and their children and other persons of the kin.
2. Family is the natural and fundamental nucleus of society and enjoys the right to protection.

**Article 3.
Principles on Regulations on Family Relations**

Regulation of family relations is based on the principles:

- 1) Equality between husband and wife, respect and mutual assistance between them and family members
- 2) Protection of children's rights and the responsibility of both parents for the growth and education of their children, where by children are meant persons under age of 18.
- 3) Parents and children owe to each other assistance and consideration for the entire span of their lives
- 4) Children of parents, who were not married at the time of birth, enjoy the same rights and have the same obligations as children born from parents who were married at the time of birth.

Article 4.

All persons enjoy equal treatment of rights and obligations set forth in this Law. There shall be no direct or indirect discrimination against any person or persons based on sex, age, marital status, language, mental or physical disability, sexual orientation, political affiliation or convictions, ethnic origin, nationality, religion or belief, race, social origin, property, birth or any other status.

II. PROTECTION OF RIGHTS

Article 5. Social Protection

1. Children without parental care, and those with diagnosed mental or physical disorders as well as parents who are not capable to create necessary living conditions for themselves and their children are under special financial and social support.
2. The social community undertakes custody for elderly persons in cases when they are not capable to ensure living conditions and have no other persons in their kin who are obliged by Law to provide assistance.

Article 6. Institutional Protection of Rights

1. Protection and family assistance shall be governed by the competent body of the municipal administration which is responsible for issues of social assistance.
2. The Custodian Body is an administrative municipal body competent for social issues. It shall be comprised of a group of experts with professional work experience in the specific field of duty.
3. The Custodian Body may also be a body (group of experts as mentioned above) of a specific social institution which is established by the Municipal Assembly to carry out such obligations.
4. The Custodian Body, participating in the procedures, is authorized to present motions for the protection of children's rights and interests, to present facts that parties have left out, to suggest administration of necessary evidence, to exercise legal remedies, and undertake other contentious actions. The court is obliged to summon the Custodian Body participating in the procedures, to all court session, and serve it with all the decisions.

Article 7. Form of Protection

1. For implementation of family relation's rights, the mother and child are provided special protection by means of social welfare.
2. Children without parental care are given special protection through custody, family shelter, residential shelter and adoption.

Article 8. Support

1. When applying this Law, legal and natural persons, providing professional assistance namely solving disputes between family members, shall mutually cooperate.
2. In this Law, unless the context otherwise requires:

- a) the singular includes the plural and the plural includes the singular,
- b) “he” includes “she” and “him” includes “her”.

PART TWO ENGAGEMENT AND MARRIAGE

I. ENGAGEMENT

Article 9. Engagement

Engagement is the mutual promise of two persons of different gender to get married in the future.

Article 10. No legal Claim or Promise of Penalty

1. No one can file a claim for a wedding bond due to the fact that he was engaged.
2. The Promise of a penalty for the case that the wedding bond will not be performed is void.

Article 11. Liability to pay Damages in Case of Rescission

1. If a fiancé resigns from an engagement, he is obliged to pay for any damages to the other fiancé, the parents of the other fiancé or third persons who acted on their behalf. The fiancé is liable for any expenditures or obligations which were invested on expectation of marriage. He is also liable for expenditures or obligations the other fiancé made on expectation of marriage, namely those which affect his assets or employment.
2. Liability for damages is limited to the extend expenditures or obligations were reasonable according to the circumstances.
3. There is no liability if there was an important reason for rescission.
4. Timely limitation for any claims under the rules of engagement is two years.

Article 12. Responsibility of the other Fiancé for Revocation

If a fiancé is responsible for the revocation of the other on terms of an important reason he is liable for any damages provided in of this Law.

Article 13. Return of Gifts

If no marriage follows the engagement, every fiancé may ask the other for the surrender of gifts he gave on the occasion of the engagement. In this case rules of

unjust enrichment of the Law on Obligations shall apply. In case one of the fiancés dies, the right to ask for compensation of damages shall not be executed.

II. MARRIAGE

1. Principles

Article 14. Marriage

1. Marriage is a legally registered community of two persons of different sexes, through which they freely decide to live together with the goal of creating a family.
2. Men and women, without any limitation due to race, nationality or religion, have the right to marry and found a family as well as they are equal to marriage, during marriage and at its dissolution.

Article 15. Capacity for Marriage

1. The capacity to enter into wedlock is obtained with full capacity to act.
2. Majority is obtained upon the completion of the eighteenth year of age.
3. Full capacity to act is obtained upon reaching majority or by entering into wedlock prior to this age.

2. Marriage Requirements

Article 16. Conditions for Entering into Wedlock

1. A person who has not reached the age of eighteen shall not enter into wedlock.
2. Due to justifiable reasons, the competent court may allow wedlock for a minor person older than sixteen years upon his request, if it concludes that the person has reached the necessary physical and psychological maturity for exercising his marital rights and to fulfill his marital obligations.
3. Prior to the decision, the court shall seek the opinion of the Custodian Body and shall hear the minor and his parents respectively the custodian. The court shall also hear the person with whom the minor intends to enter into wedlock and shall investigate other circumstances important for the decision.

Article 17. Certificate for Marriage-Eligibility for Foreigners

1. People of foreign nationality shall bring a marriage certificate provided by the authorities of their home country proving their eligibility for marriage under the rules of this Law, namely that no marriage prohibitions or bans exist.
2. The certificate loses its validity, if marriage is not bonded six months after the certificate was issued. If the certificate states a shorter time limit, this will apply.

3. Marriage Prohibitions and Bans

Article 18. Free Will

Marriage shall not be valid when the will has been obtained under coercion, threat or by mistake or any other lack of free will of the future spouses.

Article 19. Previous Wedlock

No one shall enter into a new wedlock unless the previous wedlock has legally ceased to exist.

Article 20. Capacity to Act

1. A person who has been deprived of his/her legal capacity by a court decision shall not enter into marriage.
2. Notwithstanding paragraph (1) of this article a court may exceptionally allow such a person to wed upon request. In such cases the court could seek the opinion of the parent, guardian or custodian of the person and the Custodian Body (Municipal Center for Social Work).

Article 21. Consanguinity

1. Persons related by blood in a direct blood line (consanguinity) or indirect blood line (kin), such as a brother and a sister from the same father and mother, father's and mother's sister and brother, uncle (mother's brother) and niece, aunt (father's sister) and nephew, children of mother's and father's sisters and brothers from the same mother and father (nephews and nieces), as well as sisters' and brothers' children of the same mother and father, shall not enter into wedlock.
2. This also applies for brothers and sisters from one mother or father as well as if the relationship has ceased to exist because of an adoption.
3. Extra-marital consanguinity is the same marriage ban as the marital one.

Article 22. Adoption

1. Adoption is a ban to wedlock.
2. Kin established by adoption is a ban to wedlock same as consanguinity.

Article 23.

Affinity

1. Persons in affinity; father-in-Law and daughter-in-Law, son-in-Law and mother-in-Law, stepmother and stepson, stepfather and stepdaughter shall not enter into wedlock, regardless of the fact whether the marriage that has created such relations has ceased to exist.
2. Due to justifiable reasons, the competent court may allow wedlock between persons in affinity after seeking opinion from the Custodian Body.

Article 24.

Custody

1. Marriage between the custodian and the person under custody is banned during the time of custody.
2. Due to justifiable reasons, the competent court may allow wedlock between persons as mentioned in Article 23 of this Law, if it obtained the opinion from the Custodian Body.
3. Custody ceases upon marriage between these persons whereas marriage remains valid.

4. Wedlock Application

Article 25.

Wedlock Application

1. Persons willing to marry shall file a request with the Municipal Assembly registrar.
2. A certificate of birth has to be attached to the request and when necessary, other documents if requested by the registrar.
3. The registrar decides on the marriage date in agreement with the persons willing to marry.

Article 26.

Reciprocal Information

Upon request the registrar shall recommend persons willing to marry to reciprocally be informed until the marriage date regarding their health, to visit a family consultancy to be provided with a professional opinion regarding the development of harmonious marital and family relations and to get acquainted with the opportunities and advantages of family planning and to agree on the future surname.

5. Wedlock Procedure

Article 27.

Location

1. Wedlock is solemnly entered into in specifically designated premises.
2. Wedlock may be entered into in other premises, if so requested by the spouses, provided they emphasize justifiable reasons.

Article 28.

Procedure with the Registrar

1. To enter into wedlock, it is necessary that two persons of opposite sex in the presence of one another freely declare their will and full consent for marriage in front of the registrar.
2. The statement shall be absolute and without dating.
3. Participating parties during the wedlock bond are the future spouses, two witnesses and the registrar.
4. Any person with the capacity to act may serve as witness during the wedlock bond.

Article 29.

Registrars Concurrence

The registrar is obliged to allow the wedlock procedure if there is no ban or prohibition. The registrar is obliged to refuse cooperation in the wedlock procedure, if any prohibition or ban exists. The registrar is not entitled to refuse cooperation, if no prohibitions or bans exist.

Article 30.

Entering into wedlock

The wedlock bond commences with the report presented by the registrar, stating the presence of the future spouses and the non-existence of marital bans and prohibitions provided for in this Law. This is concluded, based on the documents and statements of future spouses and witnesses.

Article 31.

Wedlock Bond

1. In case the registrar concludes the non-existence of prohibition and bans, he then shall inform the future spouses about the provisions of this Law regarding their rights and obligations, and shall read the same as well.
2. The registrar shall ask each future spouse separately, whether they agree to marry with one another.
3. After providing statements consenting for the marriage, the registrar shall announce the wedlock bonded.

6. Wedlock Refusal

Article 32. Wedlock Refusal

If the registrar concludes the existence of any marriage ban or prohibition, he orally informs the applicants that they cannot marry and makes official record in the minutes therein.

Article 33. Administrative Procedure

1. When the persons applying for wedlock disagree with the oral communication as provided for in Article 32 of this Law, they may request the registrar to bring a ruling on the refusal of the marriage request
2. The ruling provided for in paragraph 1 of this Article may be appealed within 8 days upon notification by competent bodies regarding the disallowance of marriage. Based on the request provided for in paragraph (2) of this Article, the competent body is obliged to issue a decision through administrative procedure within 15 days upon receipt of the request.

Article 34. Attendance

In the event that on the decided date of marriage the bride, groom or both do not appear and their absence is not justified, the request for wedlock shall be deemed to have been withdrawn.

Article 35. Marriage register

- (1) The registrar records the bonded wedlock in the marriage register, which is then signed by the spouses, two witnesses and the registrar.
- (2) Immediately upon wedlock, the spouses are provided with a certificate from the marriage register.

7. Regulations upon Religious Wedlock

Article 36. Preliminary Issues

Persons marrying according to religious rules shall not perform the wedding, unless the spouses testify the legal marriage bond through a certificate, issued by the marriage registrar.

**Article 37.
Documentation**

1. The official from the religious community, in front of whom wedlock was contracted in a religious way, shall provide the registrar with a document signed by the spouses, the witnesses and the representative of the religious community, proving the religious marriage bond.
2. The document foreseen in Paragraph (1) of this Article shall be delivered to the registrar within five days from the date of the wedlock.

**Article 38.
Registration**

1. The registrar is obliged to record the wedlock entered into in a religious way in the marriage register within three days upon receipt of the document provided for in this Law.
2. Immediately upon recording religious wedlock in the marriage register, the registrar shall issue the religious marriage certificate.

8. Factual Relationship (Out-of-marriage Relationship)

**Article 39.
Definition**

1. A factual relationship (out-of-marriage relationship) is the factual relationship between the husband and the wife who live in a couple, characterized by a joint life that represents a character of stability and continuation.
2. A factual relationship (out-of-marriage relationship) is equal with the marital status on the aspect of rights and obligations for caretaking, reciprocal financial support, and property rights as specified in this law.
3. A factual relationship does not produce the effect of paragraph 2 of this article if at the time of its creation these marital obstacles existed: existing marriage, blood gender at the level forbidden by this law, the adopting gender, mental illness, and disability to judge unless the obstacle no longer exists.

**Article 40.
Requirements**

People are considered to live in a factual relationship (out-of-marriage relationship), if they:

- 1) are eligible to marry, but did not obtain a legal marriage
- 2) have cohabitated openly as a couple.

Article 41.
Benefits

In a factual relationship (out-of-marriage relationship), spouses owe to each other the same respect, mutual understanding and support than under legal marriage.

III. RIGHTS AND OBLIGATIONS OF SPOUSES

Article 42.
Matrimonial Cohabitation

1. In marriage, namely in all personal and property relations, spouses are equal.
2. The wedlock is entered into for the entire lifespan.
3. Spouses are obliged to be faithful to one another and reciprocally assist, respect and financially support one another, especially in case that the other is lacking a sufficient material basis for living.
4. Spouses shall develop and live out the feeling of reciprocal solidarity, as well as solidarity towards their own or adopted children.

Article 43.
Matrimonial Surname

1. Spouses shall determine their common surname.
2. When entering into wedlock, the spouses through agreement may decide:
 - 1) that each of them retains his surname
 - 2) that the common surname shall be the one of either spouse
 - 3) to add to one surname the surname of the spouse.
3. A surname combination shall not be possible, if the surnames of the spouses are already composed of a double surname. In this case only one of the surnames may be combined with the name of the other spouse to become the matrimonial surname.
4. In case spouses do not decide on a matrimonial surname, each of them retains his own surname.

Article 44.
Residence, Maintenance and Occupation

1. Spouses decide on the place of residence through agreement.
2. The spouses decide for the maintenance of the common family economy through agreement.
3. In case one of the spouses is exclusively in charge with the household, he manages the household on his own responsibility.
4. Both spouses contribute to the family maintenance in proportion to their individual capability.
5. Each spouse is independent in selecting a job and vocation.

IV. PROPERTY RELATIONS OF SPOUSES

Article 45. Basic Principle

On the basis of the legal institute of a “Joint Ownership of Subsequently Acquired Property”, the property of spouses may be separate property or joint property.

Article 46. Separate Property of Spouses

1. Property belonging to the spouse at the time of entering into wedlock remains separate property of his.
2. Separate property is also property acquired during marriage through inheritance, donation, or other forms of legal acquisition.
3. Property belonging to the spouse based on the proportion of common property is also separate property.
4. The product of art, intellectual work or intellectual property is considered separate property of the spouse who has created it.
5. Each spouse independently administers and possesses his/her separate property during the course of the marriage.

1. Joint Property of Spouses

Article 47. Joint Property

1. Joint property of spouses is the property acquired through work during the course of the marriage as well as income deriving from such property.
2. Joint property may be comprised also of intangible and obligatory rights.
3. Property of spouses acquired jointly through gambling games is considered joint property.
4. Spouses are joint owners in equal shares of the joint property unless otherwise agreed on.

Article 48. Application

Applicable law governing real rights and obligations shall be applied in respect of joint property, unless otherwise foreseen in this Law.

Article 49. Administration of Joint Property

The spouses shall carry out the administration and disposition of the joint matrimonial property together and in agreement.

Article 50.
Immovable Property

1. Rights of spouses regarding immovable objects, which are their joint property as provided for in Article 47 of this Law, are recorded in the public register for immovable property on behalf of both spouses as joint property with undetermined shares.
2. When only one of the spouses is registered as property right holder of the joint property in the immovable property rights register, it shall be considered as if registration was carried out on behalf of both spouses. The property cannot be alienated or administered without the consent of both spouses as defined by the applicable law.
3. When both spouses register in the public register relating to immovable property as joint owners for determined shares, it shall be considered that they have portioned out the joint property.

Article 51.
Contractual Arrangements on Possession and Administration

1. Spouses may contract that administration and possession of joint property in a whole or in parts shall be carried out by one of the spouses.
2. The contract may be limited only to the administration or rights of possession. Unless otherwise contracted, administration includes possession within regular activity.
3. The contract may also refer to all special acts of regular administration or special acts that have been determined.

2. Apportioning of Joint Property of Spouses

Article 52.
Principle

None of the spouses shall arbitrarily be deprived of his property.

Article 53.
Apportioning by agreement

1. Spouses, at any time may apportion their joint property by agreement.
2. The apportioning of the joint property may be carried out when spouses determine or request determination of their shares in their joint property, and by this become co-owners to the determined shares.
3. The agreement provided for in Paragraph (1) and 2 of this Article shall be concluded in writing, in accordance with the formal requirements defined by the applicable property law for conclusion of such agreements.

Article 54.
Evaluation of Joint Property in Case of Non Agreement

1. When the agreement is not reached while the share of each spouse belongs to the joint property, it shall be decided upon by the court. The decision shall be based on the spouses contribution, by evaluating all circumstances and considering not only personal income and other revenues of each spouse, but assistance of one spouse provided to the other spouse, i.e. children's care, conduct of housework, care and maintenance of property and any other form of work and co-operation pertaining to the administration, maintenance and increase of joint property.
2. The competent court shall also decide in case of disputes regarding the spouses' share provided for in this Article.

Article 55.
Determination of shares

1. The share of property of the spouses shall be determined using the same criteria as established in article 54 (1).
2. The largest share of the spouse in a determined object or determined right, may be determined by court only if that object or right, economically is independent compared to other objects and rights of the joint property and the spouse, for obtaining such object or right, has largely participated with income from his separate property.
3. The spouse, who after the cease of the marital community increases the value of objects from the joint property by investment, has the right to claim remuneration from the other spouse, if investments were necessary and useful. Remuneration shall be in proportion with his share in the object.
4. The other spouse may be released from such obligation, if he accepts to receive the largest share of that object in proportion with the investments made.

Article 56.
Time Limits and Subjects

1. Apportioning of the spouses' joint property may be requested during marriage and upon its termination.
2. Persons eligible to demand apportioning of joint property are: spouses, successors of a dead spouse or of a spouse announced to be dead and from the creditor of one of the spouses, if the request of the creditor cannot be realized from the separate property of that spouse.

Article 57.
Responsibilities and Obligations

1. Spouses carry responsibility for their personal obligations resulting from separate property and their obligations resulting from the share in joint property.
2. Both spouses are bound by joint and individual obligations through their joint and

- separate property and for obligations that one of the spouses has to fulfil towards third persons, as well as by obligations, which need to be fulfilled by both spouses.
3. The spouse, who through separate property has fulfilled common obligations, has the right to request that the other spouse compensates for his spouses share.

3. Property Relations of Extra Marital Spouses

Article 58. Principles

1. Property gained through corporate work of husband and wife in an extra marital community (partnership without cohabitation) is considered their common property.
2. Property acquired during the factual relationship (out-of-marriage relationship) and that is subject to distribution or division is considered joint property. Provisions of this law relating to apportioning of joint property of spouses of a legally registered marriage are applied analogically for property relations of persons in a factual relationship (out-of-marriage relationship).

PART THREE BREACH OF MARRIAGE

I. PRINCIPLES

Article 59. General Principles

The court and any person concerned with a breach of marriage shall have regard to the below mentioned general principles

- 1) the institution of marriage shall be preserved.
- 2) spouses to a marriage which may have broken down are to be encouraged to take all practicable steps, whether by marriage counseling, reconciliation procedures foreseen by this law or otherwise, to save the marriage.
- 3) a marriage which has irretrievably broken down should be brought to an end
 - a) with minimum distress to the parties and to the children affected;
 - b) dealt with in a manner designed to promote as good a continuing relationship between the parties and any children affected as possible in the circumstances; and
 - c) without costs being unreasonably incurred in connection with the procedures to be followed in bringing the marriage to an end; and
- 4) that any risk of harm or violence to spouses and to children should be avoided.

Article 60. Types of Breach of Marriage

1. Marriage ceases upon death of the spouse, announcement of the missing spouse dead, annulment or divorce.

2. Marriage is dissolved only upon claim and by court order through annulment (void marriage) or dissolution (divorce).
3. Annulment or dissolution become legally effective when the judgments of the court annulling or dissolving marriage becomes final.
4. When a missing spouse is announced dead, marriage is dissolved the day when the death of the missing spouse is concluded by final judgment.

Article 61.

No Official Legal Action Required

To bring a factual relationship or out-of-marriage relationship to an end, no official legal action is required.

II. ANNULMENT OF MARRIAGE

Article 62.

Collision of Marriages

1. Marriage entered into at the time of the existing of a previous marriage of one of the spouses is void.
2. Marriage newly bonded at the time of the existence of the previous marriage of one of the spouses shall not be annulled, if the previous marriage was dissolved in the meantime.
3. When both marriages are dissolved simultaneously due to the death of the spouse who entered into a new marriage, while still being legally married to another person, the new marriage shall be annulled, except when the new marriage has lasted for several years and the spouse from the previous marriage has not undertaken actions to re-establish marital community and cohabitation.

Article 63.

Fear, Violence, Threat

Marriage shall be annulled if the spouse has provided consent under fear, violence or serious threat.

Article 64.

Formal Deficiencies

Marriage may be annulled if the formal requirements for marriage foreseen in Articles 14-25 and 28 of this law are not met. Namely if

- 1) the spouse lacks the capacity to act because of a diagnosed mental illness or other reasons
- 2) marriage was entered into between persons in consanguinity or persons of the same kin based on adoption or affinity.

Article 65.
Error and Deceit

1. Marriage may be annulled if it was bonded by error regarding the identity of the spouse.
2. Marriage entered into because of willful deceit regarding facts, which, if known in time would have stopped the spouse from entering into such marriage, and which now make common life unbearable shall be annulled.

Article 66.
Lack of Intent

1. Marriage entered into without the aim of co-existence of the spouses is invalid.
2. Marriage is void when the spouses through marriage were in fact not interested to establish co-existence but want to hide some other legal action or primarily want to achieve another goal (i.e. legal succession, family pension, evasion from criminal liability or abuse of any other rights).
3. Such marriage shall not be annulled, if it is later decided to establish co-existence.

Article 67.
Right to file Claim

1. Persons eligible in filing a claim for the annulment of marriage due to reasons provided for in this Law are the spouses, the public prosecutor and all other persons who have a direct legal interest in the annulment of marriage.
2. When reasons provided for in this Law cease, the right to file a claim for the annulment of marriage belongs only to the spouse who has suffered mental illness or due to other reasons suffered incapacity to act. The claim may be filed within one year from the date, the aforementioned reasons ceased to exist.

III. DIVORCE

Article 68.
Divorce

1. Marriage may be dissolved by divorce only upon decision of a court.
2. One spouse or both by mutual agreement may request a divorce by filing a claim with the competent court.
3. The right to file a claim can not be passed on to successors but the successors of the plaintiff may continue the commenced procedure, to verify the foundation of the complaint.
4. When one of the spouses files a claim for divorce and the other spouse expressly declares not to reject the soundness of the requests in the complaint, the latest until the conclusion of the main court session, it shall be considered, that the spouses have submitted a proposal for divorce by mutual agreement.

Article 69.
Reasons for Divorce

1. The spouse may request divorce when marital relations have seriously and continuously become disordered or when due to other reasons the marriage has irretrievably broken down.
2. The reasons for divorce include inter alia: unbearable life of spouses, adultery, assassination against the life of the spouse, serious maltreatment, ill-intended and unjustifiable abandonment, incurable mental illness and continuous incapacity to act, unreasonable interruption of factual cohabitation for more than one year and divorce by mutual agreement.

IV. PROTECTION OF CHILDREN AND SPOUSES

Article 70.
Principles of Protection

1. Spouses shall not file a claim for divorce during the pregnancy of the wife and until their joint child becomes one year old.
2. Together with the proposal for divorce by mutual agreement, spouses are obliged to submit a written agreement of care-taking, educating and feeding their joint children, as well as a written proposal on how personal contacts between the child and both of the parents shall be guaranteed in future.
3. A divorce permission may not be granted or may be postponed, even though the marriage has failed, only in exceptional circumstances, if and as long as the maintenance of the marriage is for specific reasons necessary to the interest of the child.

Article 71.
Basic Maintenance of the Spouse

1. During marriage court disputes, the court based on claim, may determine by decision about temporary measures to provide financial maintenance and accommodation for the spouse.
2. Appeal against the ruling provided for in Paragraph (1) of this Article does not stop the execution of the ruling.

V. MARITAL DISPUTE PROCEDURES

1. Preliminaries

Article 72.
Competence

Apart from the court with overall territorial jurisdiction, the court in the territory of which the spouses had their last joint residence, shall have jurisdiction over marital disputes.

**Article 73.
Legal Panel**

A panel comprised of one judge and three lay judges conducts procedures of marital disputes in the first instance court and brings decisions, whereas in the second instance the panel is comprised of a panel of three judges.

**Article 74.
Right of the Custodian**

The custodian, on behalf of the spouse suffering from diagnosed mental illness or the person suffering incapacity to act may file a claim for divorce only with previous consent of the Custodian Body.

**Article 75.
Exclusion of the Public**

The public is excluded from the procedures of marital disputes.

2. Efforts for Reconciliation

**Article 76.
Principle**

1. The court order on divorce shall be preceded by a period of efforts of reconciliation guided by the court in special court sessions except when:
 - 1) One of the spouses is suffering incapacity to act
 - 2) When one or both spouses live abroad
 - 3) When the place of residence of one of the spouses is not known
2. The reconciliation period shall allow spouses a period for reflection and consideration of their decision and to consider all circumstances and consequences.

**Article 77.
Procedures of Reconciliation**

1. In the divorce disputes the court is obliged to achieve formal reconciliation.
2. The final decision on divorce is sent to the parties only after concluding the procedures and only if reconciliation was not achieved.

**Article 78.
Reconciliation Sessions**

When the court conducts the reconciliation procedure of the spouses, it shall assign special sessions in efforts to reach reconciliation, as far as it concludes that chances to achieve reconciliation still exist.

Article 79.
Attendance, Waive of Proposal

1. Both spouses are summoned to personally participate in the session in efforts to achieve reconciliation.
2. When one or both spouses duly summoned do not justify the absence at the session in efforts to reach reconciliation, the court shall evaluate whether to assign a new session or conclude that reconciliation has failed.
3. When one or both spouses who through a joint proposal have initiated the procedures for divorce by mutual agreement do not appear in the session in efforts to reach reconciliation and their absence is not justified, it shall be considered, that they have waived the proposal.

Article 80.
Factual Legal Competence of the Custodian Body in the Reconciliation Procedures

1. If the spouses have one or more joint minor children the reconciliation procedure is conducted by the Custodian Body by applying social work and other professional methods, by utilizing services of marriage and family councils as well as other professional institutions.
2. Procedures shall be supported by the principle of free will and co-operation.
3. In other cases, the court conducts the reconciliation procedure of spouses, when the president of the panel deems it unreasonable that the reconciliation procedure shall be transferred to the Custodian Body.
4. In the written record transferring reconciliation to the Custodian Body, names and addresses of spouses shall be included, as well as the date of divorce procedures and the main reasons for requesting divorce. If the spouses have minor children, all data referring to them shall also be provided.

Article 81.
Territorial Legal Competence

1. For the reconciliation procedure, jurisdiction lies not only with the Custodian Body in the territory of which is the transient or dwelling place of the defendant, but also with the Custodian Body in the territory of which the spouses had their last joint residence.
2. When procedures commence with the claim for divorce by mutual agreement, the Custodian Body in the territory of which one of the spouses has his transient residence or dwelling place shall be competent for the reconciliation procedure of spouses, as well as the Custodian Body in the territory of which the spouses lastly resided jointly.

Article 82.
Protection of Children in the Reconciliation Procedures

During reconciliation procedures the Custodian Body concludes under what living and developing conditions the joint children of the spouses are found in and undertakes all necessary measures to ensure education, security and financial maintenance, by making efforts to achieve agreement between the spouses in order to protect the children's interests.

Article 83.
Time Limit on Reconciliation Procedures with the Custodian Body

1. The reconciliation procedures in front of the Custodian Body may not last longer than three months but can be extended, if the spouses agree to continue such procedure after the expiry of the this deadline.
2. The Custodian Body is obliged without delay to submit to the court a written report on the results of the reconciliation procedures.

3. Court Procedures

Article 84.
Investigations/Inquiries of the Court

1. When proceedings have commenced by the proposal of the spouses for divorce by mutual agreement, facts supporting the proposal are not investigated, however, the court may decide to conduct evidentiary proceedings, same as for the procedures in divorce by complainant, if during the reconciliation proceedings it evaluates that justifiable reasons of joint minor children require the preservation of marriage.
2. When the spouses have joint children, the court may investigate the facts and conduct evidentiary proceedings relating to that part of the proposal of spouses dealing with the safekeeping, education and provision on financial maintenance for the children, if it concludes that the proposal of the parents regarding these issues offers no necessary guarantee that the interests of their minor or disabled children shall be properly protected through such agreement.

Article 85.
Determination of Facts on which the request is based

1. Facts based on which the party bases its request in marital disputes, may be considered contestable by the court, even when such facts are no longer contestable between parties.
2. No judgment may be issued for marital disputes due to absence or judgment by concession.

Article 86.
Withdrawal from the Complaint

1. In divorce disputes, the plaintiff may withdraw the claim until the conclusion of the main court session without the consent of the respondent, whereas only with the consent of the respondent until the procedure becomes final.
2. The withdrawal of the joint proposal of spouses for divorce by mutual agreement may be undertaken until the judgment for divorce becomes final. The proposal shall be considered to have been withdrawn even when one of the spouses withdraws from the proposal.

Article 87.
Limitation of Appeal

The judgment dissolving marriage according to the joint proposal of the spouses for divorce by mutual agreement may be appealed only because of:

- 1) essential violations of the provisions of the contentious procedure,
- 2) or due to the fact that the proposal was submitted by mistake or under coercion or deceit.

Article 88.
Extraordinary Remedies are not Allowed

If marriage has been dissolved or annulled by final judgment, a decision for divorce, respectively for annulment of the marriage may not be attacked with extraordinary legal remedies.

4. Property Relations after Divorce

Article 89.
Apportioning of Joint Property

Apportioning of joint property of spouses may be requested during marriage or after marriage ends by divorce.

Article 90.
Apportioning Guidelines

1. When dividing joint property, the debt of the joint property shall be calculated in the shares of each spouse.
2. When dividing the property upon request of one of the spouses of a legally registered marriage, consideration should be given to ensure that his/her share includes those objects of the joint property which serve his/her craft or vocation.
3. If the value of objects provided for in Paragraph (2) of this Article is disproportional high, compared to the value of general joint property, those objects shall also be apportioned, except in cases when the spouse to whom such shares

should belong to does not ensure pecuniary compensation of the relevant or approximate value to the other spouse, respectively does not transfer another object or share with relevant or approximate value to the other spouse. For these compensation purposes consent of both spouses is required.

4. When apportioning is initiated upon the request of one spouse, he shall be provided with those objects of the joint property which exclusively serve for personal use.

Article 91. Pecuniary Compensation

When the share of one spouse from the joint property is disproportional smaller than the share of the other spouse, the court, upon request of one of the spouses, may determine pecuniary compensation for the spouse considering all the circumstances and the values of his share.

Article 92. Movable Things

1. Each of the spouses may request movable objects from the joint property to be divided to the other spouse on behalf of the share in the joint property of the spouse, who has kept those movable objects upon termination of their coexistence, and has silently possessed them for at least three years.
2. On Application of Paragraph (1) of this Article, the other spouse may request to be provided with the relevant share from other movable objects and if the values of such objects are not sufficient, he is eligible to pecuniary compensation for the difference.

Article 93. Protection of Children's Property

1. The spouse to whom the joint children have been entrusted to for protection and education, besides his share, is provided with objects serving only the children or which are designated only for their direct use, except when the value of these objects is un-proportionally high compared to the value of the general joint property.
2. In such cases, same actions may be taken as in Article 91 of this Law.

Article 94. Pre-Emption

When the share of the spouse from the joint property is finally determined, the other spouse has the right to pre-emption in that share.

Article 95. Court Decision on Non Agreement

1. If spouses in the divorce procedures do not agree upon who shall be entitled to live in the matrimonial domicile in future or about the distribution of commonly used

furniture and other household belongings, on request of one or both of the spouses, the decision shall be taken by the court.

2. The court shall decide with close regard to each individual case, especially when the decision touches the welfare of children and the social position of the spouses.

VI. MISCELLANEOUS

Article 96. Surname

1. The spouse, who at the time of wedlock has changed the surname, after dissolution of marriage, may acquire the previous surname.
2. The statement for acquiring the previous surname shall be submitted within six months from the dissolution of marriage.
3. The statement shall be submitted to the registrar who maintains the register of marriages where marriage was bonded based on the place of residence of the person providing the statement.

Article 97. Limitation of Liability

The other spouse is not responsible for the obligations that one of the spouses had before entering into wedlock, as well as for personal obligations, that he accepts during the marriage.

Article 98. Succession

If marriage is dissolved or annulled by court order, the spouse loses the right for statutory succession depending on the fact of previous marriage.

PART FOUR RELATIONS BETWEEN PARENTS AND CHILDREN

I. PATERNITY AND MATERNITY

1. Paternity

Article 99. Principle

1. As the father of the child shall be considered the husband of the child's mother if the child is born during the marriage or within 300 days after breach of marriage,.
2. When the child was born during the later marriage of his mother, as a father of the child shall be considered the husband of the mother from the previous marriage if the child was born before the end of the deadline of 300 days after the breach of

her previous marriage, except when the husband of the mother from the later marriage with her consent accepts the child as his own.

Article 100.
Children Born in Marriage

1. A child shall be considered to have been born in marriage when his parents are married at the time of birth.
2. If the parents of extra marital children intended to enter into wedlock but were impeded due to death of one spouse or due to a marriage ban, which arose after conception, upon request of one parent or the child the court shall announce in an extra contentious procedure that the child was born in marriage.
3. When none of the parents is alive, or the parent alive has been divested from the capacity to act or from parental custody, the procedure to announce the minor child to have been born in wedlock, shall be initiated by the Custodian Body.
4. Under the conditions of Paragraph (2) of this Article, the request to announce the marital child may also be submitted in the dispute for the verification of paternity, if paternity has not been previously verified by acceptance or by court decision.

Article 101.
Children Born out of Marriage

Father of the child who was not born in wedlock or during the deadline of 300 days after the dissolution of marriage, shall be considered the husband who accepts the child as his own or the person, the paternity of whom has been verified by court decision.

Article 102.
Eligibility for recognition of Paternity

Paternity may be recognized by a male who is capable to act and who has reached the age of 16, as well as by a person who has partially been divested from his capacity to act but is capable to understand the content of the statement for recognition of paternity.

Article 103.
Principles on Recognition of Paternity

1. The person considering himself father of the child may accept paternity and shall allow the recording of this fact in the minutes in front of the registrar.
2. Paternity may also be recognized before the Custodian Body, before the court or another authorized body for preparing public documents. These bodies are obliged, without delay to submit the verified minutes to the competent registrar who shall then register the child in the register of births.
3. Paternity may also be recognized by will.
4. The statement for recognition of paternity can not be provided by a proxy representative.

Article 104.
Court Procedures

1. The mother of the extra marital child, when announcing the birth of her child may present the person she considers father of her child. She may provide oral statement to be recorded in the minutes before the registrar or before the body, authorized to prepare public documents, a verified document or a will.
2. When the mother has not provided written record about the person she considers to be the father of her child, the registrar shall give advice regarding her rights to do so.
3. When the registrar is served with the mother's statement regarding the identity of her child's father, he shall ask the recorded person to declare his paternity directly before the registrar or to provide a certified document within a time limit of 30 days. Correspondence with such individual must be submitted in person and based on the rules providing confidentiality.
4. The registrar shall draft minutes regarding the actions undertaken and oral statements of the child's mother and the person whom the mother alleges to be the father of the child.
5. If the addressed person declares not to be the father of the child or within 30 days does not express himself regarding the paternity of the child, the registrar shall inform the mother of the child thereupon.
6. When the addressed person declares before the registrar, to consider himself to be the father of the child, and this is recorded in the minutes or in the verified document, the registrar shall officially register him as father of the child in the register of births and shall inform the mother regarding this registration.

Article 105.
Recognition of Paternity before Birth and after death of a Child

1. The statement for recognition of paternity may also be provided before the child's birth. Such statement produces legal effect, provided that the child is born alive.
2. (2) After the death of the child, paternity may be verified only by court decision upon request of the authorized persons and if they have a legal interest for this.

Article 106.
Consent of the Mother

1. Recognition of paternity produces legal effect and is registered in the register of births only if the mother of the child agrees with such recognition.
2. The statement on consent for recognition of paternity may be given by the mother according to the rules provided for in for in Article 103 of this Law regarding the recognition of paternity.
3. If she has not presented the same person as father of the child, the registrar is obliged to summon the child's mother for her statement within 30 days from the recognition of paternity.

Article 107.
Consent of the Child

1. When the child is older than 16 years, consent of the child shall also be required for recognition of paternity. Such consent shall be provided foreseen in Article 109 of this Law.
2. When the child regardless of his age suffers from continuous incapacity to act or the mother is no longer alive or with unknown residence or has been announced dead or has been completely deprived from her capacity to act, the statement regarding consent for recognition of paternity shall be provided by the custodian of the child with the permission of the Custodian Body.

Article 108.
Court Procedure on Disagreement

1. If the mother of the child or the child older than 16 years of age, or the custodian of the child does not agree with the recognition of paternity, where such consent is required or they do not declare themselves concerning this issue within 30 days after being informed of the recognition, the person who has recognized the child as his own may submit a claim to the court, in order to verify that he is father of the child.
2. The claim may be submitted within a period of three years after being informed about the disagreement of the mother of the child. If in the meantime paternity of another person has been verified, the claim rejecting paternity of such person shall not be submitted after the expired date.

Article 109.
Legal Effect of the Statement of Recognition

1. The statement for recognition of paternity, statements of the mother and child and consent for recognition of paternity shall not be revoked.
2. The person providing a statement for recognition of paternity may request annulment of such statement, if it was given under coercion, deceit or mistake.
3. The claim for the annulment of a statement may be submitted within a period of six months from the date, coercion ceased to exist or the moment, deceit becomes known or the mistake is noticed.

Article 110.
Extra Marital Children

1. Apart from the person considering himself father of the child, the child and the child's mother may also submit a claim for paternity verification of an extra marital child.
2. The extra marital child may submit a claim for paternity verification at anytime.
3. If the child is a minor or lacks the capacity to act, the mother on his behalf may submit the claim. If the mother is not alive or is divested from the capacity to act or

from parental custody or her place of residence is unknown, the claim may be submitted by the custodian with the permission of the Custodian Body.

4. The mother may submit a claim for the verification of paternity as long as she has the right of custody for the child.

**Article 111.
Ex Officio Action**

1. When the mother records a specific person to be father of her child and within a period of one year from the child's birth does not initiate the paternity verification procedure, the Custodian Body may ex officio initiate such procedure on behalf of the child. In this case the child is assigned a special custodian to conduct the procedures.
2. The Custodian Body shall not initiate the procedure of ex officio verification of paternity, if the mother objects to this action on the basis of justifiable reasons,.

2. Maternity

**Article 112.
Verification of Maternity**

Provisions of this Law regarding the verification of paternity shall also apply for the verification of maternity.

3. Rejection of Paternity and Maternity

**Article 113.
Rejection by Husband**

1. The husband may reject paternity of the child born by his wife during marriage or prior to the expiry of 300 days upon the dissolution of marriage, if he does not consider himself being the father of the child.
2. The claim on the rejection of paternity may be submitted within six months from the time of knowledge of the fact that gave reason for the assumption of paternity. The claim shall not be submitted later than ten years after the child's birth.
3. If the husband of the child's mother has been completely divested from her capacity to act, his custodian with the permission of the Custodian Body may submit the claim rejecting his paternity.

**Article 114.
Rejection by the Mother**

1. The mother may reject the father of the child to be the person, who according to Article 99 Paragraph (1) of this Law is considered to be the father of the child.
2. The claim rejecting paternity by the mother shall be submitted within six months from the child's birth.

Article 115.

Rejection of Paternity on Initiative of the Child

1. The child may reject the paternity of a person, who by this Law is considered to be his father.
2. The child may submit a claim rejecting paternity. When the child is a minor or has no capacity to act, the claim on his behalf may be submitted by the mother and, if the mother is no longer alive or her place of residence is unknown or she has been divested from the capacity to act or from parental custody, the claim may be submitted by the custodian with the permission of the Custodian Body.
3. The child's right to claim is not time barred.

Article 116.

Rejection of Paternity of a third Person for an Extra Marital Child

1. The person considering himself to be the father of an extra marital child may claim invalidity of the paternity of the other person who has registered the child as his own, provided that with the same claim he requests the verification of his own paternity.
2. The claim may be submitted within a period of one year from the date of registration of the rejected paternity in the register of births.

Article 117.

Rejection of Paternity of a third Person for a Marital Child

1. The person considering himself father of a marital child, may reject paternity of a third person who according to this Law is considered to be father of the child.
2. This applies only in case that the person has lived in cohabitation with the mother of the child at the time of the conception and that with the same claim he requests verification of his own paternity.
3. The claim rejecting paternity provided for in Paragraph (1) of this Article shall be submitted within a period of one year from the child's birth.

Article 118.

Rejection of Maternity

1. The woman registered in the register of births as the mother of the child, may reject her maternity, if she considers not to be the mother of the child.
2. The claim rejecting maternity may be submitted within a period of six months from the date of learning not to be the mother of the child and at the latest, seven years from the child's birth.

Article 119.

Third Person Rejection of Maternity

1. The woman who considers herself being the mother of the child may reject

maternity of the other woman, who has been registered as mother of that child in the register of births, provided that with the same claim she requests the verification of her own maternity.

2. Such claim shall be submitted within a period of six months from the date of learning that she is the mother of the child and the latest, seven years from the child's birth.

Article 120.

Rejection of Maternity on Initiative of the Child

1. The child may reject maternity of the woman registered in the register of births to be his mother.
2. Until the age of majority of the child and in cases, when the child has been divested from his the capacity to act, the Custodian Body or the custodian, with the permission of the Custodian Body may submit such claim on the child's behalf.
3. The right of the child to reject maternity is not time barred.

Article 121.

Succession of Rights

1. The right to claim rejection of paternity and maternity is not transferred to the successors of authorized persons; however, the successors may continue the commenced procedure, if they have a legal interest in this issue.
2. On exception to provisions of Paragraph (1) of this Article, the successors of the person, who according to this Law is considered being the father of the child, may submit a claim rejecting paternity, if such person was not informed, neither of the conception of the mother, nor of the birth of the child, nor has he lived together with the mother of the child at the time of conception.

Article 122.

Exception

Rejection of paternity or maternity is not permitted after the child's death.

4. Special Provisions for Maternity and Paternity of Children Conceived by Medical Assistance

Article 123.

Principle

It is not allowed to determine or reject maternity or paternity of a child which is conceived by medical assistance and the consent of the donor.

**Article 124.
Exceptions**

1. Exceptionally the husband of the mother may reject paternity of the child born at the time of marriage or after 300 days from the breach of marriage, if the child was conceived artificially with the sperm of a third person and without written consent of the husband.
2. The woman, who gave birth to a child conceived by an ovule cell of another woman, has the right to reject maternity, if the conception was carried out by medical assistance and with no written consent of hers.
3. The woman with the ovule cell of whom the child has been conceived without written consent of hers, has the right to reject maternity of the woman who gave birth, if at the same time she claims verification of her own maternity.
4. The claim rejecting maternity or paternity may be submitted within six months from the date of being informed about the conception as provided for in Paragraphs (1), (2) and (3) of this Article. It shall not be submitted after the child reached the age of seven.
5. If persons mentioned in Paragraph (1), (2) and (3) of this Article learn about conception before the time of birth of the child, they shall submit a claim rejecting maternity or paternity within six months from the child's birth.

II. CHILD PROTECTION AND PARENTAL RESPONSIBILITY

1. Child Protection

**Article 125.
Principles on Child Protection**

1. Each child enjoys the undeniable right for life.
2. Children have the right to grow up in a family with parents. Children not living together with both parents, have the right to regularly meet the parent they are not living together with.
3. Children with diagnosed mental or physical impairments are eligible to special care, suitable conditions of life which guarantee their dignity and facilitate active participation in social life.
4. Children are eligible to free of charge primary schooling and access to information regarding different professions and schools.
5. Children enjoy the right for protection from economic utilization, child exploitation trafficking and sexual exploitation and from any activity which could be harmful or hazardous to their education or health.
6. Children shall be protected from maltreatment and sexual violations.
7. Children shall be protected from illegal usage of narcotic drugs and psychotropic substances and it shall not be permitted that children are used for illegal production and trafficking of such substances.

Article 126.
Cohabitation, Non-Cohabitation

1. Minor children have the right to live with their parents.
2. Minor children may live separately from their parents only if common interests of children and parents require so.

Article 127.
Return of the Child to the Cohabitation with his Parents

Parents shall request the return of their minor child, when the child is not living with them and is unjustly kept by other persons.

2. Parental Responsibility

Article 128.
Principles

1. Parental responsibility primarily results from the right for parental care and custody.
2. A child is under parental responsibility until the age of majority.
3. Parents are obliged to ensure at any times that the principles laid out in Article 125 of this Law are utilized for the protection of their minor children.
4. Parental responsibility includes rights and obligations, aiming to ensure emotional, social and material welfare of the child, by looking after the child, preserving personal relations, providing proper growth, education, vocational training, legal representation and administration of property.
5. By applying these principles parents shall consider skills, inclinations and desires of their children.

Article 129.
Personal Contribution and Usage of Public Services

To ensure parental care and to apply the principles of Article 128 of this Law, parents are obliged to personally contribute to the best of their ability and as well, if necessary, to make use of services of social institutions.

3. Child's Surname

Article 130.
Determination of Child's Surname

1. Parents in agreement determine the surname of the child.
2. The child obtains the surname of one parent or of both
3. Parents shall not determine different surnames to joint children.
4. When parents cannot reach an agreement regarding the surname of the child, after hearing both parents, the surname is determined by the Custodian Body in compliance with provisions of Paragraph (2) of this Article.

**Article 131.
Exceptions**

1. If one of the parents is not alive or is incapable of exercising parental custody and obligations or is unknown, the other parent determines the surname of the child.
2. If the parents of the child are not alive or incapable for exercising parental custody or are unknown, the Custodian Body determines the surname of the child.

**Article 132.
Child's Surname after Change in Family Status**

1. The minor child who has been given a surname after changes in his family status by recognition of paternity, by wedlock of the parents, by verification of paternity or maternity or by the rejection of paternity or maternity, may be determined a new surname within a period of two months after the change of family status.
2. When a new surname is determined for a child who is older than ten years, the child's consent is necessary.
3. The statement for the determination of a new surname shall be submitted to the registrar who keeps the register of births for the child, or to the registrar, based on the residence of the person providing the statement.

4. Representation and Administration of the Child's Property

**Article 133.
Representation**

1. Parents are obliged and have the right to legally represent their minor children.
2. All consignments and statements that need to be send to the child, may be send to either one parent or the other and when the parents are not living together, to the parent with whom the child is living with.

**Article 134.
Administration of Property**

The parents to the benefit of the child administer the property of the child until the age of majority.

5. Use of Child's Income

**Article 135.
Principle**

1. Parents may use income deriving from their child's property for nutrition, education and for necessary needs of the family community, if the family has no sufficient means.
2. The parents may alienate or indebt the child's property only with the permission of

the competent Custodian Body and only for the purpose of providing maintenance, care and education to the child.

Article 136.

Legal Transactions, Labor Relations

1. The child who has reached the age of 14 may undertake legal transactions; however, consent of his parents or the permission of the Custodian Body for legal transactions is required for the validity of these actions, except for actions of minor importance, or unless otherwise allowed by Law.
2. The child who has reached the age of 15 may, with consent of his legal representative, independently establish labor relations and possess and dispose of his personal income and property acquired through his work but shall contribute for his nutrition and education from such income to his family.

6. Exercise of Parental Custody

Article 137.

Definition of Parental Custody, Exercise by the Parents

1. Parental custody includes all parental rights and obligations, provided for in this Law.
2. The parents jointly exercise and fulfill parental rights and obligations by agreement.
3. If one of the parents has died or has been announced dead or has not been entrusted with parental custody or divested from it, parental custody belongs to the other parent. The same shall apply if due to other circumstances one parent is not capable of exercising parental custody.

Article 138.

Exercise of Care by the Custodian Body

The Custodian Body decides on behalf of the child's interests only on request of one or both of the parents, on appeal of a third person, in cases when custody of the child is under its control or upon a court decision.

Article 139.

Exercise of Custody in Case of Separation of Parents

1. If the parents live in separation, the parent with whom the child lives with exercises parental custody, if agreed on by the other parent.
2. In cases when parents live in separation and they cannot agree with whom the child shall live with, unless otherwise provided for by this Law, the competent court shall decide.
3. In cases when parents live separately, are divorced or their marriage has been annulled by a court decision or by decision of some other competent body and the child has been entrusted for care and education to one of the parents, parental custody is exercised by the parent to whom the child has been entrusted to.

4. During the time of execution of a court measure, the parental custody is exercised by the parent to whom by decision of the court, it was ordered to apply the measure.

Article 140.

Court Decision on Exercise of Parental Rights and Obligations

1. When in a marital dispute the competent court brings a judgment for the dissolution or annulment of marriage, by this judgment the court shall also decide on issues of custody, care and education of minor children.
2. When parents have not reached an agreement regarding the issue mentioned in Paragraph (1) or their agreement does not comply with the interests of the children, the court, after hearing the opinion and proposal of the Custodian Body and investigating all relevant circumstances of the case shall decide: to entrust all children for care and education to one parent, to entrust some to the mother and the others to the father or, to entrust some or all children to a third person.
3. If the parent who exercises parental custody hinders personal contacts of the child to the other parent, the court by judgment shall regulate the manner of maintaining personal contacts of the children with the parent who does not exercise parental custody, if the evaluation of all circumstances of the case show that this is necessary for the protection of the child.
4. The court shall change the decision regulating custody upon request of one parent or the Custodian Body, if changed circumstances require so.
5. (5)The opinion of the child who is capable of forming his/her views shall be taken into consideration by the court in all cases of parental custody. Such opinion shall be given due weight in accordance with the age and the ability of the child to understand.

Article 141.

Issues of Essential Importance for the Child's Development

1. Both parents shall decide by agreement for issues of essential importance for the development of the child, even in cases when based on their agreement or the decision of the Custodian Body or the court decision only one of them exercises parental custody.
2. When the parent who does not exercise parental custody does not agree with any measure or action of the other parent in exercising parental custody on matters of essential importance, he may inform the competent court, which is obliged to decide whether the measure or such action is in favor of the child's interests.

7. Entrustment of the Child

Article 142.

Temporary Entrustment to a Third Party by Parents

1. When the interests of the child require so, the parent or parents may temporarily

entrust the child to a third person for care and education, if that person meets the conditions of a custodian.

2. If the parents or the parent who exercise parental custody temporarily move to a different transient residence within or outside Kosovo, they or he may entrust the child for care and education only to a person who meets the requirements of this law to become a custodian.

Article 143.

Entrustment of the Child to One Parent or a Third Person

1. In case of death of the parent exercising parental custody and based on a court decision or a decision of the Custodian Body or based on a written agreement with the other parent, as well as in cases when such parent loses the capacity to act or abandons the child, the other parent has the right to request handover of the child for care and education from the person with whom the child is cohabitating.
2. In case of dispute between parents and the third person, the competent court may decide to entrust the child for care and education to the person with whom the child is cohabitating or to another person or institution, if after hearing the opinion and proposal of the Custodian Body and investigating all the circumstances concludes, that the interests of the child require so.

Article 144.

Court Considerations

1. The court or the Custodian Body which brings a decision for the entrustment of a child for care and education is obliged to properly investigate all circumstances which are important for proper physical and mental development and education of the child.
2. In case the child is older than ten years, the court shall consider in particular the emotional situation of the child. If deemed necessary, the court shall take into consideration the opinion of experts.

Article 145.

Personal Contacts

1. If the child lives with only one parent or with a third person or institution, the parents shall agree on a manner of preserving personal contacts with the child. In cases of dispute, the competent court takes a decision regarding this issue.
2. If circumstances change, the competent court may again regulate the manner of preserving personal contacts of parents with their children.

III. SUPERVISION OF PARENTAL CUSTODY

Article 146.

Supervision by the Custodian Body

The Custodian Body exercises general and continuous supervision of the exercise of parental custody.

Article 147.

Urgent Measures of the Custodian Body

1. If the Custodian Body learns about the existing danger to the child, because of an abuse of parental rights or any danger to the child by serious neglect of parental obligations, it is obliged to urgently undertake measures for the protection of the personality, the rights and the interests of the child.
2. The registrar is obliged to inform the Custodian Body of the birth of a child whose parent or parents are unknown and about all necessary measures to be undertaken for the child's protection.

Article 148.

Taking away the Child from the Custody of Parents

1. A child shall not be removed from the care of her/his parent/s or legal guardian without their permission or an order of the Court.
2. Exceptionally, where the Custodian Body has reasonable grounds to believe that there is an immediate serious risk to the health, safety or welfare of a child, the Custodian Body may enter any premises and remove the child to a place of safety where he/she will be cared for, for a period not exceeding 72 hours
3. Before the 72 hours expire, the Custodian Body should bring the case to the attention of the competent court, which shall decide on the custody of the child. If circumstances require, the court may make an assessment order for a period up to 21 days to allow further investigations and assessments to be made, by which time the matter has to be brought to the court for further attention.
4. With this taking of the child into care the other rights of the parents do not terminate, nor their obligations toward the child.

IV. DEPRIVATION OF PARENTAL CUSTODY

Article 149.

Deprivation of Custody

1. Parents who abuse the exercise of parental rights or seriously neglect the exercise of parental obligations are deprived from custody.
2. Parents may be deprived from custody for all their children or, if special circumstances require so, only from custody of one child.

3. The competent court takes the decision to deprive the parents from parental custody in an extra contentious procedure, after hearing the opinion of the Custodian Body and investigating all relevant circumstances of the individual case.

**Article 150.
Procedure**

1. The decision on the deprivation of parental custody may be initiated by the other parent, the Custodian Body or the Court.
2. The Custodian Body is obliged to initiate the procedure for the deprivation of parental custody, if it in any way learns about the existence of reasons provided for in this Law.

**Article 151.
Re-entrustment of Parental Custody**

1. When reasons causing the deprivation of parental custody cease to exist, the parent or parents by court decision may be entrusted back parental custody.
2. The request for entrusting parental custody may be submitted by the parent or the Custodian Body.
3. In marital disputes and disputes regarding relations between parents and children, the court dealing with such issues may ex officio bring a decision to return parental custody, if it concludes that conditions are met for this.

V. TIMELY EXTENTION OF PARENTAL CUSTODY

**Article 152.
Principle**

Parental custody may also be extended after the age of majority if the child, due to a diagnosed mental illness, diagnosed mental or physical impairments or other medically acknowledged reasons is not capable to take care of his personality, rights and interests.

**Article 153.
Procedure**

1. The decision for extending parental custody is taken by the competent court in an extra contentious procedure upon request of the parents or the Custodian Body.
2. The proposal for extending parental custody shall be submitted before the child reaches the age of majority, however, the court may also extend parental custody when the request has not been submitted in due time, if reasons for extending parental custody existed at the time the child reached the age of majority.
3. In the decision extending parental custody the court shall specify whether the person who has achieved extended parental custody, custody was categorized as of the rights towards a minor younger or older than 14 years.

**Article 154.
Cease of Timely Extension**

When reasons extending parental custody towards a mature person cease to exist, the court, upon request of such person, of the parents or of the Custodian Body, shall make a decision on terminating extended parental custody.

**Article 155.
Record**

Decisions extending or terminating timely extended parental custody shall be recorded in the register of births and when such person possesses immovable property, it shall be recorded in public records of immovable property.

**PART FIVE
SPECIFIC FORMS OF PROTECTION OF CHILDREN
WITHOUT PARENTAL CARE**

I. COMMON PROVISIONS

**Article 156.
Children without Parental Care**

1. A child without parental care is deemed to be a child whose parents are not alive, whose parents are unknown or have disappeared.
2. A child without parental care is deemed to be also the child whose parents for any reason permanently or temporarily do not fulfill obligations of parental custody.

**Article 157.
Principles of Child Protection**

1. A child without parental care enjoys special social protection.
2. The fundamental forms of legal and family protection of children without parental care under this Law are: custody, family shelter, residential shelter and adoption..

**Article 158.
Enforcement of Protection**

The decision on the enforcement of any of the forms for protection of children without parental care shall be taken only after a close examination of each individual case. The competent body shall conclude the form of family protection for the child which meets the child's needs to the greatest extent.

Article 159.
Compensation for the Loss of Parental Care

Protection of children without parental care, in conformity with the needs of these children is achieved through securing the conditions for such a development of the children, which shall compensate in the best way the loss of parents or parental care.

II. ADOPTION

1. Intermediation of Adoption

Article 160.
Intermediation of Adoption

1. Intermediation of adoption shall achieve the placement of a child (adoptee) under the custody of a person who wishes to take a child under his care and responsibility (adopter).
2. Intermediation of Adoption also means to achieve and administer data about a child which shall be placed as well as data about the prospective parents who wish to adopt a child even if the child is not born at the time data is filed.

Article 161.
Competent Authority for Adoption

1. The adoption procedure is a competence of the Court. The court may seek advice from the Custodian Body in making a determination on adoption.
2. The Custodian Body shall dedicate only specially trained personnel which shall be suitable for the task because of personal features and which shall have professional experience in working with children.

Article 162.
Confidentiality and Data Protection

1. The competent court and custodian body shall be responsible for the protection of data and the privacy of the information collected during the adoption process.
2. The decision on adoption shall only be delivered to the parties which participate in the adoption proceedings in accordance with this law.

2. Principles of Adoption

Article 163.
Permissibility of Adoption

1. The adoption of a child is permissible if it serves the child's well-being and it is to be expected that a parent and child relationship will be created between the prospective adoptive parent and the child.

Civil laws

2. A person who has been involved in unlawful acts or in actions contrary to good morals in obtaining or bringing a child for the purpose of adoption or who commissioned a third person to do so or rewarded such person for doing so, may only adopt a child, if this is imperative for the child's well-being.

Article 164.

[Principle on Matrimonial Requirements]

1. Spouses shall only adopt a child jointly.
2. An unmarried person may only adopt a child alone.

Article 165.

[Exception on Matrimonial Requirements]

1. Exceptionally only one of the spouses may adopt a child, but this requires the consent of the other spouse.
2. One spouse may also adopt a child alone if the other spouse cannot adopt the child because of incapacity to act or because he has not yet reached 21 years of age.
3. At the request of the adopting party and with the consent of the persons who have participated in the adoption procedure, the other spouse may be later included in the adoption if he later fulfils the conditions provided by Law.

Article 166.

Trial Period

1. Adoption shall not be pronounced until the adopter has been caring for the child for an appropriate period of time, specified by the court, but not exceeding three months.
2. The trial period shall be initiated and continuously supervised and evaluated by the Custodian Body, which provides a report to the court as necessary.
3. The court shall make a decision at the end of the trial period. However the court may extend the trial for an additional period of up to three (3) months if there is disagreement between the parties or due to other extenuating circumstances brought to its attention by the Custodian Body or child expert /s involved in the proceedings.

Article 167.

Rights and Obligations

Adoption establishes between the adopting party and the adoptee the same rights and obligations that exist between parents and children.

3. Consent for Adoption

Article 168.

Consent of the Child

1. The consent of the child is required for an adoption. The consent of a child with incapacity to act or of less than fourteen years of age may only be given by his legal representative, respectively his custodian.
2. Otherwise the child may give the consent himself.
3. In the event that the citizenship of the adopting parent and the child differ, the Custodian Body must give its approval to the procedure.

Article 169.

Consent of the Parents

1. The consent of the parents is required for the adoption of a child.
2. The consent may not be given before the child is eight weeks old.
3. No consent is required by the spouse who by court order has lost custody or has lost the capacity to act or whose residence is not known for more than one year.
4. It is valid also when the person giving consent does not know the already determined adopting persons.

Article 170.

Inquiries

In case the adoptee has only one living parent the Court shall address close family members of the minor's dead parent to acquire data that could be of importance for the decision on adoption. Consent however is not required.

Article 171.

Substitution of Consent of one of the Parents

1. The Custodian Body shall, upon request of the child, substitute the consent of one of the parents, if this parent continuously and gravely violates his obligations towards the child or has demonstrated by his conduct that he is indifferent towards the child and that in case the adoption is not taking place, this would result in a considerable disadvantage for the child.
2. The consent may also be replaced by the decision of the Court, if the violation of obligations, whilst not continuous, is nevertheless especially grave and it is anticipated that the child can no longer be entrusted on a permanent basis to the custody of this parent.
3. The consent shall be replaced when it becomes evident, that one parent has abandoned the child for more than six months and his residence is not known.
4. The consent of one of the parents may further be substituted, if he is permanently incapable to provide the necessary care and control of the child's upbringing, because of a diagnosed, particularly severe mental illness or a diagnosed

particularly severe mental or emotional disability and if the child without adoption could not grow up within a family and the child's development would as a result be seriously jeopardized.

**Article 172.
Declaration of Consent**

1. Consent must be declared towards the Competent Court and becomes legally effective at the point in time it is delivered.
2. Consent may not be made subject to a condition or to a stipulation as to time, nor may it be made by a representative. It is irrevocable, as long as consent was not given by mistake or under coercion or deceit.
3. If the person giving consent has limited capacity to act, his consent does not require the assent of his legal representative.
4. The consent shall become ineffective if the request is withdrawn or the adoption is refused.
5. The consent of a parent shall also become ineffective, if the child is not adopted within three years from the date the consent became effective.

**Article 173.
Invalidity of Adoption**

An adoption is invalid if during the procedures of granting of such adoption it becomes obvious, that the conditions of Articles 160-162, 166, 169 and 172 are not met.

4. Adoptee

**Article 174.
Only Minor Child**

Only a minor child can be subject to adoption.

5. Adopter

**Article 175.
Principle**

The adopting party shall be a person with the capacity to act and the necessary personal qualities to successfully exercise and fulfill parental rights and obligations.

**Article 176.
Minimum age**

1. The prospective adoptive parent must have reached 21 years of age.
2. If spouses intend to adopt a child, one of the spouses must have reached 25 years of age and the other spouse must have reached 21 years of age.

Article 177.
Inter Personal Relationships

1. There shall be no adoption of a person along the lines of descendants, nor of a brother or a sister.
2. A legal custodian cannot adopt a person under his care until the competent body discharges the custodian from his legal status.

Article 178.
Legal Reliability of the Adopter

The following persons cannot adopt:

- 1) A person who by court order has lost parental custody
- 2) A person for whom there is founded suspicion that he will misuse the rights of an adopter resulting in harm to the adoptee or that he requests adoption for his own pecuniary benefit.
- 3) A person who suffers from a diagnosed psychiatric illness or is retarded from a mental perspective as well as a person who suffers from an illness which may endanger health and life of the adoptee.

Article 179
Permanent residence

1. Adopter can be only permanent resident.
2. Exceptionally, foreign national/resident can be adopting party if the child can not be adopted or fostered in Kosovo and/or there are reasonable grounds for such an action as the child has special needs and requires specialized treatment not available in Kosovo.
3. The preliminary consent of the administrative bodies who deal with social work policies shall be required for adoption by a foreign citizen.

6. Procedure of Adoption

Article 180.
Decision of the Court; Application

1. Adoption is established by the Court upon request of the adopting parents.
2. The request may not be made subject to a condition or to a stipulation as to time, nor shall it be made by a representative.

Article 181.
Territorial Legal Competence and Exclusion of the Public

1. For adoption legal competence lies with the Court of the territory of where the applicants had their last joint residence as well as with the Court at the place of residence of the adoptee.

2. The public is excluded from procedures on adoption.

Article 182.

Procedures to Initiate a Request on Adoption

1. The person who wishes to adopt, together with the parents of the minor who shall be adopted, may present a request for an adoption to the Court.
2. The request shall have attached the written consent of the child's natural parents, the child's certificate of birth and other relevant documents to present proof for the child's future well being, namely provide information about the adopting party and the adoptee as well as about the conditions of adoption.
3. The Court is eligible to collect further data and proof from the Custodian Body, Social Services and other experts in the field of child care on conditions of adoption.
4. A child determined to be without parental care by the competent authority may be adopted by persons who are seeking adoption and have registered with the appropriate authority, which shall also be authorized to initiate the procedure.

Article 183.

Legal Advice and Assistance

1. The competent Court responsible for the intermediation of adoption shall administer all requests for adoption and assist the parties in all stages of procedures.
2. The Court is under the obligation to adequately inform the adoptee and adopters about the legal, educational and moral purposes and consequences of the adoption.
3. The Court shall inform the adoptee of the legal nature of future rights and obligations and shall give relevant consultation and help in this regard.

Article 184.

Inquiries and Preparation

1. In order to reach a decision about the adequacy of the adopting party and the adoptee, the Court shall take into account all reasonable opinions of sociologists, psychologists, doctors, therapists and other experts.
2. During the procedure of collection of data and evidence on the conditions for adoption, the Custodian Body directly or through a professional social service assures the necessary preparation of the parents of the adoptee and of the adoptive parties, respectively of the legal custodians of the adoptee.

Article 185.

Refusal of the Request on Adoption

1. If the Court on the basis of the received and attached evidence and the opinion received according to the preceding Article as well as on the basis of an evaluation of all other circumstances concludes in the procedures preceding the granting of an

adoption, that the conditions defined by Law for adoption are not fulfilled or the adoption is not in the interest of the adoptee, the Court shall make a decision refusing the request for adoption.

2. A complaint may be filed against the decision which refuses the request for adoption within a term of 15 days from the day of the decision.

Article 186.

Approval of the Request on Adoption

1. If the Court concludes that the conditions for adoption set forth by this Law have been met, the adoption shall be approved.
2. In order to approve adoption, the presence of the adopting party is required together with the presence of the spouse, parents, respectively the custodian of the adoptee and the presence of the adoptee himself if he is over 10 years, except when up to this age he has been under the legal guardianship of the person who wishes to be the adopting party.
3. The statement of consent of the participating parties shall be entered in the minutes of procedure.
4. On conclusion of the procedures of adoption the minutes shall be signed by the parties and shall be read to the persons present.

Article 187.

Minutes

1. Special minutes are kept on the process of adoption.
2. The minutes on the approval of adoption shall contain data about all actions undertaken, about all information gathered by the Court and about statements and agreements of the adoptee and the parents as well as the final pronouncement of adoption.
3. The minutes on the establishment of the adoption cite the surname of the adoptee as the surname of the adopting party. Any change of the first name of the adoptee, namely an additional first name shall be entered as well.
4. The minutes on the establishment of adoption provide data about the parents of the adoptee as well as data about the adopting party.
5. The minutes shall be signed by all persons who are involved in the process and of the representative of the Court who conducted the procedure.
6. The Court is under the obligation to keep all evidence and maintain the documentation on the adopted persons and the adoption process.

Article 188.

Registration

The competent court sends the minutes of the meeting on the establishment of the adoption immediately to the institution competent for registration in the official birth book, to the party and to the Custodian Body. The adopting party is registered as the parent of the adoptee.

Article 189.
No Establishment of Adoption after the Death of a Child

The establishment of the adoption may not take place after the child's death.

7. Legal Effect of Adoption

Article 190.
Legal Effect

1. If a child is adopted by spouses or if a spouse adopts a child of the other spouse, that child then acquires the legal status of a joint child of the spouses.
2. In other cases the child acquires the legal status of a child of the adopting parent.
3. In all cases referred to under Paragraph (1) of this Article, the spouses are entitled to joint parental custody, in cases referred to under Paragraph (2) of this Article, only the adopting parent is entitled to parental custody.

Article 191.
Cessation of the Child's Relationships to Relatives and Claims

1. When adoption is terminated the legal relationship between the child and his descendants and relatives ceases together with the rights and obligations resulting there from.
2. Claims of the child which arose before the adoption, especially those relating to annuities, orphan's pension and other corresponding recurring payments, shall not be affected by the adoption; this shall not apply to maintenance claims.

Article 192.
Continuance of Relationship to Relatives

1. If the adopting parents are second or third degree relatives of the child by blood or marriage, only the relationship between the child and his descendants on one hand and his parents on the other is legally terminated, together with the rights and obligations resulting there from.
2. If a spouse adopts the child of the other spouse, the relationship does not legally cease in respect to the relatives of the initial parent, if this parent had parental custody and is deceased.

8. Surname of the Child

Article 193.
Surname of the Child

1. The child acquires the surname of the adopting person as his surname.
2. If a married couple adopts a child or if one of the spouses adopts a child of the other spouse and the spouses do not have a joint married name, they shall

determine the child's surname by making a declaration to the Court before the adoption is pronounced.

3. The Court may, when pronouncing the adoption:
 - 1) change the child's first names or add one or more new first names if this is in the interest of the child's well-being
 - 2) with the child's consent place the new surname before or after the previous surname, if this is in the interests of the child's well-being.
4. When the adoptee is older than ten years, his consent is required for the change of surname and any change in first name.

9. Prohibition of Disclosure and Inquiry

Article 194.

Principle

1. Information about the adoption and its circumstances shall not be disclosed or investigated without the consent of the adopter and the child, unless special reasons of public interest require this.
2. At full age the adoptee has the right of access to all information concerning his adoption and shall on request be provided with personal information about his biological parents.

10. Termination of the Adoption

Article 195.

Principle

The adoptive relationship may only be terminated under the provisions of Articles 196 to 200.

Article 196.

Annulment of Adoption

1. The Court may annul the adoptive relationship on application, if it was established without a request of the adopter or without the consent of the child or the consent of a parent.
2. The request lacking the necessary consent is ineffective only when the declarer:
 - 1) was at the time of making the declaration in a state of unconsciousness or temporary insanity, if the applicant was legally incompetent to enter into a transaction or if the incompetent or less than fourteen year old child personally gave his consent and the decision was made thereupon
 - 2) failed to understand the procedures of adoption or although he was aware thereof, he did not intend to request an adoption or to express his consent to the adoption procedures
 - 3) made a mistake concerning the identity of the child or the adoptive child made a mistake concerning the identity of the adopter

- 4) was induced to make the declaration by fraud, concerning material circumstances
- 5) was unlawfully induced by threats to make the declaration.
3. The annulment may not be made, if the declarer has ratified the request or the consent after the cessation of the deficiencies mentioned under Paragraph (2) of this Article.
4. Claim for annulment of adoption may be submitted within six months from the day when it was learnt about the reason for annulment and no later than within one year from the day of establishment of adoption.

Article 197.

No Termination for Lack of Consent

The adoptive relationship may not be terminated, if the welfare of the child would be substantially jeopardized thereby, unless the predominant interests of the adopter necessitate the termination.

Article 198.

Ex officio Termination

1. During the time of minority of a child the Competent Court may terminate the adoptive relationship on its own motions, if for any reasons this becomes necessary for the welfare of the child.
2. If the child was adopted by a married couple, also the adoptive relationship between the child and only one of the spouses may be terminated.
3. The adoptive relationship may only be terminated:
 - 1) if in a case under Paragraph (2) the other spouse or a biological parent is willing to assume the care and upbringing of the child and if the exercise of the parental custody by him would not be contrary to the welfare of the child or
 - 2) if the termination would facilitate a new adoption of the child.

Article 199.

Effects of Termination

1. The termination has effect only for the future. If the competent court terminates the adoptive relationship on the application of the adopter after his death or on the application of the child after the latter's death, it has the same consequence as an adoptive relationship terminated before death.
2. Upon termination of the adoption the relationship of the child and his descendants and to the relatives based on the adoption are terminated, together with the rights and obligations created thereby.
3. At the same time the relationship between the child and his descendants and the natural relatives together with the rights and obligations arising there from are revived, with the exception of the parental authority which is dependent only on the right for custody.

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4. The competent court shall return custody to the natural parents, if and as far as it is not contrary to the welfare of the child; otherwise it shall appoint a custodian.
5. If the adoptive parents are a married couple and the termination affects only the rights of one spouse, the effects mentioned in Paragraph (2) ensue only between the child and his descendants on the one hand and the latter spouse and his relatives on the other; the effects under Paragraph (3) do not ensue.

Article 200.
Effects on the Surname

1. Upon the termination of the adoption, the child loses the right to bear the surname of the adopter as his surname.
2. The competent court may upon request of the child decide that the child retains the surname he acquired by means of adoption, if the child has a justifiable interest in bearing this surname.

11. Rights and Obligations of the Adopting Party and Adoptee

Article 201.
Creation and Termination of Family Relations

1. Upon adoption family relations are created between the adopting party and persons in his family on the one hand, and the adoptee and his descendants on the other, with all the rights and obligations thereby.
2. Adoption terminates the rights and obligations of the adoptee towards his parents and other persons in the family, as well as the rights and obligations of the parents and family towards him.

Article 202.
No Proof of Motherhood and fatherhood after Adoption

After adoption, it is not permissible to ask for prove of motherhood or fatherhood of an adopted child.

III. ORGANIZED PLACEMENT WITHIN A FAMILY

Article 203.
Principles

1. The placement of a child in a foster family is an organized social form of children's care within another family.
2. Children without parents or without parental care and children whose development has been impeded by circumstances in their family, are placed with another family to ensure necessary conditions of development, education and their preparation for an independent work and life.
3. Educationally neglected children as well as children, whose development has been impeded, may be placed in another family.

4. The financial situation of parents shall not be a reason for a placement in a foster family. The family shall be firstly supported by all means of social welfare.
5. Rights and obligations of parents and custodians of the child, in respect of the provisions of this part of the Law, are limited for the duration of placement with a family.

**Article 204.
Placement**

1. Children without parents or children without parental care are guaranteed a placement in a family until they are considered being able to lead an independent life and work.
2. Placement is possible within a family of children with two parents or one parent.
3. Placement is determined with the preliminary approval of the biological parents of the child and, as a rule, it lasts for the duration of the circumstances which gave rise to the placement.
4. After the placement of the child with another family, the Custodian Body undertakes immediately all necessary means to address and in future to avoid all circumstances which made the placement with a foster family necessary.

**Article 205.
Eligibility of Foster Parents**

1. Placement is made with a family which can successfully fulfill parental obligations, in particular with regard to care, education, teaching and enabling the child for an independent life.
2. Placement of a child shall be made only with a family in which the parent or parents to whom the child is entrusted to, fulfill all the conditions provided for by this Law on behalf of children and parental responsibility.

**Article 206.
Placement of a Child with Special Needs, neglected children and children with limited abilities**

The family in which a child with special needs or a neglected child or a child with limited abilities is placed, is chosen upon the proposal of a group of professionals, assigned by the Custodian Body, which shall be comprised of social workers, teachers, psychologists doctors as well as other experts, chosen with regard to the reasons that made the placement necessary.

**Article 207.
Legal Competence, Documentation**

1. The Custodian Body of the commune in which territory the child resides or is domiciled decides on placement of a child in a family.
2. Before making a decision upon a placement, the Custodian Body mentioned in Paragraph (1) of this Article provides full documentation on all data which is

important for making a decision on the child's placement, as well as on the family where the child will be placed.

Article 208.

Written Contract, Right of Visitation, Payment

1. On the basis of the decision for the placement of a child the Custodian Body enters into a written contract with one of the parents of the family in which the child shall be placed.
2. The family where the child is placed is under the obligation to facilitate visitation to or of the child's parents, unless the Custodian Body decides otherwise on behalf of the welfare of the child.
- (3) The family where the child is placed has a right to payment.

Article 209.

Termination of Placement

1. Placement within a family terminates:
 - 1) by agreement of the contracting parties,
 - 2) by withdrawal of the contract,
 - 3) by the time the child reaches full age, respectively thereafter when the child is able to conduct an independent life or marries before that age,
 - 4) with the adoption of the child,
 - 5) upon death of the child or death of the family member who is a party to the contract for the placement in the family.
2. In case of death of one of the parents of the foster family from Paragraph (1) of this Article, the contract for placement with a family remains in force if the other parent, within one month, informs the competent Custodian Body of the continuation of the child's placement and provided that it is guaranteed that the family in future fulfils the conditions determined by this Law.

Article 210.

Termination of Contract

1. The family where the child has been placed may withdraw from the contract within the terms provided for in the contract.
2. The Custodian Body may terminate the contract for placement with a family only if changed circumstances in the child's family indicate, that there is no further need to continue the placement.

Article 211.

Rescission from the Contract

1. If the family where the child has been placed ceases to fulfill any of the conditions of Article 205 of this Law, respectively if the purpose of the placement has not been achieved, the Custodian Body may decide to revoke the contract for placement with a family.

2. The decision of Paragraph (1) of this Article determines the day of rescission regarding placement of the child.
3. The Custodian Body which has decided on the rescission of the contract for a placement shall ensure further protection, care and education of the child.

**Article 212.
Supervision**

1. The Custodian Body supervises the child's development, ensures that protection, care and education of the child is conducted in conformity with the provisions of this Law and with the provisions of the contract for the placement of the child.
2. The competent Custodian Body pays special attention to the development of the child regarding the purposes which led to the placement of the child.
3. The Custodian Body is under the obligation to inform the foster family about the reasons (defects in the provision of care, protection and education of the child) that led to the placement. It shall make proposals on their future avoidance and all necessary regular and timely social measures.

**Article 213.
Obligations of the Foster Family to Inform**

The foster family is under the obligation to inform the competent supervisory body about issues of health, education and all other relevant conditions of the child's development.

**Article 214.
Reciprocal Information of Responsible Bodies**

1. If placement with a family has been decided by one body, whereas supervision is exercised by another body, the supervisory body is under the obligation to inform the body of placement of the child's development.
2. If the supervisory body from Paragraph (1) of this Article concludes that one of the conditions mentioned in Articles 209-211 for the dissolution of the contract have occurred, the body that is responsible for the placement shall be informed of this fact without delay.

**PART SIX
CUSTODY**

I. PLACEMENT AND PURPOSE OF CUSTODY

**Article 215.
Principles of Custody for Minors and Adults**

1. Minor children are placed under custody and enjoy protection by public institutions

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- 1) when it is impossible for their parents to exercise parental care and custody
 - 2) because both parents are deceased or not known, have been declared disappeared, or have lost parental custody or have lost the capacity to act.
 - 3) or for any other cause which by court decision gives reason for a placement on behalf of the wellbeing of the child.
2. The purpose of custody towards adults is to protect their personality and shall be manifested firstly through personal care, by enabling for an independent life, and medical care.
 3. Custody aims to ensure also property rights and other interests and rights of the person under custody.

II. CUSTODY OF MINORS

Article 216.

Legal Competence and Aims of Custody for Minors

1. The Custodian Body places under custody a minor who is under no parental care.
2. The custodian of a minor has the obligation to take care in good faith for the minor's personality, in particular for the minor's health, education, upbringing and the development of the ability to lead an independent life.

Article 217.

Capacity to Act, Use of Income

1. The minor under custody who has not fulfilled yet 14 years can not exercise by itself the legal affairs, with the exception of minor actions. For the actions which can not be exercised by himself/herself it is necessary to have the permission of his custodian in order to make these actions valid, while for the actions that can not be carried by the custodian it is necessary to have the permission of the Custodian Body.
2. The minor under custody who enters into an employment relation, may dispose of his personal income and the revenue earned through his work. Besides he has the obligation to contribute to his own food, education and upbringing to a reasonable extent.

Article 218.

Right for Complaint

The minor who has reached 14 years of age has the right to submit a complaint against the decision of the Custodian, the Custodian Body or against other bodies which deny the approval required for the validity of any of his legal transactions.

Article 219.

Competence of the Custodian

The custodian can undertake the following actions only with prior approval of the Custodian Body:

- 1) to entrust the minor to an orphanage or another organization for children and minors for protection, education and upbringing, to entrust the minor to another person for education, upbringing and care or to place the minor under medical treatment for a long period at a health institution,
- 2) to initiate a change of school,
- 3) to decide on the selection of a profession or exercise of the minor's profession;
- 4) to undertake other important measures which could harm the minor's personality and interest.

Article 220.

Information of the Custodian Body

1. The social Centre where the minor has been entrusted to or the institution where he has been sent as well as the person to whom he is entrusted for protection and education or the medical institution where he is placed for medical care, are under the obligation to inform the custodian and the Custodian Body of all important issues regarding life, health, education and upbringing of the person under custody, as well as of a possible discharge from the institution and his new place of residence.
2. Persons and institutions mentioned in Paragraph (1) of this Article are under the obligation to timely inform the Custodian Body before discharging the minor under custody in order to ensure timely measures for maintenance and security of the minor.

Article 221.

Termination of Custody

Custody towards a minor terminates:

- 1) upon reaching full age
- 2) upon marriage before reaching full age
- 3) upon adoption
- 4) upon re-acquisition of parental custody from his own parents.

Article 222.

Property of the Custodian and Report

1. In case of termination of custody, the Custodian Body requests the custodian to prepare a work report within a given term, to hand over the property of the person under custody and to deliver the person under custody to the administration respectively to the parents or the adopting party.
2. Delivery of the property is performed in the presence of the custodian, the person under custody, respectively the parent or the adopting party and the representative of the Custodian Body.

III. CUSTODY OF PERSONS WHO HAVE LOST THE CAPACITY TO ACT OR DO NOT HAVE THEIR FULL CAPACITY TO ACT

Article 223.

Full and Partial Deprivation of Capacity to Act

1. A person of full age who is not capable of normal judgment (diagnosed mental illness, mental retardation or another similar cause) and due to this reason is unable to take care of his rights and interests shall be deprived of his capacity to act.
2. A person of full age who by his actions gravely endangers his rights and interests or the rights or interests of other persons because of a diagnosed mental illness, mental retardation or severe abuse of alcohol or narcotics or due to a diagnosed infirmity of old age, shall be partially deprived of his capacity to act.
3. The decision to deprive someone from his capacity to act or to limit his capacity to act is made by the competent court in a non-contest dispute.

Article 224.

Procedures

1. Persons who by court order are partially or fully deprived of their capacity to act are placed under custody, exercised by the Custodian Body.
2. The court has to forward the decision within a ten-day period to the competent Custodian Body which, within 30 days from the day of the decision, has to provide custody.

Article 225.

Obligations of the Custodian

1. The custodian of the person who was deprived of his capacity to act has the obligation to take care of the person's personality and in particular the conditions of his placement.
2. The custodian shall in particular take care of the special situation of the person in his custody with close examination of the causes that brought about the deprivation or limitation of rights. The custodian shall enable the person under his custody to live as far as possible an independent life in dignity.
3. If the custodian concludes that circumstances indicate the need to regain his capacity to act, respectively in case of the need of a revocation of the previous decision, he has the obligation to inform the Custodian Body without delay.

Article 226.

Analogy to Regulations for Custody for Minors

1. The custodian of the person who has fully lost his capacity to act has the rights and obligations of the custodian of a minor person that has not reached 14 years of age.
2. The custodian of the person who has partially lost his capacity to act has the obligations of a custodian of a minor person who has reached the age of 14. Under

certain circumstances the Custodian Body shall allow all legal actions, which can be undertaken of a person with full capacity to act.

Article 227.
Temporary Measures

1. The court where the procedure for the deprivation of the capacity to act has begun is under the obligation to immediately inform the Custodian Body which, if required, shall assign a temporary custodian to that person.
2. The provisions on custody of minors who have reached 14 years of age apply to the rights and obligations of the temporary custodian from Paragraph (1) of this Article, but the Custodian Body, when it is deemed necessary, may apply to this person the provisions of custody over minors who have not yet reached 14 years of age.
3. The obligations of a temporary custodian are terminated when either a permanent custodian is appointed or upon a court order denying the deprivation of the capacity to act.

Article 228.
Supervision

1. The Custodian Body has the obligation to conduct permanent supervision of living conditions of the person deprived of his capacity to act, of his medical condition and in particular, of the conditions that caused the loss or limitation of his capacity to act. The Custodian Body shall receive regular reports from the custodian or from the institution where the person has been placed, respectively the health institution where the person under custody is treated or placed for treatment.
2. According to its official obligation, the Custodian Body initiates all necessary court proceedings for the restitution of the capacity act to the person under custody, if it concludes that a change in conditions require so.

IV. CUSTODIANS IN SPECIAL CASES

Article 229.
Custody for Unclear Ownership

1. The Custodian Body is entitled to appoint a custodian for special cases (from now on special custodian) on behalf of a person's assumed ownership in situations where the owner of the property is unknown and where such a person has no legal representative and custody is inevitable to protect the legal interests of the owner.
2. A custodian may be appointed to the persons mentioned in Paragraph (1) of this Article by the court under the conditions provided by Law. Court and custodian have the obligation to inform the competent Custodian Body on this issue without delay.
3. The Custodian Body may exercise the rights mentioned in Paragraph (1) and (2) of this Article.

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4. This Right ceases at the moment the person on whose behalf special custody was established claims and proves his own rights and identity with the Custodian Body.

Article 230.

Special Custody for Dispute Assessment

1. The special custodian shall be appointed for a child where even though the parents exercise parental custody, a considerable dispute exists between him and his parents, namely where significant legal transactions involving the child's property are concerned.
2. The person under custody may be temporarily appointed a special custodian for a severe and legally grave dispute between him and the custodian.
3. Parents, adopting parties, custodians, relatives and neighbors have the obligation to notify the Custodian Body when they become aware of events or instances mentioned in Paragraphs (1) and (2) of this Article.

Article 231.

General Provisions

1. On the occasion of appointing a custodian for special cases, the Custodian Body shall define scope, obligations and rights of the special custodian, taking into consideration the circumstances of each individual case.
2. The provisions on rights, obligations and responsibilities of the custodian mentioned in Article 215 (2) and (3) apply by analogy to the special custodian.
3. The special custodian has the obligation to submit regular reports of his work to the Custodian Body.

V. LEGAL COMPETENCE IN MATTERS OF CUSTODY

Article 232.

Legal Competence

Custody matters provided for by this Law are conducted and fulfilled by the Custodian Body defined in Article 6 of this Law.

Article 233.

Best Practices

1. To protect rights and interests of the person under custody, the Custodian Body undertakes all necessary measures to achieve the purpose of custody in the best way.
2. The Custodian Body during preparation, realization and enforcement of its decisions and measures, shall make use of all relevant forms of social protection, methods of social work and other professional work, namely of services of social organizations as well as of health and educational institutions.

Article 234.
Responsibility of the Custodian Body

1. The Custodian Body ensures, that all rights and interests of the person under custody are guaranteed according to the provisions of this Law.
2. The Custodian Body ensures also other forms of protection provided by Law to help minors and adult persons.
3. The Custodian Body applies educational measures and other measures defined by the court. It conducts and supervises all activities under its power.

Article 235.
Custodian

The custodian, as a specially appointed person, is entrusted with all necessary rights and obligations to achieve this aim.

VI. CUSTODIAN

1. Designation of the Custodian

Article 236.
Custodian

1. The custodian is appointed to the person under custody by the Custodian Body.
2. As a custodian can be appointed any person who has the personal capacity and necessary ability to fulfill the obligations of a custodian and who accepts in advance to become a custodian.
3. The custodian shall be in the first place appointed from among persons in the family of the person under custody. The Custodian Body shall decide whether this is in the interest of the person under custody.

Article 237.
Exclusions from the Right of Custody

One of the following persons cannot be a custodian:

- 1) The person who has previously lost rights of legal or parental custody due to a court decision
- 2) Who fully or partially has lost the capacity to act
- 3) Whose interests are in obvious conflict with the interests of the person to be placed under custody
- 4) A person whose personal features or pecuniary interests may be in conflict with the interests of a custodian and where it is suspected that the relationship with the person under custody or natural parents may cause conflicts.

Article 238.
Obligation to Accept Custody and Exceptions

1. Persons related by blood to the person to be placed under custody in direct linear ascendancy and direct linear decendency and brothers and sisters of the father or mother of the person under custody, are under the legal obligation to accept the task of a custodian if they comply with the requirements for a custodian under the provisions of this Law.
2. Persons in blood relationship do not have the obligation to accept the task of a custodian if:
 - 1) they are under sixteen years of age;
 - 2) due to illness, body defects or type of profession or service they are not adequately capable to fulfill this task;
 - 3) they already took on the task of a custodian or if they already take care of two or more children;
 - 4) a mother who is considered for the task has a child under the age of seven and rejects the task for this reason
 - 5) the person already takes care of three or more minor children of his own.

Article 239.
Obligation to Accept Custody and Exceptions

On the occasion of appointing a custodian, the Custodian Body shall take into account the request of the person under custody if he is able to express his interest. Wishes of the relatives shall be also considered if this is in the interest of the person to be placed under custody.

Article 240.
Custody directly Exercised by the Custodian Body

1. If this in the interest of the person to be placed under custody, the Custodian Body may decide not to appoint a custodian, but to fulfill the obligations of the custodian directly. Upon a decision to directly exercise the matters of custody a representative of the Custodian Body is appointed to conduct the tasks of a custodian on its behalf.
2. The custodian's tasks, which require the permission of the Custodian Body or the participation of the body in any other way, in order to validate a decision, can be conducted by a representative of the Custodian Body only, if this person is holder of the administrative authorization of the Custodian Body. He shall abide by any directions of the Custodian Body and act in accordance with the provisions of this law.

Article 241.
Custody of More than One Person

The same person upon agreement may be appointed as a custodian for more than one person, if this is not in contradiction to the interests of the persons under custody.

2. Custody

Article 242.

Delegation of Obligations

If the Custodian Body generally takes the role of of a custodian or carries out special tasks of the custodian directly, it is authorized to entrust certain tasks to other professionals who can act on its behalf and under its supervision.

Article 243.

Entrustment

1. The Custodian Body who decides on appointing the custodian defines the custodians obligations and scope of authority.
2. Before making a decision from Paragraph (1) of this Article, the Custodian Body informs the custodian of the importance of custody, about rights and obligations and provides all other important information required for carrying out the task of a custodian.

Article 244.

Obligations of the Custodian

1. The custodian is especially obliged to take care in good faith of the personality and the rights and interests of the person under custody and to administer his property with care, as well as to inform the Custodian Body of the course of custody.
2. The custodian is especially obliged, with the assistance of the Custodian Body, to make use of all necessary means of social welfare in order to ensure the material requirements needed for the enforcement of custody measures.

Article 245.

Inventory of Property

1. If the person under custody owns substantial property, the Custodian Body is obliged to attach an inventory- and evaluation-report of this property to his work report. This applies the same to the person who performs the obligations of a custodian in the name of the Custodian Body.
2. The following data shall be provided with the inventory:
 - 1) data of the person under custody
 - 2) data about the custodian respectively a person who acts as a custodian in the name of the Custodian Body to administer the property of the person under custody
 - 3) data on the person who holds things or property subject to the inventory on behalf of the person under custody
3. (3) If the Custodian Body, where it is legally strictly permissible, has initiated the procedure of custody, it can conduct the inventory and evaluation of property of the person under custody and undertake all necessary measures to protect this property, even before making the final decision for placement under custody.

3. Representation

Article 246. Representation

1. The custodian legally represents the person under custody (legal representative).
2. If the obligations of the custodian are fulfilled directly by the Custodian Body or the custodian has only limited authority, the Custodian Body represents the person under custody through one of its representatives or other authorized professional personnel.
3. The person who represents the person under custody on behalf of the Custodian Body can perform the custodian's actions and measures as mentioned in Article 248 of this Law only upon prior permission of the Custodian Body.

Article 247. Prohibition of Representation

The Custodian cannot represent the person under custody in the following legal transactions:

- 1) In legal transactions between the person and his spouse, his partner (in extra-marital cohabitation or in a factual relationship) or one of his relatives in direct line, unless the legal transaction is limited to the fulfillment of an obligation.
- 2) In legal transactions which involve transfer or burden by lien, mortgage or surety bond, if this means a secured claim of the ward against the custodian.
- 3) In legal transactions which involve an abolition or reduction of the aforementioned secured claims or which cause the obligation of the person under custody to such a disposition.
- 4) In a lawsuit between the persons designated in Paragraph (1) as well as in a lawsuit of an affair of the kind designated in Paragraphs (2) and (3) of this Article.

Article 248. Requirement of Permission for Legal Transactions

1. The custodian requires prior permission of the Custodian Body:
 - 1) to enter into a legal transaction by which the person under custody is obliged to a disposal of assets in the whole or over an inheritance or over his future legal inheritance or his future part of an inheritance
 - 2) to a renunciation of the persons full or partial legacy
 - 3) to a contract which inclines the sale of a company-business as a whole or a contract that inclines the foundation of a company-business together with other persons
 - 4) to a lease of real-estate or commercial enterprises
 - 5) to renting or leasing or other contracts by which the person would be committed to regular obligations, if this contract exceeds the time of one year after the person reached majority.

- 6) to an apprenticeship contract, if this contract binds the person for more than one year
 - 7) to contractual labor relations if they oblige the person for more than one year
 - 8) to the admission of money on the credit of the person under custody
 - 9) to the acquisition of a debenture or debenture bond or to entering a commitment of change or another paper, which can be transferred by endorsement
 - 10) to the assumption of a financial commitment or an endorsement
 - 11) for the granting of the power of procuration
 - 12) to enter an amicable arrangement or an arbitration agreement, unless the subject of the controversy is assessable and does not exceed 200 Euro or unless the agreement corresponds exactly to a court proposal.
2. If the custodian entered into legal transactions without prior permission of the Custodian Body, the validity of the transaction depends on its later approval by the Custodian Body.

Article 249.
Requirements for Permission

The permission shall only be granted to the custodian in person.

Article 250.
Request for Actions to be taken

1. The custodian, public prosecutor, commune in whose territory the person under custody is residing or domiciled, a relative to the person under custody, humanitarian organizations or non-involved third persons can make a request or proposal in any matter of custody to the Custodian Body, to undertake actions and measures of custody, required for the protection of interests of the person under custody.
2. The applicants mentioned in Paragraph (1) of this Article may file a complaint to the second instance against a decision of the Custodian Body refusing custody measures and actions within a term of 15 days from the day of the decision.

Article 251.
Transactions between the Custodian and the Person under Custody

The custodian can enter into a legal transaction with the person under custody only if the Custodian Body approves that this is in the interest of the person under custody.

4. Work Report and Evaluation

Article 252.
Regular Work Report

1. At the beginning of each year the custodian shall present a report to the Custodian Body and give account of his work for the past year. Monthly reports shall be

given on request of the Custodian Body and a final report when he ceases to be a custodian.

2. The report of the custodian shall demonstrate his work and care for the personality of the person under custody, especially the conditions of placement and as far as applicable his health, education, upbringing and all other matters of importance for the personality of the person under custody.
3. The report shall contain also information on all property matters.

Article 253.

Review of the Work Report

The Custodian Body has the obligation to conscientiously review all reports on the work of the custodian and, if required, to undertake all necessary means to protect the interests of the person under custody.

Article 254.

Remarks on the Work of the Custodian

1. The person under custody may make remarks on the work of the custodian, but remarks may also be made by his relatives and third persons.
2. The remarks on the custodian's work shall be delivered to the Custodian Body, to decide on matters of custody.
3. In case the Custodian Body fulfils the obligations directly, the remarks on the Custodian Body are delivered to the second instance court, to decide on matters of custody.

Article 255.

Examination of Remarks

1. The Custodian Body examines the remarks and in case founded remarks require intervention, it undertakes all necessary steps.
2. In case the Custodian Body fulfils the obligations directly and the responsible second instance court concludes that the remarks are founded, it gives instructions to the Custodian Body to undertake all necessary steps. The Custodian Body, pursuant to the instructions shall decide, which measures to undertake and shall inform the second instance body about this.

5. Compensation for Expenses and Damages

Article 256.

Compensation

1. The custodian fulfils his obligations without compensation, but the Custodian Body may award compensation to the custodian who devotes himself to a great extend to the given task.
2. The custodian has a right to reimbursement of reasonable expenses incurred during the conduct of a custodian's tasks.

Article 257.
Liability for Damages

The custodian is liable for any damages to the person under custody which have been caused by unfounded refusal to fulfill the obligations of a custodian, by unreasonable omission to timely fulfill the obligations of a custodian, by negligent behavior, by the violation of rules of this law or upon arbitrary abandonment of his responsibilities.

Article 258.
Obligation to Sustain, Claim of Refund

1. In case of irregular conduct of the custodian the Custodian Body is under the obligation to undertake all necessary means to maintain the representation of rights of the person under custody.
2. As far as compensation of damages is concerned, the Custodian Body shall provide immediate compensation for all damages towards the person under custody and shall give the custodian a time limit to refund the amount.
3. In case the refund is not provided within the given time limit the Custodian Body, directly or through a custodian appointed on this occasion, submits a claim to the competent court, to sue liability of the custodian.

6. Discharge and Release

Article 259.
Discharge of the Custodian

1. The Custodian Body without delay shall discharge the custodian, if it concludes that the custodian has misused his authority or threatened the interests of the person under custody.
2. The same applies in case that the custodian for any reason has lost the right to be a custodian.
3. The Custodian Body shall discharge the custodian within a 30 days time limit if it finds that the custodian has been negligent in the fulfillment of his obligations or it considers, that it would be necessary for the person under custody to be assigned to another custodian.
4. When the Custodian Body acts under the authority of Paragraphs (1) and (2) of this Article, it is obliged to undertake all necessary means to maintain the representation of rights until the appointment of the new custodian is accomplished.

Article 260.
Release of the Custodian from Obligations

1. The Custodian Body shall release the custodian from his obligation on his request no later than three months from the day of request.
2. A relative of the person under custody who is related by blood in a direct blood

line (Consanguinity) or who is a brother or sister of the father or mother who is serving as a custodian, shall be only released on his request, if there are no grounds under which the request should be denied.

3. When the Custodian Body acts compliant to Articles 259 or 260, it is obliged to undertake all necessary measures to protect, ensure and maintain all rights and interests of the person under custody. It shall select and appoint a new custodian as soon as possible.

Article 261.

Property Issues after Discharge or Release

1. If the person under custody owns property, the Custodian Body undertakes all necessary measures to verify the current state of property by means of an inventory and an evaluation of the property.
2. All property under custody shall be entrusted as soon as possible to the new custodian or to the person, who on behalf of the Custodian Body exercises the task of a custodian.
3. The inventory, evaluation and delivery of the property of the person under custody shall be accomplished by a commission, appointed by the Custodian Body. Proceedings are to be held under the presence and participation of the discharged or released custodian, the new custodian respectively the person who directly exercises the task of a custodian in representation of the Custodian Body as well as the person under custody, in case that the latter is mentally capable to understand the matter.

VII. POWERS AND PROCEDURE

Article 262.

Territorial Competence

1. Territorial competence of the body which according to the provisions of this Law carries out and performs the tasks and work of custody, is decided according to the domicile (registered place of living) and if this does not exist, according to the residence (unregistered place of living) of the person under custody.
2. Territorial competence from Paragraph (1) of this Article is determined at the time, the conditions for placement under custody arose.

Article 263.

Change of Residence

1. If residence changes, respectively the domicile of the person under custody changes, the territorial competence of the Custodian Body changes accordingly.
2. The new competent Custodian Body shall decide whether a new custodian shall be assigned and whether any measures determined by the previous competent body shall be changed or maintained.

Article 264.
Official Obligation and Rule of Urgent Procedure

1. The procedure for placement under custody is initiated and is conducted as an official obligation.
2. The procedure under Paragraph (1) of this Article is deemed urgent.

Article 265.
Bodies to be informed

The Custodian Body shall be informed as a matter of obligation by the below mentioned bodies of the need of a person to be placed under custody or of another form of necessary protection, respectively about the termination of custody:

- 1) the registrar,
- 2) judicial bodies and administrative bodies that during the course of their obligations are involved in the matter,
- 3) relatives, family members and if deemed necessary, third non-involved persons.

Article 266.
Procedure

1. When the Custodian Body becomes aware that a person shall be placed under custody, it immediately undertakes all necessary measures to protect personal rights, the property and other interests of such a person and starts the procedure for placement, namely appoints the custodian, determines his obligations and the scope of his authority, respectively makes the decision to fulfill the obligation of a custodian directly.
2. After the appointment the Custodian Body shall immediately entrust its obligations to the custodian.
3. In the procedure of entrustment the following persons shall participate:
 - 1) the custodian
 - 2) the person under custody, in case he is mentally capable to understand the subject matter
 - 3) family members, which whom the person under custody cohabitates.
4. The representative of the Custodian Body orally informs all persons present about the obligations and the competencies of the custodian and the person under custody, as well as about aims and purposes of custody.
5. Upon delivery of documentation about the property which has to be administered by the custodian in accordance with the provisions of this Law, the obligations of the custodian in this respect become legally effective.
6. The Custodian Body may assign a temporary custodian while the decision is pending.

**Article 267.
Considerations**

On making the decision about the adequate form of custody, the Custodian Body shall consider all interests of the person under custody and determine all contemporary professional methods of social work and social protection, as well as consider all pecuniary and materialistic possibilities available.

**Article 268.
Registration**

1. The action for placing a person under custody and the action for the termination of custody shall be sent to the competent registrar within a time limit of 15 days after it has become legally effective. Legal effect is achieved, when decisions are issued.
2. If the person owns immovable property, action under Paragraph (1) of this Article is issued also to the competent body within the same term, for registration of this fact in public land registers.

**Article 269.
Written Evidence**

The Custodian Body is obliged to collect and keep written evidence about the procedures, in particular for custody cases involving minors, custody of adults and special forms of custody.

**Article 270.
Costs**

1. The costs for the application of certain measures, taken in the interest of the person who is being granted protection according to the provisions of this Law, is paid in accordance of priority by:
 - 1) The income of a person who is being protected
 - 2) Pecuniary means acquired from parents or other persons who are under the obligation to provide financial maintenance for the person who is being protected
 - 3) Pecuniary means acquired because of social protection and other forms of assistance and welfare
2. Means achieved because of social protection, shall be used under the direction of the custodian to undertake all necessary measures in the interest of the person who shall be granted the given form of protection according to the provisions of this Law.
3. This shall also apply when this person has his own sufficient means, but the request made to those who have the obligation to provide protection causes difficulties, resulting in a gap of protection in a way as to endanger his life, health or regular education.
4. The Custodian Body has the right to claim expenses made under Paragraph (2) and

(3) of this the person whose needs are met, respectively to pursue his claims towards those, who have the obligation to provide protection.

PART SEVEN
PROPERTY RELATIONS OF MEMBERS OF THE FAMILY COMMUNITY

Article 271.
Family Community

A family community consists of the spouses and their immediate family which for the purpose of this Law include the children and the parents of the spouses. Other family related persons as well as persons who are substantially dependent economically and who live in a common household with the spouses may be considered members of the family community for the purposes of this Law.

Article 272.
Acquisition of Property

All property acquired during the duration of this union is considered to be joint property of all members of the family community who have participated in its creation.

Article 273.
Administration of Property

1. Joint property is being administered jointly by the members of the family community and is disposed of by mutual agreement.
2. Minors who are members of a family community and who have reached the age of 15 take part in the administration and have equal rights in regard to the disposal of joint property.
3. Administration of joint property on mutual agreement of all members of the community can be entrusted to one or more members of the family community
4. Each member of the family community may request the decision on entrustment of administration of the joint property to be revoked. If the other members of the family community do not agree, the decision is taken by the court in an ex-officio procedure.

Article 274.
Immovable Property

1. Rights of members of a family community concerning immovable property are registered in public registers for proof of ownership (Land Register). Entry is made on behalf of all the members of a family community who with their work have participated in the acquisition of undetermined parts.
2. If the registers show a registered member of the family community in the capacity of an owner (single owner), as long as upon a joint proposal of all other members of the family unit, the facts concerning the rights of ownership are not changed to the legal status of joint property.

3. The contract by which a member of the family community, who has been registered as single owner in public registers transfers or burdens the immovable property, the other members of the family community may legally attack such action. This shall only be possible, if at the time of entering into a contract the register showed facts on rights of joint ownership or if at the time of entering into a contract with a third party, the single owner has made public without doubt that the property is under family community.
4. Non-authorized transfer of immovables can otherwise only be legally attacked, if the recipient was in bad faith.
5. If a member of the family community transfers the property without authority, the other members of the family community have the right to rise a claim at the competent court for an evaluation of their part and a decision for pecuniary compensation.

Article 275.

Analogy

If the Law does not provide otherwise, property relations among members of the family community in this Law shall apply in analogy on governing of property relations between spouses.

Article 276.

Contractual Agreements and its Certification

1. The members of a family community by contract may regulate their reciprocal property relations.
2. The contract from Paragraph (1) of this to be provided in writing, has to list all members of the family community with their form of participation and has to be certified by a judge.
3. Upon certification, the judge shall read the contract and shall inform the contracting parties about the consequences of the contract.
4. If minors participate in the contract, the court shall request the opinion of the Custodian Body prior to certification.

Article 277.

General Rules on Property Rights

General rules of property relations apply also for property relations among members of the family community if not otherwise foreseen in this part of the Law.

**PART EIGHT
FINANCIAL MAINTENANCE**

I. PRINCIPLES

**Article 278.
Principle**

1. Financial maintenance in the context of this Law shall mean financial support and material support.
2. Relatives related by blood in a direct blood line (Consanguinity) are under the obligation to provide reciprocal financial maintenance.

**Article 279.
Neediness**

Only persons who can not financially maintain themselves are eligible to financial maintenance.

**Article 280.
Service Capability**

1. Persons who under consideration of all personal obligations are not able to provide financial maintenance without endangering their own reasonable maintenance, are not obliged to provide maintenance.
2. Parents who fall under Paragraph (1) are obliged to provide financial maintenance to their minor and unmarried children by all reasonable means. This also applies to children between the age of 18 and 26 as long as they live in the household of their parents or one parent and are still in general education.
3. The obligation mentioned in Paragraph (2) is not applicable if there is another relative who is obliged to provide financial maintenance. It shall also not apply if the child's support may be taken from the child's assets.

**Article 281.
Obligation of Reciprocal Information on Financial Situation**

1. Relatives in a direct line are obliged to disclose to each other their income and financial situation based on request.
2. Based on request the person who is obliged to provide maintenance shall present written evidence and documents to give proof about his income and his financial situation.

**Article 282.
The Order obliged Persons**

1. Primarily the spouse is obliged to provide financial maintenance to the other spouse.

Civil laws

2. In case the obligation of financial maintenance lies with several relatives, the obligation lies firstly with the descendants and secondly with the relatives in the ascending line.
3. The obligation for providing financial maintenance for people in consanguinity is determined according to order by which applies in inheritance.
4. Among several relatives who are of the same nature of relation, all of these are obliged in proportion to their financial capabilities. The person who directly takes care for a child in his household fulfils his share by providing care and education.

Article 283.

Change in Order of Obligation

1. As far as a relative is not obliged to provide financial maintenance, the obligation passes over to the relative based of the further order of obligation.
2. The responsibility of a spouse to provide financial maintenance to the other spouse passes over to the relatives of the person in need only in case of financial incapability as mentioned in Article 280 (1).

Article 284.

Regulation of Share of Obligation of More Persons in Providing Financial Maintenance

In case more than one person is in need and the person under the obligation to provide financial maintenance to all of them is not capable to provide full maintenance under the reasons mentioned in Article 280, the obligation is shared among all relatives obliged, until financial maintenance is fully guaranteed.

Article 285.

Extent of Maintenance

1. The extent of maintenance shall be adequate to the conditions under which the eligible person used to live. In case the situation was desolate, the maintenance should provide at least the minimum which is needed to maintain daily life in dignity.
2. Maintenance consists of all necessary requirements of living, including all costs of necessary training or education to acquire a profession.

Article 286.

Form of Maintenance

1. Maintenance shall be primarily pecuniary.
2. The person under the obligation to provide pecuniary maintenance may ask for the permission of the Custodian Body to be allowed to provide maintenance in another form if a special situation requires this.
3. Maintenance has to be paid monthly in advance.

Article 287.
No Renunciation of Maintenance

The person eligible to maintenance can not renounce his right to future maintenance.

Article 288.
Expiration of the Right to Financial Maintenance

1. The right to maintenance between two persons expires, if either one of them dies.
2. This does not apply to the obligation of a parent towards his child. In this case his obligation is passed to his legal successor.

II. FINANCIAL MAINTENANCE AND ALIMONY

1. Financial Maintenance of Children

Article 289.
Application of Principles

General principles of the responsibility of parents provided for in this Law shall apply whereas not otherwise foreseen in the following Articles.

Article 290.
Financial Maintenance

1. Parents are under the obligation to provide financial maintenance for their minor children.
2. If the child has not completed schooling until majority, parents are under the obligation to provide all necessary support to ensure schooling, respectively education at a faculty, the latest until the child is 26 years of age.

Article 291.
Maintenance of Adult Children in Special Cases

If a child of full age is unable to work due to illness, physical or mental defects, and does not have sufficient means for his financial outcome, parents are under the obligation to provide financial assistance until such a situation ceases.

Article 292.
Obligation of the Child

From the age of 15 years on a child who earns income by his own work, is under the obligation to financially contribute for his own maintenance and if required, also for a reasonable contribution to the maintenance of the family he lives with.

Article 293.
No Loss of Obligation by Loss of Parental Custody

The parent who loses parental custody is not released from the obligation of maintenance towards his child.

Article 294.
Obligation of Children towards their Parents

1. Children have an obligation to provide financial maintenance to their parents if their parents are not able to work or do not have sufficient minimum means to live.
2. By way of exception, the court may refuse a claim for financial maintenance, if the parent has lost parental custody or has not provided financial maintenance for the child, despite his financial capability.
3. The exception mentioned in paragraph (2) of this Article also applies if the court, after examining all the circumstances of the case concludes that the obligation of the child would present an open injustice to the child.

Article 295.
Obligation of Stepparents towards their Stepchildren

1. Step father and step mother are under the obligation to provide financial maintenance for their step children if these have no other relatives who, according to this Law, are under the obligation to provide financial maintenance or have only relatives who are financially incapable.
2. The obligation of stepmother or stepfather continues even after the death of their partner who has been a natural parent to the child, if the step child and the step mother or step father cohabitated prior to the death of the partner.
3. This shall not apply, if marriage between the parent and stepfather or stepmother of the child has been annulled.

Article 296.
Obligation of Stepchildren towards their Stepparents

Stepchildren are under the obligation to provide financial maintenance for the step father and step mother according to Article 294 if their step parents have provided financial maintenance and care for them for a reasonable time. If step father and step mother have their own children, then this obligation is shared with the other children.

2. Matrimonial Maintenance (Alimony)

Article 297.
Definition of Alimony

Alimony is financial maintenance of spouses or former spouses.

Article 298.
Eligibility of Spouses for Alimony

1. The spouse who does not have sufficient means for financial maintenance, who is unable to work or cannot be employed for other reasons, has the right to financial maintenance from the other spouse in proportion to his financial abilities.
2. The court, considering all the circumstances of the case, may refuse the request for alimony, if alimony is demanded by a spouse in bad faith or if he has abandoned the spouse without any reasonable grounds.

Article 299.
Alimony for the Care of a Child

A divorced spouse may claim alimony from the other spouse as long as and to the extent he cares for and maintains a common child and for this reason it is impossible to work.

Article 300.
Alimony for Old Age

A divorced spouse may claim alimony from the other spouse if and as far as from the moment

- 1) of divorce
- 2) the conclusion of care and maintenance of a common child
- 3) the conclusion of the conditions foreseen in Articles 301 and 302 of this Law
- 4) he can not be expected to engage into employment because of his old age.

Article 301.
Alimony for Illness or Disability

A divorced spouse may claim alimony from the other spouse if and as far as from the moment of divorce, the conclusion of care and maintenance of a common child or the conclusion of the conditions foreseen in Article 302 of this Law he can not be expected to engage into employment because of an illness, a disability or a weakness in his physical or mental strength.

Article 302.
Alimony because of Unemployment, Claim for Difference

1. As far as Alimony can not be granted under the provisions of the preceding Articles 299–301 a divorced spouse may claim alimony if and as far as he is not able to find employment after the moment of divorce.
2. In case earnings from employment do not suffice and he is not eligible for alimony under Articles 298-301, he is eligible to claim the difference as alimony in order to achieve reasonable financial maintenance.

Article 303.
Adequate Employment

1. The divorced spouse can only be requested to engage in adequate employment.
2. Employment is adequate, if it is in relation to education, capabilities and health of the divorced spouse and it is adequate to the state of living. The latter is dependent on the time, the marriage lasted and the time, the divorced spouse engaged in care and upbringing of a common child.
3. The divorced spouse shall engage in further education or retraining, if it is possible and necessary to find employment.

Article 304.
Neediness

The divorced spouse may not ask for alimony, as far and as long he is able to maintain himself from his own earnings and property.

Article 305.
Extent of Alimony

The extent of alimony is dependent on the matrimonial standard of living. Maintenance of the standard of living requires also the costs for adequate health insurance and costs for education or further education or retraining according to Paragraph (3) of Article 306.

Article 306.
Limitation or End of Obligation

1. A claim for alimony shall be rejected or limited. This shall be dependent on extent the claim is unreasonable.
2. The claim shall be unreasonable if
 - 1) the period of time the marriage lasted or the period of time maintenance was provided for a common child was very short and for the fact of marriage or maintenance alimony is claimed for
 - 2) the claimant is guilty of a crime or a deliberate aggravated assault against the other spouse
 - 3) the claimant intentionally caused his neediness.

Article 307.
Capability for Alimony

1. Persons who considering all other obligations are not able to provide alimony without endangering their own reasonable maintenance, are not obliged to provide maintenance.
2. As far as they are able to provide alimony the obligation remains.

Article 308.
Obligation of Reciprocal Information on Financial Situation

1. Divorced spouses are obliged to disclose to each other their income and financial situation on request.
2. Written evidence and further documents shall be presented on request, in order to give proof about income and financial situation.

Article 309.
Regulation of Order on Obligation of Alimony

1. The obligation for alimony lies firstly with the divorced spouse.
2. If or as far as the divorced spouse does not provide sufficient alimony, the obligation is passed on, as the right to financial maintenance, to the relatives according to the succession line of the defendant.

Article 310.
Form of Alimony

1. Alimony shall be primarily pecuniary.
2. The person under the obligation to provide alimony may ask for the permission of the Custodian Body or court to be allowed to provide maintenance in another form if a special situation requires this.
3. Money has to be paid monthly and in advance.
4. Instead of a monthly payment the claimant may ask for a lump sum satisfaction. This shall only apply if there are reasonable grounds and the lump sum would not result in an unfair burden to the person under the obligation to provide alimony.

Article 311.
Settlement

Divorced spouses may enter in an agreement about alimony within the court where the procedure for alimony is conducted.

Article 312.
Expiration of Rights

The right of the divorced spouse for alimony ceases, when the conditions of Articles 298-302 of this Law no longer apply, when the time has expired for which the court has determined alimony, when the divorced spouse that enjoys this right re-marries or enters into a non-marital cohabitation (factual relationship) or dies.

Article 313.
Continuation of Rights

1. The obligation to provide Alimony does not cease with the death of the obliged person but is passed on to his legal successor. In this case all possible limitations

Civil laws

on the amount of alimony cease and the amount is re-determined, dependent on the financial capabilities of the successor.

2. This also applies for the claim for alimony for the month the claimant entered into a new wedlock or died.

Article 314.

Resurgence of the Right to Receive Alimony

In case where a person who is eligible to alimony entered into a new wedlock and this is later dissolved by divorce, the claim for alimony against his earlier spouse is resurged, if he cares for a common child from his first marriage.

Article 315.

Court Procedures

1. The spouse has the right to request that by the same lawsuit which dissolves the marriage the court extends the suit in regard to alimony.
2. The spouse who has not requested alimony from the other spouse in the divorce disputes, due to any reasonable ground, may submit such a claim in a separate law suit within two years but only if the below mentioned conditions are met:
 - 1) conditions on granting alimony have existed before divorce and have continued until the closure of the court session in alimony dispute or
 - 2) if within this deadline the incapability to work is caused as a consequence of personal injury or health injury from the time before the divorce.

Article 316.

Alimony in Cases of Unexpected Annulment of Marriage

In case marriage is annulled, the spouse who at the time of entering into the marriage did not know the cause of the invalidity of the marriage, can demand the other spouse to provide alimony under the conditions in which a divorced spouse shall satisfy a claim for alimony.

3. Special Provisions for the Protection of Children of Unmarried Parents

Article 317.

Obligation of the Unmarried Father

1. The father of a child is obliged to grant financial maintenance for the time span of 6 weeks prior of birth and eight weeks after the birth of a child.
2. This relates also to all costs of pregnancy and delivery of the child.
3. As far as the mother can not engage into employment because of an illness inflicted by pregnancy or delivery, the obligation to provide financial maintenance for the child and alimony to the woman may be timely extended.
4. The same shall apply if the mother can not engage into employment because of care and upbringing of the child.

5. This shall also apply in cases when the child was born dead or has died after birth or during the disability of the child, if caused by birth.

**Article 318.
Limitations**

1. The obligation to provide maintenance begins earliest 4 weeks before delivery and ends latest three years after birth.
2. The three year limitation may be extended, if it is deemed strictly necessary to maintain living conditions of woman and child.

**Article 319.
General Rules on Obligations of Maintenance among Relatives**

1. All provisions on obligations of maintenance between relatives shall apply as well for children of unmarried parents.
2. The obligation for alimony firstly lies with the father and then with other relatives.

**Article 320.
Obligation of the Unmarried Mother**

If the father is in charge with care and upbringing of the child, he may claim financial maintenance mentioned under Paragraph (4) of Article 317.

**Article 321.
Refusal of Claim**

The court may refuse the claim for alimony only if the claimant is guilty of a deliberate aggravated assault or similar crime against his partner.

**Article 322.
Invalidity of Renouncement**

Rights for alimony between unmarried partners can not be renounced.

III. PROCEDURES

1. Principles and procedures on maintenance and alimony

**Article 323.
Territorial Competence**

In disputes on alimony the child respectively his legal representative may file a lawsuit either at the court with general territorial jurisdiction or at the court in whose territory the plaintiff resides or is domiciled.

**Article 324.
Legal Panel**

The procedure for the alimony dispute at the First Instance Court is conducted and decided by a panel consisting of one judge and two lay judges, whereas at the Second Instance Court by a panel of three judges.

**Article 325.
Ex Officio Decision**

1. Wherever possible, decisions on protection and maintenance of children in marital disputes shall be ex officio
2. The court shall accept an agreement of parents on financial maintenance in accordance with this Law only if the settlement is in conformity with the provisions of this Law on issues of financial maintenance.
3. The court decides, ex officio, on the financial maintenance of the child only if it is confirmed, that the defendant is the father of the child, respectively it is confirmed that the defendant is the mother of the child.

**Article 326.
Involvement of the Custodian Body**

1. The Custodian Body on behalf of the minor child may initiate and conduct the lawsuit.
2. It may also initiate the lawsuit for the increase of alimony, if the parent who has custody of the child, does not exercise such right due to unreasonable grounds.
3. If the parent does not claim enforcement of the decision, by which alimony has been decided on by the court, the Custodian Body on behalf of the minor child may request a final decision in the execution procedure in accordance with provisions of the Law on Enforcement Procedures.

**Article 327.
Ex Officio Temporary Measures for Maintenance of Children**

1. In disputes of financial maintenance of children, in disputes about custody and in disputes where financial maintenance for the child is decided ex officio, the court determines ex officio temporary measures for financial maintenance if both parents do not effectively contribute to the child's financial maintenance.
2. If the parent who on the basis of the court decision is obliged to provide the determined amount for financial maintenance does not carry out his obligation regularly, the Custodian Body, at the request of the other parent or as part of its official obligation undertakes all necessary measures to provide the child with temporary financial maintenance according to the provisions on social protection of children.
3. The measure shall last as long as the parent does not fulfill his obligation.
4. Enforcement measures against this parent shall be initiated if necessary.

Article 328.
Temporary Measures for Maintenance of Adults

1. In disputes about alimony or financial maintenance of adults the court may determine temporary measures for their alimony or financial maintenance only upon the request of the claimant.
2. Enforcement measures may be initiated on request of the claimant.

Article 329.
Encouragement of Out of Court Settlements

The Custodian Body is obliged to encourage children and parents to enter into out of court settlements.

Article 330.
Principles of Determination of Maintenance and Alimony

1. The obligation to provide financial maintenance or alimony is determined in proportion to all means of the defendant and within the limits of the needs of the claimant.
2. The court shall consider the defendants financial situation, ability to work, factual possibility of employment, health condition, personal needs, legal obligations and all other relevant circumstances.
3. When alimony is demanded for the child, the court considers the age of the child and all needs for his education.

Article 331.
Adjustment of Maintenance Decisions

1. The court, upon the request of the claimants or the obliged persons may increase, decrease, end or change financial maintenance or alimony which has been determined by a previous court decision, if circumstances on which the decision was based have changed.
2. Conditions which may change are namely personal needs and a rise in costs of living on the claimant's side and financial status of the defendant on the other side.

Article 332.
Extension of the Lawsuit

1. When the court concludes that parents alone or together cannot fulfill the alimony needs of the minor child to the amount deemed necessary by the court, the Custodian Body shall be informed in this regard.
2. In such cases, the Custodian Body may extend the lawsuit for financial maintenance and include other persons who according to the Law are obliged to provide financial maintenance.
3. The decision on inclusion of these persons is incontestable.

4. The legal representative of the minor child is entitled to request an extension of the lawsuit under the conditions set out in Paragraph (2) of this Article.
5. If in the subsequent procedure the court concludes that other relatives also have no means to satisfy the needs of the child, the Custodian Body will take necessary measures to secure the alimony needs of the child according to provisions on social protection namely those mentioned under Articles 316 – 327.

Article 333.

Enforcement of Court Decisions

1. The decision to increase financial maintenance or alimony at the request of the eligible person or the proposal of the Custodian Body is taken by the competent court. Based on an executive decision the court may initiate enforcement proceedings according to the rules on issuance of enforcement decisions. The Custodian Body respectively the competent body shall be informed about this procedure for statistical matters.
2. If the obligor of alimony challenges the decision pursuant to Paragraph (1) of this Article, indicating in his challenge that his income has not been increased in proportion to the increase of the costs of living or other circumstances have occurred which do not support the increase of financial maintenance or alimony, the court will instruct such a person to initiate litigation within the prescribed time limit to proclaim enforcement as unacceptable.
3. Until enforcement litigation becomes final, the enforcement decision for the payment of the amount evaluated for financial maintenance or alimony will be postponed, but the court may decide not to postpone enforcement, if it deems that the debtor will not be harmed by such action.

Article 334.

Cooperation in Enforcement

The employer of a person against whom a court decision for alimony or financial maintenance is being enforced, is obliged to cooperate with the authorities to provide a compulsory deduction of the alimony contribution from the persons salary or wage.

Article 335.

Exclusion of the Public

In order to guarantee protection of personal rights of parents and children, the public is excluded from all litigation for financial maintenance and alimony.

Article 336.

Revision

Revision is allowed in all disputes on financial maintenance and alimony.

2. Principles and procedures of disputes on relations between parents and children

Article 337. Territorial Competence

In disputes for verification or challenge of a paternity or maternity the child, respectively his legal representative may file a lawsuit, either at the court with general territorial competence or at the court in whose territory the person resides or is domiciled.

Article 338. Legal Panel

The procedure of a lawsuit among parents and between parents and children at the first instance level will be conducted and decided by a panel, consisting of one judge and two lay judges, whereas at the court of second instance the panel consists of three judges.

Article 339. Participating Parties

1. In disputes for the verification of paternity, parties of the lawsuit are the person whose paternity should be verified, the child and the mother of the child.
2. In disputes challenging the paternity of the person, who according to the Law is deemed to be the father of the child participating parties are: the person challenging paternity, the child and the mother of the child.
3. In disputes where the person, who deems himself to be the father of the child, challenges the paternity of the person who has recognized the child as his own, the parties in the dispute are: the person who refuses to recognize the accepted paternity, the person whose paternity is being objected, the child and the mother of the child.

Article 340. General Court Procedures on Verification of Paternity or Maternity

1. In disputes of family relations between parents and minor children and lawsuits for verification or refusal of paternity or maternity as well as in the case of adult children, the court may also consider facts which are not contested by the parties.
2. In such disputes, no judgment can be pronounced because of absence or non-admission.
3. In a dispute about the verification or refusal of paternity or maternity, a judicial agreement shall not be allowed.
4. If in the lawsuit for verification of paternity or maternity the defendant recognizes his paternity respectively maternity, the procedure shall be suspended and the court will immediately send a certified copy of the minutes, together with the declaration

for recognition of paternity respectively maternity to the competent official for registration of the child in the birth register.

Article 341.

Ensuring Necessary Participation, Rejection of Claim

1. If in the verification dispute, respectively in the dispute for rejection of paternity, as claimant and defendant have not been included all persons mentioned in article 339 of this Law, the court shall invite the claimant to extend the lawsuit to more persons. These persons can not reject the extension of the lawsuit..
2. If in the dispute for rejection of paternity, the plaintiff, within the term determined by the court, does not extend the suit to other persons, who are not initially included in the suit or if these persons within the same term do not join to the claim as new claimants, the claim shall be rejected.
3. If in the dispute for verification of paternity, the plaintiff, within the term determined by the court, does not extend the suit to other persons, who are not initially included in the suit, or if these persons within the same term, have not joined in the suit as new plaintiffs, the court shall inform the Custodian Body on this matter and shall determine a new term within which the parties shall join the suit.
4. If no further parties participate in the lawsuit in the given time limit, the claim shall be rejected.

Article 342.

Involvement of the Custodian Body

1. In case of family relations disputes between parents and minor children, the court shall inform the Custodian Body, if it concludes that the statutory representative does not exercise the appropriate care in his responsibility due to a lack of knowledge or negligence.
2. The Custodian Body at any time has the right to participate in such a dispute if it concludes that this is in the interest of the child or if the child is a party in the dispute.
3. As a participant in the procedure, the Custodian Body is entitled to make proposals for the protection of rights and interests of children, to submit the facts which were not pointed out by the parties and to propose the collection of evidence, to provide necessary means of support.
4. The court is obliged to invite the Custodian Body participating in the procedure to all court sessions and to send all of its decisions to this body.

Article 343.

Protection of Children by Special Custodians

1. If a child and the parent, who is the legal representative of the child, jointly file a lawsuit for the verification or refusal of paternity, respectively, if they are defendants in the same suit, that parent shall also represent the child in the lawsuit

but the Custodian Body may appoint to the child a special custodian if there are conflicting interests between the parent and child in the same suit.

2. If the child and parent, who is the legal representative of the child, have opposing interests in the suit as plaintiff and defendant, the Custodian Body shall assign a special custodian to the child.

Article 344.

Ex Officio Temporary Measures for the Protection of the Child

1. In custody procedures, the court ex officio may determine temporary measures for protection, education and placement of children.
2. Temporary measures may be applied, irrespectively of the decision made in the underlying dispute or the nature of the underlying lawsuit if this is deemed necessary.
3. Appeal against the decision on temporary measures does not stop the execution of the decision.

Article 345.

Exclusion of the Public

In the litigation for the verification or refusal of paternity and in disputes for custody of the minor child, the public is excluded from the lawsuit to guarantee protection of children.

Article 346.

Joint Dispute Procedures

Parties which jointly file a dispute for refusal or verification of paternity or maternity, respectively which are defendants in the same lawsuit, are deemed to be one contesting party, so that if the litigants make any omissions in any of the contesting actions, the effect of the contesting action undertaken by the other litigant extends over the litigant who did not undertake such action.

Article 347.

Costs

The court decides on its discretion on the costs of the procedure.

Article 348.

Second Instance Ex Officio Measures

1. In the appeals proceedings of disputes for verification of paternity or maternity and in disputes for protection, education or financial maintenance of a minor child, the court of second instance shall take ex officio decisions in the interest of the minor child wherever possible.
2. In case of disputes under Paragraph (1), the court of second instance will examine even the parts of the decision which were not challenged by the appeal.

IV. PROVISIONS OF CIVIL PROCEDURES

Article 349.

Application of the Law on Judicial Contests

Provisions of the Law on Judicial Contests in marital litigations or court disputes among family members apply, unless this Law provides otherwise.

Article 350.

Application of the Law on Extra-Judicial Proceedings

In legal issues which by this Law are regulated in extra-judicial procedure, shall apply provisions of the Law on extra-judicial Procedure.

V. ENFORCEMENT PROCEDURES

Article 351.

Territorial Competence

1. With regard to the decision for the enforcement of the court order to deliver the child to the parent or to any other person to whom the child was entrusted for protection and education, the competence lies with the court which has general territorial jurisdiction for the party which demands such enforcement, as well as with the court in whose territory the child is found.
2. The court in whose territory the child is found has the territorial jurisdiction to carry out enforcement procedures.

Article 352.

Enforcement Procedures

1. On the occasion of compulsory enforcement, the court will consider the emergency nature of the procedure and the need to protect the personality of the child to the maximum extent.
2. The court, after evaluating all the circumstances of the case, will decide whether to apply the enforcement by determining fines against the person, where the child is found or whether to remove the child from the person or not.
3. If the purpose of enforcement cannot be achieved by a decision of fines, enforcement shall be applied by taking the child from the person where the child is found and handing over the child to the parent or another person to whom the child has been entrusted to for protection and education.
4. In the enforcement procedures the court shall seek for opinion of the Custodian Body.

VI. TRANSITIONAL AND FINAL PROCEDURES

Article 353. Family Law Procedures

The rules of procedures for courts, the Custodian Body, other bodies and authorized persons as mentioned in this Law are regulated in the applicable Law until a new law regulating this matter is adopted.

Article 354. Transitional Provisions

1. Cases that are under procedure will end according to the laws that have been in force.
2. The deadlines set forth in this law on filing a suit will be implemented in all those cases on which the deadlines set forth in the provisions of this law have not passed.

Article 355. Entry into Force

The present law shall enter into force after adoption by the Assembly of Kosova on the date of its promulgation by the Special Representative of the Secretary-General.

**Law No.2004/32
20 January 2006**

**OFFICIAL GAZETTE OF THE PROVISIONAL INSTITUTIONS OF SELF-
GOVERNMENT IN KOSOVO / PRISHTINA: YEAR I / NO. 4 / 01 SEP-
TEMBER 2006**

**LAW No. 2004/26
LAW ON INHERITANCE IN KOSOVO**

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**PART ONE
CHAPTER ONE**

GENERAL PROVISIONS

On the object of the Law on Inheritance

Article 1.

- 1.1. This Law regulates the inheritance rights.
- 1.2. Inheritance is a transfer of a person's property based on the law or based on a will (inheritance) from a dead person (decedent) to one person or several persons (heirs or legatees), according to the provisions set out in the present Law.
- 1.3. This law regulates the procedures that courts, other bodies and authorized persons follow during inheritance matters.
- 1.4. For the purpose of this Law, words in the masculine case shall also include the feminine case and vice versa, without discrimination.

The object of inheritance

Article 2.

The things and the rights belonging to individuals can be inherited.

Equality in inheritance

Article 3.

- 3.1. All physical persons under the same conditions are equal in inheritance.

- 3.2. Children born out of wedlock, when the fatherhood is regularly known or verified by a court or competent body decision, as well as adopted children, are as equal as legitimate children.
- 3.3. The adopted child has no inheritance right in his original family and neither the family inherits from the child.
- 3.4. Foreigners are as equal as Kosovo people regarding inheritance, subject to reciprocity. Reciprocity is presumed.

Acquiring inheritance

Article 4.

- 4.1. It is inherited due to the death and at the moment of the death of a physical person.
- 4.2. Every physical person can be inherited.

The time and place of opening the inheritance

Article 5.

- 5.1. The deceased physical person (decedent) is inherited by another person that has acquired the right to inheritance (heir) upon the decedent's death.
- 5.2. Every person is able to inherit, unless it is differently provided by this law.
- 5.3. The right to inheritance is acquired upon the death moment of the decedent. The person with the right to inheritance can give up his right based on the provisions of this law, which will imply that this right has never been acquired.

On agreements on future inheritances

Article 6.

Any agreement between future heirs, or between future heirs and third persons, over on an inheritance that has not been opened shall be deemed null and void.

Ability to inherit

Article 7.

- 7.1. Any person who is alive at the time the inheritance is opened, or any person conceived before the death of the decedent, and born alive, may inherit.
- 7.2. A person will be considered to have been conceived at the time inheritance is opened if such person is born alive within 300 days after the death of the decedent.

Grounds for inheritance

Article 8.

Inheritance shall be based on legal or testamentary succession.

On legal succession in general

Article 9.

Inheritance shall be based on legal succession when the decedent has not left a will, or left a will only for a part of his property, or when such will is fully or partly invalid.

On dispositions mortis causa

Article 10.

If the decedent has no heirs, the right to inheritance is passed on to the Municipality, which acquires the same position as the heir of the decedent and cannot give up the right to inheritance.

CHAPTER TWO INHERITANCE BASED ON LEGAL SUCCESSION

Heirs at law

Article 11.

- 11.1. Heirs at law are: the decedent's children, his adoptees, and their descendants, spouse, parents, siblings and their descendants, grandfather and grandmother and their descendants.
- 11.2. By law, the decedent is inherited by the extramarital spouse that is as equal as the marital spouse. Extramarital union in this law implies the cohabitation union between an unmarried woman and an unmarried man, which has lasted for a long time and ended because of the death of the decedent, subject to fulfillment of presumptions of validation of the marriage.
- 11.3. These persons shall inherit according to the ranks (orders of succession) as determined by this Law.
- 11.4. Heirs of a prior rank shall exclude persons of further ranks from inheritance.

I – INHERITANCE RANKS
1. THE FIRST RANK OF INHERITANCE

Decedent’s descendants and spouse

Article 12.

- 12.1. The decedent shall be inherited, prior to all others, by his children and spouse.
- 12.2. The persons from Paragraph (1) of this Article shall inherit in equal shares.

The right to representation

Article 13.

- 13.1. If one of the children died before the decedent, his place is taken by the decedent’s grandchildren from the deceased child, but if specific circumstances foreseen by this law do not provide for these grandchildren, then the great-grandchildren will inherit without any limits.
- 13.2. Persons from Paragraph (1) of this Article inherit in equal shares.

2. THE SECOND RANK OF INHERITANCE

Decedent’s parents and spouse

Article 14.

- 14.1. The property of a decedent who has no descendants shall be inherited by his parents and spouse.
- 14.2. The decedent’s parents shall inherit half of the property in equal shares, and the other half of his property shall be inherited by his spouse.
- 14.3. If there is no surviving spouse, the parents of the decedent shall inherit the entire property in equal shares.

Intestate’s siblings and their descendants

Article 15.

- 15.1. In case one of the decedent’s parents died before him, the part of hereditary property that would have belonged to him if he had survived the decedent, shall be inherited by his children (the decedent’s brothers and sisters), his grandchildren, and great-grandchildren, and further descendants, according to the provisions of this Law regarding inheritance by the decedent’s children and other descendants.
- 15.2. If both parents of the decedent have died before him, the part of hereditary property that would have belonged to each of them if they had survived the decedent shall be inherited by their respective descendants in the manner set out under paragraph 1 of this Article.

- 15.3. At all times, the decedent's siblings related to him through his father only, shall inherit equal shares of the father's hereditary share, and siblings related to him through his mother only shall inherit equal parts of the mother's hereditary share; and siblings related to the decedent through the same mother and father shall inherit the father's hereditary share in equal parts with the siblings from the father's side, and the mother's hereditary share with the siblings from the mother's side.

The inheritance from a parent who died without any descendants

Article 16.

If one of the decedent's parents has died before decedent, and did not leave any other descendants, the part of hereditary property that would have belonged to him, if he had survived the decedent, shall be inherited by the other parent, and if this other parent has also died before the decedent, his descendants shall inherit what both parents would have inherited in accordance with article 15 of this Law.

3. THE THIRD RANK OF INHERITANCE

Inheritance of deceased parents without other descendants

Article 17.

If both parents of the decedent have died before him and did not leave any other descendant, the entire property shall be inherited by the decedent's spouse.

Decedent's grandfather or grandmother

Article 18.

- 18.1. The hereditary property of a decedent, who has left neither descendants, nor a spouse, nor parents, and whose parents have not left other descendants, shall be inherited by his grandparents.
- 18.2. Half of the hereditary property shall be inherited by the grandparents on father's side, and the other half by the grandparents on mother's side.

The rights of the grandfather and grandmother of the same lineage

Article 19.

- 19.1. The grandparents of the same lineage shall inherit in equal shares.
- 19.2. If one of the ascendants of the same line has died before the decedent, the hereditary share that would have belonged to him if he had survived the decedent shall be inherited by his children according to the provisions for inheritance by the decedent's children.

- 19.3. For all other issues regarding the hereditary rights of grandparents of the same lineage, and their descendants, the provisions for inheritance by the decedent's parents and siblings shall apply.

Grandparents of one lineage who have died without leaving descendants

Article 20.

If the grandparents of the same lineage have died before the decedent and have not left descendants, the part of the hereditary property that would have belonged to them if they had survived the decedent shall be inherited by the grandparents of the other lineage, as per article 19 of this law.

SUCCESSION BY PUBLIC AUTHORITIES

The municipality as legal heir of last resort

Article 21.

- 21.1. If the decedent does not leave an heir, the succession shall be assumed by the municipality where the decedent had his last residence or abode.
- 21.2. If such residence or abode was outside Kosovo, then the municipality where the decedent last had residence or abode in Kosovo, shall assume the decedent's succession, and if he never had such residence or abode in Kosovo, the inheritance shall be assumed by Kosovo.

II. SPECIAL PROVISIONS ON SOME HEIRS

1. CHILDREN

Equal treatment of the decedent's children

Article 22.

The children born in marriage and outside marriage when the fatherhood is regularly known or verified by a court or competent body order, as well as those adopted, and their descendants, shall have equal rights to inheritance.

Children's hereditary share increase

Article 23.

If the decedent has a child the other parent of whom is not the surviving spouse, and the property of the surviving spouse is larger than the part of the inheritance that would belong to the child upon division of the hereditary property in equal shares, then each child shall inherit a part twice as large as the spouse's part, unless the court, after a comprehensive review of the case, does not determine otherwise.

2. THE ADOPTEES AND ADOPTERS

Equality in inheritance

Article 24.

The adoptee and his descendants shall have the same rights towards the adopter as to adopter's children and their descendants.

Consequences of a request to nullify an adoption

Article 25.

An adoptee and his successors shall not inherit the adopter, if the adopter has submitted a request for ceasing the adoption, and after his death it is verified if the request had (legal) basis.

3. SPOUSE'S RIGHTS

Matrimonial property regime

Article 26.

- 26.1. The spouse of the decedent has the right to ask for the entitled share from the joint property gained by work between the spouses during their marriage.
- 26.2. If the decedent and his spouse had common property under their matrimonial property regime, only the share that pertains to the decedent after distribution of the common property shall fall in the scope of the inheritance.
- 26.3. Nothing in this law shall be construed so as to limit the surviving spouse's right to whatever he is entitled to under the Family Law provisions regarding the winding-up of a matrimonial property regime.

When a spouse is not eligible to inheritance

Article 27.

- 27.1. The right to inheritance between spouses ceases to exist upon divorce or annulment of the marriage.
- 27.2. A spouse shall not be eligible to inherit:
 - a. If the decedent had filed a petition for divorce, and after his death the divorce is enforced with a final decision act;
 - b. If his marriage with the decedent is annulled with a final decision act, after the decedent's death, for reasons the surviving spouse knew about at the time of marriage;
 - c. If the cohabitation with the decedent ceased to exist due to the surviving spouse's wrongdoings, or based on a written agreement with the decedent.

4. PERSONS LIVING IN NON-MARITAL RELATION

Article 28.

- 28.1. A man and a woman cohabiting in a non-marital relation may inherit each other as spouses if:
- a. The non-marital relation with the decedent up to the moment of death has lasted for at least 10 years, or children were born from this relationship, for at least 5 years, and
 - b. At the moment of the decedent's death, neither of the cohabiters was legally married to a third person, or if the decedent was legally married to a third person, he had filed a petition for divorce or annulment of his marriage, and after his death such petition was found to have merit.
- 28.2. Cohabiters shall not be compulsory heirs.
- 28.3. A cohabiter shall not inherit if the couple has not been living together for a long time.

5. PERSONS RECEIVING ALIMONIES OR MAINTENANCE

On the rights of persons whom the decedent paid alimonies or maintenance to

Article 29.

- 29.1. Any obligations of the decedent to provide maintenance or alimonies shall be transferred to the inheritance as a debt if the person who benefits from the alimony or maintenance would otherwise not have the necessary means for living.
- 29.2. The heirs and legatees are liable for the payment of this debt according to the provisions on the liability vis-à-vis creditors of the decedent in general.

III. COMPULSORY HEIRS **On compulsory heirs in general**

Article 30.

- 30.1. Compulsory heirs are: the decedent's descendants, adoptees, their descendants, his or parents, and spouse.
- 30.2. Decedent's grandparents, and siblings, are compulsory heirs only if they suffer from permanent and total disability to work and lack the means for living.
- 30.3. The persons mentioned under paragraphs 1 and 2 of this Article are compulsory heirs when they are called for inheritance according to their rank.

The compulsory and the available part (share) of the hereditary property

Article 31.

- 31.1. The compulsory heirs have the right to such part hereditary property over which the decedent cannot dispose, and which is called the compulsory share.
- 31.2. The compulsory share of the descendants and of the spouse is half, and the compulsory share of other compulsory heirs is one-third, of the share the compulsory heir would have obtained as heir at law according to the provisions on inheritance by rank.

1. CALCULATING THE COMPULSORY SHARE

Determining the value of the hereditary property

Article 32.

- 32.1. The value of the hereditary property, which is used as the basis for calculating the compulsory share, shall be calculated as follows:
- 32.2. First, all the assets the decedent had at the moment of his death shall be inventoried and evaluated, including all testamentary dispositions, and all debts owed to the decedent, even those owed by one of the heirs, except those debts obviously irrecoverable.
- 32.3. The decedent's liabilities, the cost of inventorying and evaluating the inheritance, and the expenses for the decedent's funeral, shall then be subtracted from the value of the decedent's assets so determined.
- 32.4. To the remainder so determined shall be added the value of all gifts made by the decedent in any manner to a heir at law, including gifts made to heirs who have renounced to their inheritance, and those gifts that the decedent ordered not to count towards the heir's inheritance share.
- 32.5. To this sum shall be added the value of gifts that the decedent made to persons who are not heirs at law during the last year of his life, with the exception of ordinary gifts.

What is considered a gift

Article 33.

For the purpose of this Law, shall also be considered a "gift", any renouncement to a right, any waiver of a debt, any transfer of property made to the profit of a heir in anticipation of the inheritance either to found or expand a household, or to exercise a profession, as well as any other gratuitous disposition.

Determination of the value of the gift

Article 34.

The value of a gift shall be evaluated based on its value at the moment of the decedent's death, and on its condition at the moment of the donation.

Gifts consisting of insurance

Article 35.

If the gift consists of an insurance contracted for the benefit of the donee, its value shall be equal to the amount of premium paid by the decedent, if such amount is equal to or smaller than the amount insured; and if such amount exceeds the amount insured, the value of the gift shall be equal to the amount insured.

2. PROPERTY DEDUCTED FROM THE HEREDITARY PROPERTY Separation to the benefit of successors having worked with the intestate

Article 36.

- 36.1. The decedent's successors that have lived together with him or her and who with their work, the profit or in any other way have helped him or her, have the right to request that a part that corresponds to their contribution is added to increase the value deducted from property, if they have not done this before.
- 36.2. The deducted part in this way does not constitute hereditary property, therefore it is not taken into account when calculating the compulsory share, and it is not calculated in the hereditary part of the inheritor, either.
- 36.3. The right under paragraph 1 of this Article is carried out only at the request of an authorized person. The right to submission of a request ceases five years from the day of inheritance.

Deduction of household goods

Article 37.

- 37.1. The house content that is used for fulfilling the daily needs of the surviving spouse or other heirs, who have lived in the same house, such as furniture, equipment etc., shall be inherited by the surviving spouse and decedent's descendants, unless these items are of substantial value.
- 37.2. Household goods deducted in this manner shall not be calculated towards the compulsory share, nor shall they be counted towards the hereditary share of a heir.
- 37.3. The persons listed in paragraph 1 of this Article shall obtain the joint ownership in equal shares of the household goods so deducted.

3. DECREASING TESTAMENTARY DISPOSITIONS AND RETURNING OF GIFTS DUE TO INFRINGEMENT OF THE COMPULSORY SHARE
Infringement of the compulsory share

Article 38.

- 38.1. If the compulsory share is infringed, testamentary dispositions shall be decreased, and gifts shall be returned, to the extent required to restore the compulsory share.
- 38.2. The compulsory share is infringed if the combined value of testamentary dispositions and gifts exceeds the available share. This combined value shall comprise gifts and testamentary dispositions that have been ordered by the decedent not to count towards the share of a compulsory heir.

The rank of decrease and return

Article 39.

- 39.1. If the compulsory share is infringed, the testamentary dispositions shall be decreased, and if that is insufficient, the gifts shall be returned.
- 39.2. If the gift cannot be returned in rem, the person who received the gift shall return its value according to the provisions on the return of an unjust enrichment.

Proportional decrease of testamentary inheritance

Article 40.

Testamentary dispositions are decreased proportionally, irrespective of their nature and volume, and irrespective of whether they result from one or several wills, unless otherwise provided for in the will.

Privileged legacy

Article 41.

If the decedent has left a legacy and ordered for some legacies to be paid prior to others, these legacies shall only be decreased if the value of the other legacies is not sufficient to restore the compulsory share.

Proportional decrease of legacies

Article 42.

- 42.1. A testamentary heir, whose share is reduced in order to restore the compulsory share, may request a proportional reduction of legacies to be paid by him/her, unless otherwise provided for in the will.

- 42.2. Paragraph 1 of this Article shall also apply to a legatee who was ordered by the decedent to make a payment from his/her own legacy.

The rank of returning gifts

Article 43.

- 43.1. Returning of gifts shall start with the last gift made, and shall then continue in reverse temporal order.
- 43.2. Gifts made at the same time shall be returned in proportion to the value of the gifts.

The position of the person returning the gift

Article 44.

As regards the obligations of a person who has to return the gift, he is considered a bona fide possessor up to the day he was informed about the request to return the gift.

The right to request reduction of testamentary possession and returning gifts

Article 45.

- 45.1. Only compulsory heirs shall have the right to request the reduction of testamentary dispositions and the return of gifts if the compulsory share is infringed.
- 45.2. Such right cannot be seized by the creditors of the compulsory heir.

Prescription of the request

Article 46.

The reduction of testamentary dispositions may be requested within three years from the announcement of the testament, and the returning of gifts within three years from the decedent's death, respectively from the day the decision on the declaration of death or the decision confirming his suspected death became final and absolute.

IV – TAKING INTO ACCOUNT OF GIFTS AND LEGACIES FOR THE HEREDITARY SHARE

Taking into account of gifts to a heir

Article 47.

- 47.1. Everything a heir has received as a gift from the decedent in whatsoever manner shall be taken into account for the calculation of the hereditary share.
- 47.2. Profits or proceeds from made from the gift until the decedent's death shall not be taken into account.

Civil laws

- 47.3. Gifts shall not be taken into account if the decedent has declared at the time of donation or later, or in a will, that the gift should not be counted towards the hereditary share, or if it results from the circumstances that this was the decedent's intention.
- 47.4. Nothing in this article shall affect the provisions on the compulsory share.

Taking into account legacies for heirs at law

Article 48.

A legacy that is left to a heir at law shall be counted towards his hereditary share, unless it results from the will that the decedent wanted such heir to receive the legacy in addition to his hereditary share.

Taking into account gifts and legacies

Article 49.

- 49.1. Donations and legacies shall be taken into account by distributing to the other heirs, from the hereditary property, the respective value, and by dividing only the remainder among all heirs.
- 49.2. If things and rights that the decedent owned at his death are not sufficient for the other heirs to receive the respective value, the heir towards whose share the gifts or legacies are counted shall not be obliged to return anything he had received.
- 49.3. Nothing in this article shall affect the provisions on the compulsory share.

The right of a heir who will not have gifts or legacies taken into account

Article 50.

- 50.1. If according to the decedent's will, the gift or legacy should not be counted towards the heir's hereditary share, such heir shall retain the gift or legacy, and shall take part in the division of the inheritance, with the other heirs, as if he had not received the gift or legacy.
- 50.2. If there are compulsory heirs, and according to the decedent's will the donation or legacy should not be counted towards the heir's hereditary share, the heir may retain the gift or legacy only within the limits of the available share.

The right of a heir who has renounced to the inheritance

Article 51.

A heir who has renounced to the inheritance shall retain the gift within the limits of the available share.

The right to return gifts

Article 52.

- 52.1. A heir has the right to return to the inheritance property the thing that had been donated to him.
- 52.2. In this case, its value shall not be counted towards the hereditary share, and as regards the expenses and damages caused to the thing, he will be considered to have been a bona fide possessor, unless the contrary is proved.

Expenses caused by maintaining the heirs

Article 53.

- 53.1. What is spent for the maintenance of a heir, or for his compulsory education, shall not be counted towards his or her hereditary share.
- 53.2. The court shall decide whether expenses incurred for further education of a heir are counted towards such heir's hereditary share, taking into account the circumstances of the case, and namely the value of the inheritance, the amount of expenses incurred for such further education, and the ability of the other heirs to maintain themselves.

Customary gifts

Article 54.

Customary gifts shall not be counted towards the hereditary share.

Gifts made to a person who is replaced by another person in the inheritance

Article 55.

- 55.1. If a person has been replaced as a heir by one or several other persons because he/ was unworthy, or has been excluded from inheritance by will, or has been deprived of the compulsory part, any donations made to such replaced person will not be counted towards the share of the heir or heirs replacing it in the inheritance.
- 55.2. If a person has been replaced as a heir by one or several other persons because he had died before the decedent, or because he renounced the inheritance, any donations made to such person will be counted towards the share of the heir or the heirs replacing it in the inheritance.

Taking into account of the heir's debt towards the decedent

Article 56.

Any debt owed to the decedent by a heir will be counted towards that heir's share, according to the provisions regarding setoff (compensation).

Who may request counting

Article 57.

Each heir shall have the right to request that gifts and legacies be counted towards the hereditary share of another heir.

CHAPTER THREE TRANSACTIONS INTER VIVOS IN VIEW OF SUCCESSION On assignment and dividing of property in general

Article 58.

An ancestor may assign his property to, and divide his property among, his descendants, by legal transaction inter vivos.

Conditions for the validity of assignment and division

Article 59.

- 59.1. Any such assignment and division of property shall only be valid if all descendants of the assignor who would be the assignor's legal heirs at the time the assignment is made have agree to it.
- 59.2. The assignment and division agreement shall be made in writing and certified by the judge.
- 59.3. Upon verification, the judge will read out the contract and explain its consequences to the parties thereto.
- 59.4. If a descendant did not give his consent, he can give it later, in the same form.
- 59.5. The assignment and division shall remain valid if a descendant who did not give his consent predeceases the assignor without leaving descendants, or if such descendant renounces to the inheritance, or if such descendant is unworthy.

The object of ceding and division

Article 60.

- 60.1. Assignment and division shall only affect the decedent's property at the time the agreement is reached, or part of it.
- 60.2. Any provision providing for the division of property acquired by the assignor after the agreement shall be deemed null and void.

Ceded property is not hereditary property

Article 61.

- 61.1. If a decedent assigned and divided all or part of his/her property inter vivos, his/her inheritance will only consist of the property not so assigned and divided,

and of any property acquired after the assignment and division.

- 61.2. Property received by his/her descendants by assignment and division shall neither be part of the inheritance of the assignor, nor shall it be taken into account in a valuation of the inheritance.

When ceded parts are considered a gift

Article 62.

- 62.1. If a descendent does not consent to an assignment and division, the property ceded to other descendants shall be considered a gift, and after the decedent's death it shall be treated as is the case for gifts given to heirs.
- 62.2. Paragraph 1 of this article shall apply if a child is born to an assignor after the assignment and division, or if a heir who had been declared dead reappears alive.

Retention of rights upon assignment and division

Article 63.

- 63.1. Upon assignment and division, the assignor may retain the right of usufruct in all ceded goods, or in some of them, or contract a life-long endowment in money or in kind, or life-long maintenance for his own benefit, or his spouse's benefit, or for both his and his spouse's benefit, or for the benefit of a third party.
- 63.2. If usufruct or life-long endowment is contracted for the benefit of the assignor and his spouse, the entire usufruct or endowment belongs to the other party until his death, unless it results otherwise from the agreement, or from the circumstances.

The rights of the assignor's spouse

Article 64.

If the assignor is married at the moment the agreement is reached, the assignment and division shall require the consent of his spouse, either in the contract itself or later under the same conditions as described in Article 59.

Assignor's debts

Article 65.

- 65.1. The descendants among whom the assignor has divided his property shall not be liable for his debts, unless otherwise provided for in the assignment and division.
- 65.2. The creditors of the assignors may oppose the assignment and division according to the provisions on opposing a debtor's gratuitous dispositions.

Termination of the contract

Article 66.

- 66.1. The assignor shall have the right to require the descendants to return him what he has received through assignment and division, if the descendant has been grossly ungrateful. If restitution in rem is not possible, the descendants shall return the value according to the provisions on the return of an unjust enrichment.
- 66.2. The assignor has the same right as described above in case the descendant does not provide him or a third party with maintenance as agreed upon assignment and division, or fails to pay the assignor's debts he had assumed in the agreement.
- 66.3. If other obligations under the agreement on assignment and division are not discharged, the court, taking into account the importance of the breached obligation for the assignor and all other circumstances, shall decide whether the assignor has the right to request the return of the property, or only the right to enforce performance.

Descendants' rights after termination of the contract

Article 67.

- 67.1. A descendant who had to return to the assignor what he had received in the assignment and division shall be entitled to his compulsory share after the assignor's death, provided that he is neither excluded from compulsory inheritance, nor unworthy, nor has renounced to the inheritance.
- 67.2. Upon calculating the compulsory share, the property the decedent had assigned and divided among his other descendants while alive, shall be considered gifts.

Life Endowment Contract

Article 68.

The Life Endowment Contract is regulated by the Law on Obligations.

CHAPTER FOUR TESTAMENTARY INHERITANCE Definition of "will"

Article 69.

- 69.1. A will implies the expression of final willpower foreseen by law, by which the decedent orders the distribution of his property after his death.
- 69.2. Two or more persons cannot make a will in the same act, neither for the benefit of a third person, nor under the title of a reciprocal and mutual disposition.

I – General Rules on the Validity of Wills
Ability to make a will

Article 70.

- 70.1. A will may be made by any person who is able to act and who is aged 18 or over.
- 70.2. A will may also be made by a person who is able to act and who is aged 16 years or over, and married.
- 70.3. The validity of the will shall not be affected if the testator loses his ability to act after the will has been made.
- 70.4. A person whose ability to act has been removed by a court decision, and anyone who at the time he makes the will is not able to understand the importance of its consequences, can not make a will.

Invalidity of a will caused by erroneous expression of intention

Article 71.

- 71.1. A will shall be null and void if made as a result of threat, actual violence, or fraud.
- 71.2. Testamentary dispositions shall also be invalid when they were made by the testator as a result of a substantial mistake.
- 71.3. If only some dispositions of the will were made as a result of threat, or actual violence, or fraud, or substantial mistake, then only these dispositions shall be considered invalid.

**Annulment of a will for testamentary incapacity
or erroneous expression of intention**

Article 72.

- 72.1. Only a person with a legal interest shall be entitle to require the annulment of a will, or of some of its dispositions, because the decedent was not able to act, or was not of mature age, or because dispositions were made as a result of threat, or actual violence, or fraud, or substantial mistake, and may only do so within one year from the day when such person obtained actual knowledge about the existence of a grounds for invalidity, and in any event no later than 10 years from the time the will was announced.
- 72.2. The one year deadline cannot begin before the will is announced.
- 72.3. Vis-à-vis a person who is in bad faith, the annulment of a will can be requested for up to 20 years starting with the announcement of the will.

Territorial scope of application

Article 73.

A will made in Kosovo shall be valid if it is made in accordance with the provisions of this Law.

II – Formal Requirements for valid wills

A) HOLOGRAPHIC WILL

Article 74.

- 74.1. A will shall valid if it has been written, dated and signed by the testator with his own hand or has placed his fingerprint.
- 74.2. The date shall mention the day, the month, and the year.
- 74.3. The signature shall contain the last name of the testator and at least one first name, and shall be made at the end of the will.

B) A WRITTEN WILL IN THE PRESENCE OF WITNESSES

Article 75.

- 75.1. A testator who is literate may make a will by signing the document irrespective of the fact who has written it, in the presence of two witnesses, declaring before them that the will is his.
- 75.2. The witnesses will sign the will themselves, and it is useful to note their capacity of being witnesses.

C) A WILL MADE IN COURT

A court will if the testator is literate

Article 76.

- 76.1. At testator's request, a will may be drafted by the competent court judge, who shall verify testator's identity prior to do so.
- 76.2. The judge shall read the written will to the testator and then inform him about the legal consequences of the will.
- 76.3. After the testator has read and signed such will, the judge shall note on the will itself that the testator has read and signed it in his presence.

A court will if the testator is illiterate

Article 77.

- 77.1. If the testator cannot read the will drafted by a judge, the latter shall read it out to him in the presence of two witnesses. The testator then, at the presence of the

same witnesses, shall sign the will or put his fingerprint on it, after having declared that it is his will.

77.2. The witnesses shall sign the will.

77.3. The judge will confirm in the court records (procesverbal) that all these procedures have been followed. These records should be signed by the testator, the witnesses, and the judge.

Submission of a will to the court for safekeeping

Article 78.

78.1. The testator may entrust the competent court with the custody of a will written by his hand, a written will made before witnesses, or a will made in court, in an open or a sealed envelope.

78.2. The court shall make a record of the reception of the will, and shall put it into a special envelope, which shall be stamped and kept by the court.

Who may be a witness when drafting a written will before the witnesses and at a court testament

Article 79.

79.1. If a written will is made before witnesses (Article 80), and in case of a will made in court (Article 82), the witnesses shall be adults, who are not deprived of the ability to act, who are literate, and who understand the language the will is made in.

79.2. Testator's descendants, his adoptees and their descendants, his ascendants, his adoptive parents, collateral relatives up to and including the fourth degree of kinship, the spouses of all these persons, and the testator's spouse, shall neither be witnesses when a written will is drafted before witnesses, nor to a will made in court, nor draft a will according to the statement of an testator as a judge.

Dispositions to the benefit of a judge, the witnesses, and their close relatives

Article 80.

Dispositions in a will whereby something is left to the judge who has drafted the testament, to the witnesses, and to ascendants, descendants, siblings, and spouses, of these persons, are null and void.

D) A WILL MADE IN EXCEPTIONAL CIRCUMSTANCES

An oral will

Article 81.

A testator may only declare his last will orally before two witnesses, if due to exceptional circumstances it is not possible to make a written testament.

Witnesses to an oral will

Article 82.

When an oral will is made, only the persons who may be witnesses to a court testament shall be witnesses, but they do not necessarily have to be literate.

Duties of witnesses to an oral will

Article 83.

- 83.1. The witnesses before whom the testator orally declares his will shall write down the declarations of the testator as soon as possible and submit it to a court, or repeat it orally before the court indicating when, where and in what circumstances the testator declared his will.
- 83.2. An oral will shall become invalid if, 30 days after the exceptional circumstances in which it was made have ceased, it has not been declared to the court by the witnesses in accordance with paragraph 1 of this article. The provisions of the Law on Obligation regarding the interruption or the stoppage of prescription periods shall apply.

Dispositions in an oral will to the benefit of witnesses and their close relatives

Article 84.

Dispositions in an oral will, whereby something is left to the witnesses, to their spouses, their ancestors, their descendents, the collateral relatives up to and including the fourth degree of kinship, or to the spouses of all these persons, are null and void.

Contesting a will for lack of the required form

Article 85.

- 85.1. A will may only be contested for lack of the required form, after the opening of the inheritance, by a person with legal interest, and only within one year from the day that person obtained actual knowledge about the will, and in any event no later than ten years from the announcement of the will.
- 85.2. The one-year-period shall begin with the announcement of the will.

Evidence for a destroyed, lost, or forgotten testament

Article 86.

A will that has been destroyed accidentally or by a third party, or lost, or mislaid, either after or before the testator's death, but unintentionally, shall have the effects of a valid will, in case the interested person provides evidence that the will existed, that it was

destroyed, lost, or mislaid, that it was made in accordance with legal requirements as to form, and if he proves the content of such part of the will that he is referring to.

III – Content of a Will Appointing an heir

Article 87.

- 87.1. A testator may appoint, by will, one or several heirs.
- 87.2. Testamentary heirs are persons whom the testator has appointed, in a will, as heirs of his entire property, or a fractional part of his entire property.
- 87.3. A person to whom the testator has left one or several specific things or rights shall be considered an heir if it can be ascertained that this was the intention of the testator,

Dispositions for lawful purposes or setting up a foundation

Article 88.

- 88.1. A testator may dispose by will that a thing, a right, or a fraction of the hereditary property, or the entire hereditary property, shall be used in order to achieve a lawful purpose.
- 88.2. In case the testator has ordered to set up a foundation, and has allocated funds to accomplish its purpose, such foundation will come into existence when a license from the competent public body is obtained.
- 88.3. When a testator leaves his property to public bodies, or other institutions, in a will, he may assign this property to a certain purpose.

Obligations and terms

Article 89.

- 89.1. A testator may impose obligations on a person who is going to benefit from the inheritance.
- 89.2. Testamentary dispositions may be made under conditions, or may be limited in time.
- 89.3. Impossible, or illegal, or immoral conditions or obligations, as well as those that are unreasonable or contradictory, shall be considered nonexistent.

Appointment of heirs and other beneficiaries

Article 90.

Heirs, legatees and other persons who benefit from a will shall be considered appointed if the will contains information on the basis of which it can be determined who they are.

Interpretation of a will

Article 91.

- 91.1. The provisions of a will shall be interpreted according to the real intentions of the testator.
- 91.2. In case of doubt, the interpretation that is more favourable for heirs at law, or for persons whom an obligation has been imposed on in a will, shall prevail.

IV – Legacy Leaving a legacy

Article 92.

A testator may leave one or more legacies by a will.

The content of a legacy

Article 93.

- 93.1. A testator may leave one or more things or rights to a certain person, or order the heir, or someone else whom he has left something to, to give a thing to a certain person, or to pay him a sum of money, or to discharge that person's debt, or to maintain him, or in general to do, to refrain from doing, or to acquiesce to, something for the benefit of such person.
- 93.2. This kind of bequest is called a legacy, and the person so appointed is called a legatee.

On who is obliged to discharge a legacy

Article 94.

- 94.1. On the basis of the will, the legatee shall have the right to request discharge of the legacy from the person who has been assigned such execution in the will.
- 94.2. If the discharge of a legacy has been assigned to several persons, every one of them shall be liable proportionally to the inheritance he receives, except where it results from the will that it was the testator's intention that they should otherwise be liable.

Legacies made to public bodies or institutions

Article 95.

When a testator makes a legacy inheritance to public bodies or other institutions, he may specify the purpose for which the property shall be used.

Discharge of the legacy

Article 96.

- 96.1. When an heir charged with a legacy, or an obligation, has died before the testator or has become unworthy, or has renounced to the inheritance, and the testator did not appoint any other heir to fulfill the obligations related to such legacy or charge instead of him, the heirs or heirs at law, to whose share of inheritance his part is added or passed, shall not be able to refuse discharge of the legacy due to these circumstances.
- 96.2. If the discharge of obligations related to the legacy or the obligation is closely linked to his person, who due to the abovementioned reasons cannot or does not inherit the decedent, the legacy and obligation shall become invalid.

Proportional execution

Article 97.

In case none of the heirs has been assigned by the testator to discharge the legacy, each heir shall be obliged to contribute to its discharge in proportion to their inheritance share.

Reduction of legacy and obligations

Article 98.

- 98.1. An heir is not obliged to discharge a legacy in its entirety, if its value exceeds the value of the decedent's property he could dispose of without restriction.
- 98.2. The same shall apply to a legatee, if the value of a legacy or obligations that he is to discharge exceeds the value of his own legacy.
- 98.3. In such cases all legacies and obligations shall be reduced proportionally, unless the testator has disposed otherwise.

Lapse of legacy in general

Article 99.

The legacy shall lapse if the legatee dies before the testator, or renounces to the legacy, or is unworthy. In these cases, the object of legacy remains with the person who was obliged to execute the legacy, unless it results otherwise from the will.

Lapse related to the object of the legacy

Article 100.

The legacy shall also lapse when the testator has spent the object of legacy, or this object is lost while the testator was still alive, or is accidentally lost after his death.

Prescription of legacy

Article 101.

The right to request discharge of the legacy shall be prescribed within one year from the day the legatee was notified about his right, and was authorized to request discharge of the legacy, and three years from the day when it is possible to discharge the legacy.

V – Executors

Appointment of an executor

Article 102.

- 102.1. A testator can appoint with a will one or more persons as executor.
- 102.2. An executor of a will can be any person that is able to act.
- 102.3. The person appointed to be a will executor is not obliged to take over this duty.

The duties of an executor

Article 103.

- 103.1. Unless otherwise determined by the testator, the executor shall in particular protect the inheritance, administer it, to discharge debts and legacies, and in general to see to an execution of the will according to the testator's intentions.
- 103.2. If there are several executors, they shall carry out the duties they were given together, unless the testator disposed otherwise.

Being accountable, and executor's reward

Article 104.

- 104.1. The executor shall be accountable for his work before the court.
- 104.2. He is entitled to be reimbursed for his expenses and the work performed, which shall be payable from the available inheritance share, by order of the court.

Dismissal of the executor

Article 105.

- 105.1. The court, upon requisition or ex officio, may dismiss the executor, if his work is not in compliance with testator's intentions, or with the Law.
- 105.2. The dismissed executor shall be liable for the damage caused by his actions as executor.

Court-appointed executor

Article 106.

The testator may require the Inheritance Court to appoint an executor, or to appoint one if the executor appointed by the testator refuses to assume the office or is dismissed by the Inheritance Court.

VI – Revocation Of The Will

Article 107.

107.1. A testator may revoke any time a will entirely or partially, in one of the forms foreseen by law for the preparation of the will.

107.2. A testator may also revoke a written will by destroying the document.

Relationship between the previous and subsequent will

Article 108.

108.1. In case the subsequent will does not expressly revoke the previous will, the provisions of the former will shall remain in force if they are not in contradiction with the provisions of the subsequent will.

108.2. In case the testator has destroyed the subsequent will, the previous will shall re-enter into force.

Dispositions over the object of a legacy

Article 109.

Any subsequent disposition over a thing left to someone by the testator in a will, shall have as result the revocation of such bequest.

CHAPTER FIVE UNWORTHINESS AND EXCLUSION OF COMPULSORY HEIRS

I - Unworthiness On unworthiness in general

Article 110.

110.1. An unworthy person cannot inherit.

110.2. The unworthiness shall not prevent descendents of the unworthy person to inherit, as if the unworthy person had died before the decedent.

Unworthiness for inheritance

Article 111.

A person is unworthy if he:

- a. has intentionally killed, or has attempted to kill, the decedent, his spouse, his children, or parents;
- b. has falsely denounced the decedent of a crime which carries imprisonment, or made a false testimony to that effect;
- c. with the use of fraud, threat, or actual violence, has forced the decedent to draft, or change, or abrogate, a will, or has drafted himself a false will, or has used such will for his own interests, or the interests of third parties;
- d. behaved towards the decedent in a humiliating manner and has mistreated him; or
- e. did not fulfill an obligation to maintain or assist the decedent.

On consideration of unworthiness ex officio

Article 112.

Unworthiness shall be considered by the court ex officio, except in the cases when the heir has not fulfilled his obligation to maintain or assist the decedent.

Exemption to ineligibility

Article 113.

A decedent shall have the right to authorize an unworthy person to inherit, provided that the authorization is granted by will, or, where such authorization is not given expressively, the decedent notes in the will that he or she has recognized the unworthiness and still assigns him or her as an heir.

II. Exclusion of a compulsory heir from inheritance and the deprivation of the compulsory share to the benefit of his or her descendants

The reasons of exclusion

Article 114.

The decedent can exclude from inheritance, in his will, an heir who has the right to the compulsory share:

- a. If he has committed a grave offence against the decedent by violating a legal or moral obligation;
- b. If he has deliberately committed a criminal act against the decedent, or his or her spouse, child, or parent;
- c. If he is dissipative, does not want to work, or is involved in amoral life.

Partial or full exclusion

Article 115.

Exclusion from inheritance may be completely or partially.

Conditions for valid exclusion

Article 116.

- 116.1. A decedent who wishes to exclude an heir from inheritance should express it in a clear manner and also indicate the reason for such exclusion.
- 116.2. The cause of exclusion should exist at the time when the will is made.
- 116.3. In case of conflict regarding exclusion, the person supporting the exclusion shall have to prove that there are grounds for it.

Consequences of exclusion

Article 117.

With the exclusion the heir loses the part of inheritance equal to the amount it is excluded, and the remaining heir's rights shall be assessed as if the excluded person had predeceased the decedent.

Deprivation of the compulsory share to the heir's benefit

Article 118.

- 118.1. If a compulsory heir is deeply indebted, or is a dissipative person, the decedent may deprive him, completely or partially, of the compulsory share, to the benefit of his descendants.
- 118.2. This deprivation remains in force only if at the moment of opening the inheritance, the deprived person has a minor child, or a minor grandchild from a predeceased child, or a mature child or mature grandchild from a predeceased child, who is unable to work.

CHAPTER SIX CREDITORS OF THE ESTATE

On the debts of the inheritance in general

Article 119.

- 119.1. The heirs are liable for the debts encumbering the inheritance, in proportion to their share, and up to the amount of their hereditary share.

119.2. Debts encumbering the inheritance are: those secured on inheritance property, the personal debts of the decedent, the cost of the decedent's funeral, and expenses required for the safeguarding and administration of the hereditary property up to the division of the inheritance.

Liability of a legatee for testator's debts

Article 120.

A legatee shall not be liable for the decedent's debts, unless otherwise provided in the will.

Legacy left to a creditor

Article 121.

When a testator has left the legacy to his creditor, such creditor has the right to request the discharge of the obligation towards him, except when the context of the will shows that the testator's aim was otherwise.

Priority of creditors over legatees

Article 122.

- 122.1. The decedent's creditors shall have the right to have the obligations towards them be fulfilled before the legacies are discharged.
- 122.2. If legacies have been discharged before the creditors had been paid, the creditors shall be entitled to reclaim such legacy according to the provisions of the Law on Obligations for unjust enrichment.

Separation of inheritance

Article 123.

- 123.1. The creditors of the decedent may request separation of the inheritance from the heir's property within a three months time period following opening of inheritance. In this case, the heir may not take possession of heirlooms or titlethings or rights that of inheritance, nor are the object of the inheritance, or pay his creditors from such inheritance, until the creditors who had requested claimed such separation have been compensated.
- 123.2. The creditors of the decedent who requested separation of inheritance, may recover their debts only from the inheritance property.
- 123.3. The court may appoint the custodian for the separated inheritance.

PART TWO
TRANSFER OF INHERITANCE TO HEIRS

I – Opening Of An Inheritance
Death and announcement of a deceased person

Article 124.

- 124.1. Upon the death of a person his inheritance shall be opened.
- 124.2. The declaration of a person as dead shall have the same effect.

Opening the inheritance of a person announced as deceased and starting timelines

Article 125.

- 125.1. The day on which the decision on the declaration of death of a person has become final shall be considered the day the inheritance of such person is opened, unless the decision itself specifies another day of death.
- 125.2. When a person is declared dead, the timeline starts from the day the decision to declare this person dead has become final

Capacity for succession

Article 126.

- 126.1. Only a person who is alive at the moment when inheritance is opened shall inherit.
- 126.2. A child conceived at the time of opening of inheritance shall be considered a child already born, if it is born alive later.
- 126.3. If two or more persons die in the same accident, or if it is not known in which chronological order they have died, neither of them shall be considered alive at the moment the inheritance was opened.

Unknown heirs

Article 127.

- 127.1. When it is not known whether there are heirs or not, the court shall by an announcement summon the persons claiming the right of inheritance to appear before the court.
- 127.2. If one year has passed after the day of the announcement, and no heir has appeared, the inheritance shall be entrusted to the competent municipality, but this does not deprive an heir, who may appear later, to such inheritance or the part he is entitled to.

Custody for unknown heirs

Article 128.

- 128.1. Immovables shall be handed over to the municipality, in the territory of which the immovable is located, while movables shall be handed over to the municipality in which the testator had his residence in Kosovo.
- 128.2. If the testator did not have any residence in Kosovo at the time of his death, movables shall be handed over to the municipality in the territory of which the Court of Inheritance is located.
- 128.3. If the inheritance has not been claimed by the heirs within 20 years from the date of the announcement of the will, or if there is no will, from the death of the decedent, the decedent shall be considered without legal and testamentary heir and the provisions of this law regarding inheritance rights of the municipalities under Article 21 shall apply.

Inheritance custodian

Article 129.

- 129.1. When all or some of the heirs are not known or their residence is unknown, and in other cases when required, the court shall appoint a provisional inheritance custodian, who shall be entitled to sue, or be sued, on behalf of the heir, to recover the claims, and pay the debts, and to generally represent in heirs.
- 129.2. The appointment of a provisional custodian for an heir who is unable to protect his interest or who is a minor, shall be governed by the Family Law provisions.
- 129.3. The court has authority to assign specific rights and duties to an inheritance custodian.
- 129.4. If only one or several co-heirs are not known, or if the residence of such co-heirs is unknown, the court may appoint one of the remaining co-heirs as inheritance custodian.

II – Renouncement to Inheritance Renouncement in general

Article 130.

- 130.1. The heir may renounce to the inheritance by a statement made to the court, until the inheritance proceedings are completed.
- 130.2. The renouncement shall apply to descendants of the person who renounces to inheritance unless that person has explicitly stated that he only renounces on his own behalf.
- 130.3. If his successors are minors, permission for the renouncement from the custodian body shall not be required.
- 130.4. An heir who has renounced on his behalf shall be deemed never to have been an heir.

130.5. If all descendents belonging to the closest rank of inheritance at the moment of the decedent's death have renounced to the inheritance, the heirs of the following rank of inheritance line shall inherit.

The transfer of the right to renounce to inheritance

Article 131.

131.1. If an heir dies before the inheritance proceedings are completed, and has not renounced to his inheritance, the right of renouncement shall be transferred to his heirs.

131.2. If there are several heirs to the deceased heir, they are not required to renounce to the inheritance jointly, and each of these heirs to the deceased heir may renounce to such part of the decedent's inheritance as corresponds to his part in the inheritance of the deceased heir.

On who is not entitled to renounce to inheritance

Article 132.

132.1. An heir, who made dispositions on the entire inheritance, or on parts thereof, shall not be able to renounce to such inheritance.

132.2. Measures taken by an heir only to secure the inheritance, as well measures of ongoing administration shall do not deprive such heir of the right to renounce to his inheritance.

The content of a statement on the renouncement of inheritance

Article 133.

133.1. A renouncement to inheritance shall neither be partial nor conditional.

133.2. A renouncement made for the benefit of a specific heir shall not be considered as a renouncement, but as a declaration of assignment of the inheritance share to that heir.

Renouncement to an inheritance that has not been opened

Article 134.

Renouncement to an inheritance that has not been opened has no legal effect.

**Irrevocable nature of the statement on renouncement of inheritance
or acceptance of inheritance and its annulment**

Article 135.

- 135.1. The statement on the renouncement of inheritance or acceptance of inheritance may not be revoked.
- 135.2. The heir who made the statement may require the annulment of his statement, if such a statement was issued under a threat, or actual violence, or due to fraudulence or error

Accrue ment

Article 136.

The inheritance share of an heir, who has renounced to his inheritance, shall accrue to the decedent's heirs at law, unless it results otherwise from a will.

On how the inheritance share of the person renouncing is inherited

Article 137.

The inheritance share of an heir who has renounced limited to his own inheritance only shall be inherited as if the heir who renounces had predeceased the decedent.

Prescription of the right to claim the inheritance

Article 138.

- 138.1. The right to claim inheritance as the decedent's heir shall be prescribed, vis-à-vis a bona fide possessor within one year from the day the heir knew about his right, and about who the possessor is, and in any event no later than within 10 years counted, for the legal heir from the death of the decedent, and for the testamentary heir from the day the will was announced.
- 138.2. Vis-à-vis a mala fide possessor, this right shall be prescribed within twenty years from the dates mentioned in paragraph 1.

**III – Division Of Inheritance
Entitlement to division**

Article 139.

- 139.1. Division of inheritance may be requested by any heir at any time, but not inopportunately.
- 139.2. Such right shall not be prescribed.
- 139.3. Any contract whereby an heir renounces to his right to request division, as well

as a provision of the will which bans or restricts such right, shall be considered null and void.

The community of inheritance

Article 140.

- 140.1. The inheritance shall be administered and disposed jointly by the heirs up to the moment of its division.
- 140.2. If there is no executor, and the heirs do not agree on the administration of inheritance, the court, upon the request of one of the heirs, shall appoint an administrator, who shall administer the property on behalf of all the heirs. The court may assign to each of heirs the share of inheritance to be administered.
- 140.3. The court may also appoint one of the heirs as administrator.
- 140.4. The administrator may, with the permission of the court, make dispositions regarding things comprised in the inheritance, if authorized to do so by the will, or if this is necessary to pay expenses, or to avoid damage.

Assignment of inherited share before the division

Article 141.

- 141.1. Before the division, each heir may transfer his inherited share, in whole or in part, to co-heirs.
- 141.2. The contract on the transfer of the inherited share shall be certified by the court.
- 141.3. The assignment contract entered into by a heir, and person who is not a heir, shall only oblige the heir to hand over his share to the other party to the contract after the division; and the other party to the contract shall not receive any other right until division.
- 141.4. The co-heirs have a right of pre-emption according to the provisions of the Law on Real Rights. Such right shall become time-barred, for each co-heir, two months after such co-heir has been notified in writing about the transfer. If several co-heirs exercise their pre-emption rights, they shall jointly acquire the inheritance share, in proportion to their respective shares of the entire inheritance.

The right of heirs that cohabited or worked in the same community with the testator

Article 142.

- 142.1. Upon the request of an heir, who cohabited or worked with the testator in the same community, the court may, if it finds that there are reasonable grounds for the request, decide to assign him one or several movable or immovable things, or groups of things, that would belong to the share of other heirs, and that he shall pay to the other heirs a monetary amount equal to the value of these things,

Civil laws

within the time limits set by the court taking into account the circumstances of the case.

- 142.2. Until the established amount has been paid, these heirs shall have a legal pledge over the inheritance share assigned to the heir, who is under the obligation to pay them.
- 142.3. If the payment is not made within the time limits, the heirs have the right to request that either their claim be discharged, or the things that would normally have been part of their share of inheritance, be handed over to them.

Distribution of household goods

Article 143.

- 143.1. The household goods that serve to fulfill the daily needs of an heir who has lived with the decedent in the same household, but is neither his descendant nor his spouse, shall be assigned to such heir upon his request, and its value shall count towards this heir's share.
- 143.2. If the value of these items exceeds the value of the inherited share, the heir whom they have been assigned to shall pay the difference to the other heirs.

Obligation for protection amongst the heirs after the division

Article 144.

- 144.1. If, after the division,
 - a. a third person, in application of a right created prior to the division, lawfully takes away, or seizes, a thing that a heir has received in the division, or lawfully limits the exercise of a right that a heir has received in the division, or
 - b. a thing received by a heir in the division has a concealed defect, or
 - c. a claim, assigned to a heir in the division, does not exist, or cannot be recovered with the full amount assigned to the heir, the other heirs shall be liable to such heir for the difference between the actual value to the heir of such thing, right, or object, and its presumed value in the division.
- 144.2. The right of a heir under paragraph 1 shall become time-barred 3 years after the day of the division. The provisions of the Law on Obligation on the statute of limitation shall apply to such prescription.
- 144.3. The liability of each heir, under this article, and for each claim, shall be limited to such share of each claim as corresponds to his share in the entire inheritance.

IV. TRANSITIONAL AND FINAL PROVISIONS

Inheritance Procedure

Article 145.

The rules of procedure for courts, other bodies, and authorized persons in inheritance matters are regulated by the dispositions on non-contentious proceedings.

Application of the Inheritance Law of Kosovo

Article 146.

- 146.1. This Law shall apply to all people of Kosovo, who at the time of their death have residence in Kosovo, irrespective of the place where the death has occurred, and irrespective of where their property is located.
- 146.2. However, the persons defined in Paragraph 1 who do not have domicile in Kosovo may opt, in a will, for the inheritance law of the country in which they have domicile.

On the Law applicable to the inheritance of a person who is not a Kosovar

Article 147.

- 147.1. The inheritance of other persons shall be governed by the laws of the country the decedent was a citizen of at the time of his death.
- 147.2. If in the country of a deceased foreign citizen, the inheritance of a Kosovo citizen is reviewed pursuant to his laws, the inheritance of this foreign citizen who is in the territory of Kosovo, shall be reviewed according to the provisions of this Law.

On the formal requirements for the validity of wills

Article 148.

- 148.1. A will shall be considered as meeting the formal requirements of this law if it meets the formal requirements either:
- a. Of the law of the country the decedent was a citizen of at the time of his death or at the time he made the will, or
 - b. Of the law applicable to the location where the will was made, or
 - c. Of the law applicable to the location where the decedent had domicile, or residence, either at the time he made the will or at the time of his death, or
 - d. Of the law applicable to the location where immovables are situated, but only insofar as these immovables are concerned, or
 - e. Of the law applicable to the inheritance of the decedent in general, or which would have been applicable to the inheritance of the decedent at the time he made the will.
- 148.2. Paragraph 1 shall also apply to wills in which a prior will is revoked.
- 148.3. Requirements regarding age, nationality, citizenship, or other personal characteristics of the decedent, or of witnesses to a will, shall be considered 'formal requirements' for the purpose of this article.

Entry into force

Article 149.

149.1. This law shall be forwarded to the SRSG after it has been adopted by the Assembly of Kosovo.

149.2. The law shall become effective after the promulgation by the SRSG.

No. 2004/26

28 July 2004

OFFICIAL GAZETTE OF THE PROVISIONAL INSTITUTIONS OF SELF-GOVERNMENT IN KOSOVO / PRISHTINA: YEAR I / NO. 3 / 01 AUGUST 2006

**LAW No. 03/L-212
ON LABOUR**

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Assembly of Republic of Kosovo;

Based on 65 (1) and Article 49 of the Constitution of Republic of Kosovo;

Taking into account Conventions of the International Labour Organisation, European Union Legislation and the fundamental principles of free labour market and economy;

With the aim of establishing a comprehensive, functional and sustainable legal basis on employment relationship,

Approves

LAW ON LABOUR

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
The Aim**

This Law aims at regulating the rights and obligations deriving from employment relationship, as defined by this Law.

Article 2 The Scope

1. Provisions of this Law shall be applicable for employees and employers in the private and public sector in Republic of Kosovo.
2. Provisions of this Law shall be applicable for employees and employers, whose employment is regulated through a special Law, if the special Law does not provide for a solution for certain issues deriving from employment relationship.
3. Provisions of this Law shall be applicable for foreign citizenship employees and persons without citizenship, who are employed to employers within territory of Republic of Kosovo, unless otherwise provided by Law.
4. Provisions of this Law shall not be applicable to employment relationships within international missions, diplomatic and consular missions of foreign states, International Military Presence established in the Republic of Kosovo under the Comprehensive Proposal for the Status Settlement and international governmental organizations.

Article 3 Definitions

1. The terms used in this Law shall have the following meaning:
 - 1.1. **Employee** - a natural person employed to perform paid labour or services for an employer;
 - 1.2. **Employer** - a natural or legal person who employs an employee and pays a salary for the labour or services performed;
 - 1.3. **Public Sector** - the education and health sector as well as publicly owned enterprises by Republic of Kosovo or any other municipality of Republic of Kosovo;
 - 1.4. **Social Dialogue** - a democratic process of consultations and exchange of information among the representatives of employers, employees and representatives of the Government;
 - 1.5. **Social-Economic Council (SEC)** - a body at the national level leading consultations on issues on employment relationship, social welfare and other issues dealing with economic policies in Republic of Kosovo;
 - 1.6. **Employees' Organisations** – Trade Unions which are independent, voluntary established for the accomplishment and protection of employees' rights;
 - 1.7. **Employers' Organisation** – an organisation of employers joined voluntary for the protection of their interests;
 - 1.8. **Collective Contract** - an agreement between employers' organisations and employees' organisations regulating the rights, duties and responsibilities deriving from employment relationship on the basis of the agreement reached;
 - 1.9. **Employer's Internal Act** – the act that regulates the rights, duties and responsibilities deriving from employment relationship in compliance with this Law and the Collective Contract;

- 1.10. **Employment Relationship** - an agreement or contractual arrangement between an employer and an employee for the performance of specified functions or tasks by the employee under the supervision of the employer in return for an agreed remuneration, normally in the form of money;
- 1.11. **Labour Contract** - is an individual act concluded between the employer and the employee in order to regulate the rights, duties and responsibilities deriving from employment relationship in compliance with this Law, Collective Contract and the Employer's Internal Act;
- 1.12. **Intern** - a qualified person establishing employment relationship for the first time with the purpose of getting trained for certain tasks through practical work;
- 1.13. **Salary** - the remuneration or earning of any calculated level in the form of money for the employee;
- 1.14. **Minimum Salary** - the minimum salary proposed by SEC, defined by the Government, according to the criteria determined in compliance with this Law;
- 1.15. **Forced or Compulsory Labour** - the labour or services required to be performed under the threat of punishment and against the will of the employee;
- 1.16. **Close Family Members** - spouse, marital and extramarital children, adopted children, brothers, sisters and parents;
- 1.17. **Discrimination** - any discrimination including exclusion or preference made on the basis of race, colour, sex, religion, age, family status, political opinion, national extraction or social origin, language or trade-union membership which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation capacity building is prohibited;
- 1.18. **Ministry** - the Ministry of Labour and Social Welfare (MLSW);
- 1.19. **LI** - the Labour Inspectorate;
- 1.20. **REC** - the Regional Employment Centre;
- 1.21. **EO** - Employment Offices.

Article 4

Hierarchy among the Law, Collective Contract, Employer's Internal Act and the Labour Contract

1. Provisions of the Collective Contract, Employer's Internal Act and Labour Contract shall be in compliance with the provisions of this Law.
2. Collective Contract shall not include any less favourable rights for the employee and employer than the rights defined by this Law;
3. Internal Employer's Act and Labour Contract may contain provisions defining more favourable rights and terms than the rights and terms defined by the Law, unless otherwise provided for by this Law.

Article 5
Prohibition of all Forms of Discrimination

1. Discrimination is prohibited in employment and occupation in respect of recruitment, training, promotion of employment, terms and conditions of employment, disciplinary measures, cancellation of the contract of employment or other matters arising out of the employment relationship and regulated by Law and other Laws into force.
2. Direct or indirect discrimination of persons with disabilities is prohibited during employment, promotion and capacity building, if that job may be performed adequately by a person with disabilities.
3. It is not considered discrimination, any distinction, elimination or giving priority, relation to any designated place of work, based on certain criteria required for that job.
4. In the case of hiring new employees, employer is obliged to create equal opportunities and criteria to both male and female applicants.
5. Provisions of the Law No.2004/3 against Discrimination shall be directly applicable with regards to employment relationship concluded between the employee and employer.

Article 6
Prohibition of Forced or Compulsory Labour

1. Forced or compulsory labour is prohibited.
2. Exceptionally, forced labour shall not be considered the labour or service performed by convicted persons with a final judgment during that period or in cases of 'extraordinary state', declared by Article 131 of the Constitution of Republic of Kosovo.

CHAPTER II
ESTABLISHING EMPLOYMENT RELATIONSHIP

Article 7
Terms and Criteria for the Establishment of Employment Relationship

1. An employment relationship may be concluded by any person of eighteen (18) years of age or above.
2. An employment relationship may also be established with a person between fifteen (15) and eighteen (18) years of age, who may be employed for easy labour that do not represent a risk to their health or development and if such a labour is not prohibited by any Law or sub-legal act.
3. No employer may conclude an employment contract with a person below fifteen (15) years of age.
4. For the due payment of contributions and other legal duties, the employer is obliged to report the employee to the Tax Administration of Kosova and other institutions which manage and administer the obligatory pension schemes and other obligatory schemes.

5. Classification of easy and prohibited labour, from paragraph 2 of this Article, for persons under eighteen (18) years of age, shall be regulated by sub-legal act issued by the Ministry.

Article 8

Public Competition

1. The employer at public sector, shall be obliged to announce public competition every time when it employs an employee and establishes an employment relationship.
2. The competition must be equal for all aspirant candidates, without any kind of discrimination, as defined by this Law and other applicable acts.

Article 9

Employment of Foreigners

Foreign and stateless persons inside the Republic of Kosovo shall establish employment relationship on the basis of this Law, under the terms and criteria defined with a special Law on the employment of foreigners and on the basis of international conventions.

Article 10

Employment Contract

1. An employment contract shall be concluded in written form and signed by the employer and employee. The contract shall include the particulars defined according to Article 11 of this Law.
2. Employment contract may be concluded for:
 - 2.1. an indefinite period;
 - 2.2. a fixed period; and
 - 2.3. specific tasks and duties.
3. Employment contract which contains no indication of its duration shall be deemed to be for an unspecified period of time.
4. A contract for a fixed period may not be concluded for a cumulative period of more than ten (10) years.
5. A contract for a fixed period of time that is expressly or tacitly renewed for a continued period of employment of more than ten (10) years shall be deemed to be a contract for an indefinite period of time.
6. A contract for a specified task may not be longer than one hundred and twenty (120) days within a year.
7. A person who has concluded an employment contract for a fixed term or a specified task has all the rights and duties stipulated in this Law, except where it is foreseen otherwise by Law.
8. The employee for specific task does not enjoy the right to annual leave and other rights stipulated in the Collective Contract and Employment Contract.
9. The Collective Contract and the Employer's Internal Act define the cases of

establishment of employment relationship with the employee for definite task and period of time in accordance with this Law.

Article 11 **The Content of an Employment Contract**

1. An employment contract shall include, the following:
 - 1.1. data on the employer (designation, residence and business register number);
 - 1.2. data on the employee (name, surname, qualification and dwelling);
 - 1.3. designation, nature and the form of labour and/or services and the job description;
 - 1.4. the place of work or a statement that work is performed at various locations;
 - 1.5. working hours and working schedule;
 - 1.6. the date of commencement of work;
 - 1.7. the duration of the Employment Contract;
 - 1.8. the basic salary and any other allowance or income;
 - 1.9. the period of vacations;
 - 1.10. termination of employment relationship;
 - 1.11. other data that the employer and employee deem important for the regulation of employment relationship;
 - 1.12. an employment contract may include other rights and duties provided for by this Law;
 - 1.13. the rights and duties not defined with the Employment contract shall be regulated by the provisions of this Law, Collective Contract and Employer's Internal Act;
2. The Ministry of Labour and Social Welfare shall, for the needs of employers, issue templates of employment contract according to minimum standards, for an indefinite period, fixed period and specific task.

Article 12 **Continuity of employment**

1. The continuity of an employee's employment shall not be considered as interruption of employment relationship, in the following cases:
 - 1.1. after annual leave, sick leave or maternity leave or any other leave taken in accordance with this Law;
 - 1.2. after his or her suspension from employment, with or without pay, in accordance with this Law;
 - 1.3. between the termination of his or her employment contract and the date of effective reinstatement according to court or similar body's decision in accordance with this Law;
 - 1.4. with the agreement of the employer.
2. The continuity of an employee's employment shall not be considered interrupted from the time interval from the termination of employment to re-beginning of employment not exceeding the interval of forty-five (45) working days.

Article 13
The Rights of an Employee in case of change of the Employer

1. In cases of statutory change, change of employer, respectively, the next employer from the previous one shall take over all obligations and responsibilities of the employment relationship that are applicable on the day of the change of the employer, in compliance with the Collective Contract and employment contract.
2. The previous employer is obliged to inform properly and entirely the next employer for the rights and obligations from the Collective Contract and employment contract to be transferred to the next employer.
3. The previous employer is obliged to inform, in writing, all employees for the transfer of obligations and responsibilities to the next employer.
4. If the employee refuses the transfer of the employment contract or does not declare within five (5) days from the day the announcement, under paragraph 3 of the this Article, was received, the previous employer may terminate the employment contract to the employee.

Article 14
Commencement of Work

1. An employee shall commence working on the day defined by the employment contract.
2. If the employee does not commence working on the day defined by Employment contract, it shall be considered that the employment relationship has not been concluded, unless the employee was hindered to commence work for reasonable causes or if the employer and employee agree otherwise.

Article 15
Trial Period

1. The trial period shall be defined in the Employment Contract.
2. The trial period cannot last more than six (6) months in compliance with this Law, Collective Contract and Employer's Internal Act.
3. During the trial period, the employer and employee may terminate the employment relationship through a previous notice in a term of seven (7) days.

Article 16
Interns

1. An employer may conclude an employment contract with an intern.
2. An employee, in the capacity of the intern, who has signed a contract with the employer, shall accomplish all rights and obligations from employment relationship the same as the other employees;
3. The employer who engages an intern in their enterprise is obliged to offer occupational protection and safety based on the Law No. 2003/19 on Occupational Safety, Health and the Working Environment.

4. The practical work of an intern with high, university and post-graduate qualification shall not last more than one (1) year, whereas the practical work of an intern with secondary education shall last not more than six (6) months.
5. The employer, in agreement with interested party, may engage interns without pay or any other rights emerging from the employment relationship, apart from being obliged to offer occupational safety and protection according to the Law. The employer who engages the intern without compensation of salary, shall be obliged to evidence the intern in the list of evidences without compensation of salary.
6. Collective Contract and Employer's Internal Act shall define the form of professional capacity building and the duration of internship.

CHAPTER III SYSTEMATIZATION OF EMPLOYEES IN WORKING POSTS

Article 17 Commissioning employees in working posts

1. An employee shall be commissioned to the post for which the employment contract was concluded.
2. In cases of need for restruction or new labour organisation, an employee, in compliance with the employment contract may be reassigned to another post appropriate for employee's professional qualification, competence and same level of salary as defined in the employment contract.
3. An employee may also be transferred from a post to another, within the same employer, in compliance with the employment contract, Employer's Internal Act and Collective Contract.
4. A woman employee during pregnancy, maternity leave, with a child up to three (3) years of age, a single parent with a child under five (5) years of age, an employed parent with a child with severe development problems, an employee under eighteen (18) years of age as well as an employee with disabilities, can not be reassigned to other habitation, without their consent.

Article 18 Temporary Reassignment

1. An employee may be reassigned temporarily for other duties and tasks, without previous consent, the performance of which requires low professional qualification from the qualification that the employee possesses, on the following cases:
 - 1.1. if there is an extraordinary state as a consequence of an earthquake, fire, flooding or other natural catastrophes';
 - 1.2. if there is a need to replace an absent employee from work;
 - 1.3. in case of sudden increase in workload, but not longer than thirty (30) working days;
 - 1.4. and other casea which are defined by the Colective Contract.
2. An employee is obliged to perform tasks under paragraph 1, sub-paragraph 1.1 of this Article, until these conditions prevail, whereas under sub-paragraph 1.2 and 1.3 mostly until thirty (30) working days.

3. A reassigned employee, under terms defined in paragraph 1 of this Article, is entitled to the same difference of the salary from the previous post, if that is more favourable for the reassigned employee.

Article 19 **Reassigning an Employee with Consent**

1. An employee may be reassigned temporarily with consent, to another employer, on the basis of an agreement between two employers, to a post that corresponds with the professional qualification in cases when:
 - 1.1. it was ascertained that there is no need for the work of the employee;
 - 1.2. the post is temporarily terminated or there is a decrease in the volume of work;
 - 1.3. working space, respectively working tools are rented temporarily to another employer.
2. An employer receiving a temporarily reassigned employee shall conclude an employment contract with the employee.
3. A reassigned employee, in the terms of paragraph 1 of this Article, shall cease all rights and obligations with the previous employer.
4. An employee from paragraph 1, sub-paragraph 1.1 of this Article, is entitled to return to the previous employer and to one of the rights defined by this Law.
5. An employee, under paragraph 1, sub-paragraphs 1.2 and 1.3 of this Article, after the termination of the temporary reassigned period, is entitled to return to work to the previous employer in the same post or some other post, which corresponds to the professional qualification.

CHAPTER IV **WORKING HOURS**

Article 20 **Setting Working Hours**

1. Working hours means a period of time, during which, the employee performs labour or services for the benefit of the employer;
2. Full time working hours shall be forty (40) hours per week, unless it is defined otherwise by this Law.
3. Full time working hours for an employee, under eighteen (18) years of age, shall not exceed thirty (30) hours per week.

Article 21 **Part-time Working Hours**

1. Part-time working hours' means shorter working hours than the full-time working hours.
2. Employment relationship for part-time working hours may be definite or indefinite.

3. An employee working part-time is entitled to all the rights deriving from the employment relationship on the same basis as a full-time employee and in proportion to the number of hours worked.

Article 22 **Reduced Working Hours**

1. Reduced working hours shall be approved to jobs and duties which, despite the application of protective measures, the employee is exposed to harmful impacts for health.
2. The working hours shall be reduced in proportion with the hazardousness to health and employee's working competency.
3. Working hours may be reduced to no less than twenty (20) hours per week for jobs with high level of hazard.
4. Tasks and duties from paragraph 1 of this Article shall be defined on the basis of professional analysis by a competent body in compliance with this Law, Collective Contract and the Employer's Internal Act.
5. The Ministry, in cooperation with Ministry of Health, within six (6) months from the day this Law enters into force, shall issue sub-legal act on the classification and systematization of hazardous labour for employees, which severely damages their health.
6. An employee, performing the tasks and duties under paragraph 1 of this Article, shall not perform the same tasks after working hours.
7. An employee working with reduced working hours, according to paragraph 1 of this Article, shall enjoy all the rights as full time employees.

Article 23 **Extended Working Hours – Overtime**

1. In extraordinary cases, with the increase of volume of works and other necessary cases, on request of the employer, an employee shall work extended working hours (overtime) for a maximum of eight (8) hours per week.
2. Extended working hours, in compliance with paragraph 1 of this Article, may only last as long as it is necessary;
3. Work in excess of the stipulated limit from Article (1) of this Article may only be performed in case of urgencies to prevent accidents and ther un-foreseen force majeure.
4. In addition to compulsory overtime from paragraph 1 of this Article, employees may perform paid voluntary overtime in agreement with the employer and according to Article 56 of this Law.
5. Extended working hours are prohibited for employees under eighteen (18) years of age;
6. An employee working on reduced or part-time working hours cannot work more than the full time working hours;
7. An employer is obliged to keep a full record of overtime performed and to produce it upon request to the Labour Inspectorate

8. Labour Inspectorate shall prohibit overtime, if it represents a harmful effect to the health and the competency of an employee.
9. The employer is obliged to announce the working hours in a visible place.

Article 24

Division and Modification of Working Hours

1. The division of working hours during the week shall be defined by the employer.
2. A working week may be organized differently in cases when an employer organizes the work in shifts, during the night or when the nature of work requires it;
3. An employer is obliged to inform the employee on the division and modification of working hours at least seven (7) days prior to the commencement of work.

Article 25

Modification of Working Hours

1. An employer may modify working hours in the following cases: organisation of work, rational use of means of labour, rational use of working hours and the performance of a certain task for a definite period of time.
2. In cases under paragraph 1 of this Article, the modification of working hours may be scheduled in an order that the entire calendar year does not exceed the total of full-time working hours.

Article 26

Prohibition on the Extension of Working Hours

1. The extension of working hours (overtime) shall be prohibited for employees under eighteen (18) years of age;
2. An employer shall not extend working hours for an employee during pregnancy, a single parent with a child under three (3) years old or with a child with disabilities.

Article 27

Night Shifts

1. Working hours between 22:00 and 6:00 shall be considered as night shifts.
2. If the labour is organised in shifts, it is necessary to organize shifts in such a form in order to prevent an employee from working a consecutive one (1) week in night shifts without a day off.
3. Night shifts shall be prohibited for persons under eighteen (18) years of age and pregnant employees and breastfeeding women. Night shifts may be performed by single parents and women with children younger than three (3) years of age or with children with permanent disabilities only with their consent.
4. If the health condition of an employee working on night shifts worsens as a result of the labour performed, after the assessment of a competent health body, the employer is obliged to find an appropriate job for that employee during the day.

CHAPTER V BREAKS AND ABSENCES FROM WORK

Article 28 Break during Working Hours

1. An employee working full-time working hours is entitled to a break, during the days, of at least thirty (30) minutes, which cannot be taken at the beginning or at the end of working hours.
2. An employee working longer than four (4) hours and less than six (6) hours a day, is entitled to a daily break of fifteen (15) minutes.
3. An employee under eighteen (18) years of age, working at least four (4) hours and thirty (30) minutes, is entitled to a daily break for thirty (30) minutes.
4. Break times under paragraph 1 and 2 of this Article shall be considered as work.

Article 29 Adopting the Break to the Labour Process

1. If the nature of work does not allow for interruption, the organisation of daily break shall be done in a form not to cause the interruption of the labour process.
2. The decision on the time for the use of the daily break shall be made by the employer.

Article 30 Daily Rest

1. An employee is entitled to a day of rest between two (2) continuous days of labour lasting for at least twelve (12) non-stop hours.
2. During working hours, in seasonal labour, an employee is entitled to rest as stated in paragraph 1 of this Article, for at least eleven (11) continuous hours.

Article 31 Weekly Rest

1. An employee is entitled to a weekly rest for at least twenty- four (24) continuous hours.
2. An employee under eighteen (18) years of age is entitled to a weekly rest for a period of at least thirty six (36) continuous hours.
3. If an employee must work on the day of weekly rest, than a day off shall be given to the employee in the following week.

Article 32 Annual Leave

1. An employee is entitled to a paid annual leave for at least four (4) weeks during a calendar year, despite if he/she works a full-time or part-time job.

2. The extension of annual leave shall be defined on the basis of work experience, whereby one day shall be added for every five (5) years of service.
3. An employee performing tasks and duties which despite the application of protective measures contain their harmful effect, is entitled to an annual leave of at least thirty (30) working days for a calendar year.
4. Mothers with children up to three (3) years of age and single parents as well as persons with disabilities are entitled to additional two (2) working days off.
5. Unused annual leave shall not be compensated in money, unless the employment relationship of an employee is about to expire.
6. Tasks and duties, under paragraph 3 of this Article, shall be defined through sub-legal act issued by MLSW.

Article 33

Annual Leave for Education Sector Employees

1. The annual leave of teachers, educators and other educational and administrative staff in schools and other educational institutions shall be used in the time of summer vacations for schools and may last as long as the leave of educational institution lasts.
2. If teachers and educators are convened during the break for capacity building courses for the performance of other tasks related to the preparation for the commencement of school year and the performance of educational activities organised by educational institutions, the duration of the leave shall be defined on the basis of this Law and Collective Contract.

Article 34

Annual Leave on the Day of Official Holidays

1. Official holidays that coincide in working days shall not be counted as annual leave days according to the Law on Official Holidays in Republic of Kosovo.
2. If an employee during the use of annual leave gets sick, the sick leave shall not be counted in the annual leave.

Article 35

First-Time Annual Leave

1. An employee establishing employment relationship for the first time or after a termination that has not lasted more than five (5) working days, shall be entitled to annual leave after six (6) consecutive months of labour in proportion to the months worked.
2. Temporary incompetence for labour, according to provisions of health insurance and paid absence from work as well as in cases of justified absence from work, shall not be considered as a termination of relationship under paragraph 1 of this Article.
3. An employee cannot revoke the right to the use of annual leave.

Article 36

Part of Annual Leave in Proportion with the Time Spent at Work

1. An employee is entitled to at least one and a half (1.5) days of rest for each calendar month spent at work, if:
 - 1.1. in the first calendar year, since the establishment of employment relationship, an employee did not work for consecutive six (6) months;
 - 1.2. during the calendar year an employee did not gain the right to use the annual leave because of the termination of employment relationship.

Article 37

The Schedule for the Use of Annual Leave

1. The schedule for the use of annual leave shall be defined by the employer in agreement with the employee in compliance with this Law, Employer's Internal Act and Employment Contract.
2. When setting the schedule for the use of annual leaves, the employer may take into account the reasonable request and will of the employee.
3. For the period of use of the annual leave, an employee shall inform the employer at least fifteen (15) days prior to the commencement of the use of annual leave.
4. When granting the annual leave, a decision is issued to the employee, for the schedule and length of the annual leave at least five (5) days prior to the commencement of the use of annual leave.
5. Annual leave may be used in two (2) or more parts, in agreement with the employer.
6. If an employee uses annual leave in two (2) or more parts, the main part shall be for at least ten (10) uninterrupted days during a calendar year, and all vacation shall be used no later than by 30 June of the following calendar.

Article 38

Compensation if the Annual Leave is Not Used

1. An employee shall neither be denied the right to the use of annual leave.
2. An employee that has not used the annual leave or a part of the leave because of the fault of the employer, is entitled to use that leave during the following period which suits the employee, or compensation in money.
3. The amount of compensation from paragraph 2 of this Article, shall be set depending from the length of unused annual leave and the level of income realised by the employee for the month that it is compensated.

Article 39

Paid Absence from work

1. An employee is entitled to a paid absence from work with the compensation of salary, up to:
 - 1.1. five (5) days in case of his/her marriage;

- 1.2. five (5) days in case of the death of a close member of family;
- 1.3. three (3) days for the birth of a child;
- 1.4. in other cases defined with Employer's Internal Act, Employment contract and Collective Contract; and
- 1.5. one (1) day in every case of voluntary blood donation.

Article 40
Unpaid Absence from work

1. An employer, based on the request by the employee, may allow that the employee to be absent at work without compensation of salary.
2. In the period of unpaid absence under paragraph 1 of this Article, the employee shall cease all its rights and duties from employment relationship, apart from the rights deriving from due payment of contributions by the employee.

Article 41
Temporary Suspension of Rights and Duties deriving from Employment Relationship

1. Employees rights and duties from labour and employment relationship shall cease for a certain period, apart from the rights and duties defined otherwise by this Law, employer's internal act and employment contract, if absent from work in the following cases:
 - 1.1. when an employee is sent abroad for the representation of country's interests,
 - 1.2. when selected or appointed in public functions,
 - 1.3. until a final court decision is reached, for up to six (6) months;
2. After the cessation of labour rights under paragraph 1 of this Article, an employee is entitled to return to the employer within five (5) days.

CHAPTER VI
OCCUPATIONAL PROTECTION AND SAFETY

Article 42
General Occupational Protection

1. An employee is entitled to occupational safety, protection of health and appropriate labour environment in compliance with this Law and the Law on Occupational Safety, Protection of Health of Employees and Protection of Labour Environment.
2. An employer is obliged to ensure the necessary conditions for occupational safety in order to protect the life and health of employees in compliance with this Law.
3. An employer is obliged to inform, in writing, before its engagement for occupational hazards and protective measures obliged to be undertaken.
4. An employer is obliged to issue instructions showing occupational hazard and protection measures to be undertaken in compliance with instructions issued by Ministry of Labour and Social Welfare.

Civil laws

5. An employer is obliged to implement the general rules and procedures for occupational safety and protection as defined by the Law on Occupational Safety, Protection of Health of Employees and Protection of Labour Environment.
6. An employer is obliged to comply with the rules on occupational safety and health protection in order not to risk the health and safety of the employer and the employees.

Article 43
Commissioning an Employee for Hazardous Tasks

1. An employee shall not be commissioned to work longer than the full-time working hours or night shifts, if a competent body for the assessment of health condition, on the basis of health insurance, concludes that such a task may worsen employees health condition.
2. In tasks and duties with an increased hazard of injury, professional illness or other illness, an employee that satisfies the special conditions for labour shall be commissioned on the basis of:
 - 2.1. health condition;
 - 2.2. professional qualification;
 - 2.3. experience gained at work; and
 - 2.4. age.

Article 44
Protection of Youth, Women and Persons with Disabilities

An employed woman, an employee under eighteen (18) years of age and an employee with disabilities shall enjoy special protection in compliance with this Law.

Article 45
Protection of Youth

1. An employee under eighteen (18) years of age shall not work under conditions, which under their nature or circumstance performed, may damage the health, safety or the moral of the employee.
2. An employer is obliged to adopt the necessary measures for occupational safety and health protection of youth by specifying the risks of the labour process.
3. An employer shall implement the measures defined in paragraph 2 of this Article on the basis of risk assessment for posts for youth.
4. An employer shall conduct a previous assessment on the risks from the labour before the young employee commences working in order to protect the health of youth at work.
5. An employee under eighteen (18) years of age shall not conduct the following dangerous labour:
 - 5.1. underground, under water, dangerous heights or closed premises;
 - 5.2. dangerous machinery, equipment and tools used in the labour process and in the transportation of heavy shipments;

- 5.3. unhealthy environment, which exposes youth to dangerous substances, factors or processes, temperatures, noise or quake that may be harmful to health;
- 5.4. under especially difficult conditions, such as extended working hours or certain circumstances during the night, or closed environment.
6. Provisions to be implemented for the list of forms of hazardous labour shall be reviewed each year by respective bodies, comprised of representatives of Ministry of Labour and Social Welfare, other line ministries of the Government, organisations of employers and organisations of employees (trade-unions).
7. For a proper and full implementation of this Article, MLSW shall issue sub-legal acts in the timeline defined by Law.

Article 46 **Protection of Women Employees**

1. Pregnant and breastfeeding women shall be prohibited from labour that is classified as harmful for the health of the mother or the child.
2. Pregnant and breastfeeding women shall be prohibited from labour with hard physical work, labour exposed to biological, chemical or physical factors that may risk the reproductive health as well as other specific cases.
3. The Ministry shall issue sub-legal act for the classification of hard and dangerous forms of labour that may damage the health of pregnant and breastfeeding women;
4. Prohibition of underground labour shall not be applicable for women who are not pregnant in leading posts, for health employees and student interns.

Article 47 **Protection of Persons with Disabilities**

1. An employee that suffers a disability shall be entitled to work his posts or other relevant tasks, if the remaining ability for labour enables the performance of those duties without the need for professional rehabilitation.
2. An employee whose health ability for labour is decreased after the professional rehabilitation becomes competent to perform special tasks, shall be considered as competent for the performance of those tasks.
3. In cases under paragraph 2 of this Article, an employer is obliged to ensure the type of labour for an employee after the recovery from professional rehabilitation.
4. If an employee refuses to accept the tasks under this article, the employer, after a notice, may terminate the employment contract with the employee.

Article 48 **Protection of motherhood**

1. An employed woman during pregnancy, a mother with a child under three (3) years of age, shall not be obliged to work longer than the full-time working hours and night shifts.
2. Single parent, with a child under the age of three (3), and/or a child with serious

disability, shall not be obliged to work longer than full-time working hours and nights shifts.

3. The rights under paragraph 1 of this Article, may be used by an adopting parent, another persons looking after a child, respectively, in cases of the death of both parents of the child or if parents abandon it.

Article 49 **Maternity Leave**

1. An employed woman is entitled to twelve (12) months of maternity leave.
2. On production of a medical certificate the woman may commence the maternity leave up to forty-five (45) days before the expected date of birth. In the period from twenty-eights (28) days before expected childbirth, the employer with consent of pregnant women may request her to begin the maternity leave if the employer finds that the woman is not able to perform her functions.
3. First six (6) months of maternity leave, the payment shall be done by the employer with the compensation of seventy percent (70%) of basic salary.
4. The following three (3) months, the maternity leave shall be paid by the Government of Kosovo with the compensation of fifty percent (50%) of average salary in Kosovo.
5. The employed woman shall have the right, upon this Law, to extend her maternity leave also for other three (3) months without payment.
6. If the puerpera does not want to use the right in maternity leave from paragraph 4 and 5 of this Article, shall notify the employer at latest fifteen (15) days before the end of the leave, from paragraph 3 of this Article.
7. The father of the child may assume the rights of the mother if the mother dies or abandons the child before the end of the maternity leave.
8. The rights from paragraph 4 and 5 of this Article may be conveyed to the father of the child in agreement with the mother.

Article 50 **The rights of child's father**

1. The rights defined under Article 49 of this Law may be exercised by the father of the child too, in cases of the mother getting sick, abandoning of the child by the mother and/or death of the mother.
2. The father of the child has the right to:
 - 2.1. two (2) days paid leave at the birth or upon adoption of the child;
 - 2.2. two (2) weeks unpaid leave after the birth or upon adoption of the child, at any time before the child reaches the age of three (3). The employee must inform the employer of his intention to take leave at least ten (10) days in advance.
3. Protection, the rights under paragraph 1 of Article 49, respectively may be used by the adopter of the child, the one looking after the child, respectively in cases of the death of both parents or if parents abandon the child.

Article 51
Maternity Leave in the case of the Death of the Infant

1. If an employed woman gives birth to a dead infant or if the child dies before the expiry of maternity leave, she is entitled to maternity leave after doctor's recommendation, until the recovery from birth and the psychical condition caused with the loss of the infant for no less than forty-five (45) days, during which period she shall be entitled to all entitlements under the maternity leave.
2. An employed woman according to paragraph 1 of this Article may request the employer to return to work before the expiry of the maternity leave.
3. In cases of commencement of work according to paragraph 2 of this Article, an employee shall not be permitted to use the maternity leave under paragraph 1, 2 and 3 of Article 49 of this Law.

Article 52
Absence from Work due to Special Care for the Child

1. A child that necessarily requires special care due to poor health conditions, a child with permanent disabilities in the context of provisions of health insurance, respectively, shall enable one of the parents to work part-time, after the expiry of maternity leave, until the child becomes two (2) years old.
2. Protection and the rights under paragraph 1 of this Article may be exercised by the caretaker of the child in the case of the death of both parents or if one of the parents abandon the child.
3. The form and procedure of exercising the rights from paragraph 1 and 2 of this Article, shall be conducted according to provisions of the Law on Financial Care for Families and Children with Disabilities.

Article 53
Prohibition on Termination of Contract

1. During pregnancy, maternity leave and absence from work due to special care for the child, the employer shall not terminate the contract with the employee and/or make a transfer to another post, except in cases of termination of the contract according to Article 76 of this Law.

Article 54
Notice on Temporary Incompetency for Labour

1. In case of illness or other temporary incapacity to work, an employee is obliged to inform the employer immediately and at the latest within the same day that the absence occurs.
2. In case of serious illness or injury preventing the employee from informing the employer according to paragraph 1 of this Article the employee shall make efforts to inform the employer as soon as possible.
3. If the employee cannot show that he/she has made reasonable efforts to inform the

employer of his/her absence without undue delay, the employer may invoke that a breach of contract has occurred.

4. If the notified absence from work last longer than three (3) days, the employer is entitled to request the employee to provide a medical certificate justifying the absence of work.

CHAPTER VII SALARY AND BENEFITS OF EMPLOYEES

Article 55

Salary, Salary Compensation and other Income

1. An employee is entitled to a salary defined in compliance with this Law, Collective Contract, Employer's Internal Act and Employment Contract.
2. The right to salary, overtime, salary compensation and other income, shall be exercised by the employee on the basis of the agreement reached with the employer for the work performed and time spent at work as defined in the employment contract.
3. The employer shall pay men and women an equal remuneration for work of equal value covering base salary and any other allowances.
4. The employer shall issue a salary statement for each salary payment and any other remuneration paid to the employees. Salary payments can be made through bank transfers or in cash payments for which the employer shall keep a register.
5. Salaries in Kosovo shall be paid in the official currency Euro (€).
6. Salary shall be executed in terms defined in the Collective Contract, Employer's Internal Act or Employment Contract, at least once per month.

Article 56 Allowances

1. For labour performed in extended working hours and during the days of national holidays as well as night shifts, an employee is entitled to allowances in compliance with this Law, Collective Contract and Employment Contract.
2. An employee shall be entitled to allowances calculated in the following percentage of basic salary:
 - 2.1. twenty percent (20 %) per hour for extra shiftë;
 - 2.2. thirty percent (30 %) per hour for night shiftë;
 - 2.3. thirty percent (30 %) per hour for extended working hours;
 - 2.4. fifty percent (50 %) per hour for work in national holidays; and
 - 2.5. fifty percent (50 %) per hour for work in weekends.
3. Allowances for work in weekends, holidays and other days off based on the Law shall exclude each other.
4. An employee may ask from the employer to be compensated in days off instead of allowances from paragraph 2 of this Article.
5. An employer may decide that part of accrued overtime is compensated by days off in proportion to the scale in paragraph 2 of this Article. This form of compensation shall be stipulated in the employment contract or in the internal act of the company.

Article 57
Minimum Salary

1. The Government of Kosovo shall define a minimum wage at the end of every calendar based on the proposals from the Social- Economic Council.
2. When defining the level of minimum salary, the following shall be taken into account:
 - 2.1. the cost of living expenses;
 - 2.2. the percentage of the level of unemployment;
 - 2.3. general state in the labour market; and
 - 2.4. general level of competitiveness and productivity of the country.
3. Minimum salary shall be defined on the basis of working hours, for a one (1) year period, which shall be published in the Official Gazette of Republic of Kosovo.
4. Minimum wages may be determined by collective agreements at national, branch and enterprise level, but shall not be less than any minimum wage determined according to paragraph 1 of this Article.

Article 58
Compensation of Salary

1. An employee is entitled to a compensation of salary in the following cases:
 - 1.1. during official holidays in which it is not worked;
 - 1.2. during the use of annual leave;
 - 1.3. during training and/or capacity building commissioned; and
 - 1.4. during the exercise of unpaid public functions.

Article 59
Compensation of Sick Leave

1. An employee is entitled to compensation for ordinary sick leave up to twenty (20) working days in one (1) year with one hundred percent (100%) salary compensation.
2. An employee is entitled to sick leave without payment in agreement with Article 40 of this Law.
3. An employee is entitled to compensation for sick leave as a result of documented occupational injury and related illness as a result of performing work or services for the employer at seventy percent (70%) salary compensation.
4. An employee is entitled to compensation for sick leave according to paragraph 3 of this Article after ten (10) days of absence from work and up to a maximum ninety (90) working days.
5. Payment for compensation for sick leave falls on the employer
6. The above entitlements can be further determined by the collective contract, Internal Act, but in no case may they shall be less than stipulated in this Law.
7. The provisions of this article will be valid until in time of entry into force of the legislation for care and protection health.

Article 60
Compensation for Occupational Injuries

1. The employer is obliged to provide all employees covered by this Law with insurance against injuries and related illnesses sustained in the course of performing work or services for the employer in compliance with this Law, and other applicable Laws.
2. The Ministry shall issue sub-legal act to determine the extent of insurance coverage and to classify injuries and the level of compensation of injuries caused at work.

Article 61
Absence from Work due to Insecurity and Health Protection

1. With the decision of authorized state body or authorized employers body, due to insecurity and protection of health in labour, an employee is entitled to justified absence from work.
2. 2. During the temporary absence from work, due to insecurity, the employee is entitled to the right of compensation of salary, which would have been realised if he/she would have worked for a maximum period of forty-five (45) days within a calendar year.

Article 62
Compensation of Expenses for Official Visits

During the time spent abroad on an official visit, an employee is entitled to compensation of expenses on the basis of the terms, forms and amount defined in the Employer's Internal Act.

Article 63
Compensation of Damage by the Employee

1. If an employed, or work-related employee, intentionally or deliberately caused harm to the employer, s/he is obliged to compensate the damage.
2. If the damage is caused by many employees, each employee is responsible for the part of the damage caused.
3. If the damage caused cannot be verified for each employee under paragraph 2 of this Article, it shall be considered that all share an equal responsibility and shall compensate for the damage caused in an equal manner.

Article 64
Proportional Compensation of Damage

1. If some employees, intentionally or deliberately caused damage to the employer, they shall all be equally responsible for the damage caused.
2. The existence of damage, its amount and circumstances under which it was caused,

who caused it and how will the damage be compensated, shall be defined in compliance with this Law, Collective Contract and Employer's Internal Act.

Article 65
Compensation of Damage to the Employer

1. An employed or work related employee that has, intentionally or through gross negligence caused damage to a third party, which has been compensated by the employer, is obliged to compensate the employer for the damage paid.
2. Conditions and forms of decreasing or freeing the employee from the obligation to damage compensation may be defined in the Employer's Internal Act.

Article 66
Compensation according to other applicable provisions

As per the entitlements related to compensation of damage according to the provisions of Articles 63, 64 and 65 of this Law, the obligations shall be directly implemented.

CHAPTER VIII
TERMINATION OF EMPLOYMENT RELATIONSHIP

Article 67
Termination of Employment Contract on Legal Basis

1. Employment contract, on legal basis, may be terminated, as follows:
 - 1.1. With the death of the employee;
 - 1.2. With the death of the employer when the work performed or services provided by the employee are of personal nature and the contract cannot be extended to the successors of employer;
 - 1.3. With the expiry of duration of contract;
 - 1.4. When an employee reaches the pension age, sixty- five (65) years of age;
 - 1.5. On the day of the submission of plenipotentiary proof of the loss of labour competencies;
 - 1.6. If an employee shall serve a sentence which will last longer than six (6) months;
 - 1.7. With the decision of the competent court, which leads to the termination of employment relationship;
 - 1.8. With the bankruptcy or liquidation of the enterprise;
 - 1.9. Other cases specified by Laws in force.

Article 68
Termination of Employment Contract with the Agreement

1. An employment contract may be terminated with the agreement of the employer and the employee.
 2. Agreement from paragraph 1 of this Article shall be conducted in writing.

2. In cases of termination of employment contract with agreement, the employer is obliged to execute the salary to the employee for the days of the termination.

Article 69

Unilateral Termination of the Contract by the Employee

1. An employee is entitled to the unilateral termination of the employment contract.
2. An employee on a fixed term contract shall inform the employer in writing of his/her termination of the employment contract with fifteen (15) calendar days notice, whereas an employee on an indefinite term contract within thirty (30) calendar days.
3. An employee may cancel his/her employment contract without providing prior notice in written form defined in paragraph 1 of this Article, where the employer is guilty a breach of obligations under the employment contract.

Article 70

Termination of Employment Contract by the Employer

1. An employer may terminate the employment contract of an employee with the prescribed period of notice of cancellation, when:
 - 1.1. Such termination is justified for economic, technical or organizational reasons;
 - 1.2. The employee is no longer able to perform the job.
 - 1.3. The employer may terminate the employment contract in the circumstances specified in sub-paragraph 1.1 and 1.2 of this paragraph, if, it is impracticable for the employer to transfer the employee to other employment or to train or qualify the employee to perform the job or other jobs.
 - 1.4. An employer may terminate the employment contract of an employee with providing the period of notice of termination required, in:
 - 1.4.1. serious cases of misconduct of the employee; and
 - 1.4.2. because of dissatisfactory performance of of work duties;
 - 1.5. An employer shall notify the employee about his/her dismissal immediately after the event which leads to this decision or as soon as the employer has become aware of it.
 - 1.6. An employer may terminate the employment contract of an employee without providing the period of notice of termination required, in the case when:
 - 1.6.1. the employee is guilty of repeating a less serious misconduct or breach of obligations,
 - 1.6.2. the employee's performance remains dissatisfactory in spite of the written warning.
2. The employer may terminate the employment contract of an employee under sub-paragraphs 1.6 of paragraph 1 of this Article only when after the employee has been issued previous written description of unsatisfactory performance with a specified period of time within which they must improve on their performance as

well as a statement that failure to improve the performance shall result with dismissal from work without any other written notice.

3. The employer should hold a meeting with the employee to explain termination of an employment contract or for the purpose of issuing a warning, the employee is entitled to be accompanied by a representative of his or her choice.
4. Collective agreements or Employer's Internal Acts may specify the types of misconduct or breaches of obligations that will make an employee liable to have his or her employment contract terminated after a single occasion without a notification period, after repetition on one or more occasions, with an appropriate warning.

Article 71

Notification period for termination of employment contract

1. The employer may terminate an employment contract for an indefinite period according to Article 70 of this Law with the following periods of notification:
 - 1.1. from six (6) months - 2 years of employment, thirty (30) calendar days;
 - 1.2. from two (2)- ten (10) years of employment: forty-five (45) calendar days;
 - 1.3. above ten (10) years of employment: sixty (60) calendar days.
2. The employer may terminate an employment contract for a fixed term with thirty (30) calendar days notice. The employer who does not intend to renew a fixed term contract must inform the employee at least thirty (30) days before the expiry of the contract. Failure to do so entitles the employee to an extension of employment with full pay for thirty (30) calendar days.

Article 72

Procedure Prior to the Termination of the Contract

1. The decision to terminate an employment contract shall be issued in writing and shall include the grounds for the dismissal.
2. Decision, under paragraph 1 of this Article, shall be final on the day of submission to the employee.
3. Employer is obliged to execute the salary and other allowances up to day of the termination of employment relationship.
4. The employer may deny the employee access to the premises of the enterprises during the period of notification, namely prior to terminating the employment contract.

Article 73

Temporary Suspension from Work

1. An employee may be temporary suspended from work if:
 - 1.1. Criminal procedures are initiated against an employee because of alleged criminal offence of any kind;
 - 1.2. An employee is detained;
 - 1.3. An employee conducts a serious violation of work related obligations defined by this Law.

Article 74
Compensation of Salary during the Temporary Suspension

During the temporary suspension from work, under article 73 of this Law, an employee is entitled to salary compensation in amount of fifty percent (50%).

Article 75
Duration of Temporary Suspension

Temporary suspension from work under Article 73 of this Law may not last more than six (6) months, during which period the employer shall either return the employee to work or shall terminate the labour contract.

Article 76
Collective Dismissals

1. Cases where dismissals according to sub-paragraph 1.1 of paragraph 1, Article 70 of this Law, include at least ten percent (10%) of the employees but not less than twenty (20) employees discharged within a six (6) month period, shall be considered as collective dismissal.
2. In the event of a large-scale layoff, provisions from paragraph 3 of this Article shall apply.
3. Prior to introducing such changes, an employer shall notify its employees and, where applicable, the employees' trade union(s) one (1) month in advance in writing of the changes planned and their implications, including:
 - 3.1. The number and type of employees to be discharged;
 - 3.2. The measures to be taken by the employer, if any, to alleviate the consequences of collective dismissal, including:
 - 3.2.1. limiting or stopping the hiring any new employees;
 - 3.2.2. internal reordering of the employees;
 - 3.2.3. limiting the overtime working hours;
 - 3.2.4. reducing the working hours;
 - 3.2.5. offering professional retraining, and
 - 3.2.6. The rights of its employees as set out in the Employment Contract, Employer's Internal Act or Collective Contract.
4. With the notification provided according to paragraph 3 of this Article, the employer may terminate the employment contract of the employees with a notification period according to Article 71 of this Law.
5. The employer shall notify in writing the Employment Office about removing of employees from work, so EO be able to provide assistance to them to find other employment.
6. An employee may not be discharged until the employer provides a single severance payment to the employee.
7. The severance payment shall be paid to the employees with indefinite period contract on the date of termination at the following scale:
 - 7.1. from two (2) to four (4) years of service, one (1) monthly salary;

- 7.2. from five (5) to nine (9) years of service, two (2) monthly salary;
- 7.3. from ten (10) to nineteen (19) years of service, three (3) monthly salary;
- 7.4. from twenty (20) to twenty-nine (29) years of service, six (6) monthly salary; and
- 7.5. from thirty (30) years of service or more, seven (7) monthly salary;
8. If, within a period of one (1) year from the termination of the employment contracts of employees under this article, the employer hires employees with the same qualifications or training, the employer shall not hire other persons before offering to hire the employees whose contracts have been terminated.
9. Employees discharged as a result of bankruptcy and reorganization administered by a court shall not be governed by the provisions of this Law.

Article 77
Retirement

The age and early pension shall be regulated by a special Law.

CHAPTER IX
PROCEDURES FOR THE EXERCISE OF RIGHTS DERIVING FROM
EMPLOYMENT RELATIONSHIP

Article 78
Protection of Employees' Rights

1. An employee considering that the employer has violated labour rights may submit a request to the employer or relevant bodies of the employer, if they exist, for the exercise of rights violated.
2. Employer is obliged to decide on the request of the employee within fifteen (15) days from the day the request was submitted.
3. The decision from paragraph 2 of this Article shall be delivered in a written form to the employee within the term of eight (8) days.

Article 79
Protection of an Employee by the Court

Every employee who is not satisfied with the decision by which he/she thinks that there are breached his/her rights, or does not receive an answer within the term from Article 78 paragraph 2 of this Law, in the following term of thirty (30) days may initiate a work dispute at the Competent Court.

Article 80
Court decision on Termination of Employment Contract

1. If the court finds that the employer's cancellation of the employment contract is unlawful according to the provisions of this Law, the collective contract or the employment contract, it shall order the employer to do one of the following:

- 1.1. to pay the employee compensation, additional to any allowance and other amounts to which the employee may be entitled under this Law, the employment contract, a collective contracts or the Internal Act, in such amount as the court considers just and equitable, but which shall not be less than twice the value of any severance payment to which the employee was entitled at the time of dismissal; or
- 1.2. in cases where the dismissal is deemed unlawful under Article 5 of this Law, the court may reinstate the employee in his or her previous employment and orders compensation of all salaries and other benefits lost during the time of unLawful dismissal from work.
2. The employer is obliged, that within the defined term, to implement the decision of competent court.

Article 81
Protection of Rights through mediation

1. An employee and employer may resolve disputes deriving from work through an mediation
2. Rules and procedures for resolution of labour disputes through mediation are determined with the provisions of the Law on Mediation as well as with other applicable legal provisions.

Article 82
Protection of Employee by the Labour Inspectorate

1. An employee may submit an appeal to the Labour Inspectorate at any time for issues falling under the competencies of this body.
2. Labour Inspectorate is obliged to issue a decision regarding the appeal of the employee within thirty (30) days or inform the submitter of the appeal regarding the extension of the term when the decision shall be reached.

Article 83
Disciplinary Measures

The disciplinary measures related to the violation of the provisions of this Law by the employer, shall be issued by the Labour Inspectorate according to the Law on Labour Inspectorate.

Article 84
Employee's Responsibility

1. An employee is obliged to observe the obligations provided for by Law, Collective Contract and employment contract while at work.
2. If an employee due to her/his fault fails to accomplish duties or does not observe the decision issued by the employer, shall be held responsible for the violation of duties in compliance with the Law, Collective Contract and employment contract.

3. Criminal responsibility does not exclude the responsibility of the employee to perform its work obligations if the action is a violation of job duties.

Article 85

Disciplinary Measures for the Violation of Labour Duties

1. In an event of violation of labour duties, the following disciplinary measures shall be imposed to an employee:
 - 1.1. verbal warning;
 - 1.2. written warning;
 - 1.3. degradation from the post;
 - 1.4. temporary Suspension;
 - 1.5. termination of employment relationship.
2. Disciplinary measures, verbal warning, written warning and degradation shall be imposed for minor violation of job duties in compliance with the Collective Contract, Employer's Internal Act and the employment contract.
3. Disciplinary measures, fine, temporary suspension and termination of employment relationship shall be imposed for minor violation of job duties in compliance with the Collective Contract, Employer's Internal Act and the employment contract.

Article 86

Imposition of Measures

1. Decision for the imposition of disciplinary measures for the violation of labour duties shall be issued by:
 - 1.1. The competent employer or employees' body;
 - 1.2. Employer without the status of the legal person or a duly authorized person;
2. Authorization under paragraph 1 of this Article shall be made in writing;
3. The decision of the employer must be made in written underlining the reasoning and advice for legal remedies towards the imposed measures.

Article 87

Timeline for Submission

All requests involving money from employment relationship shall be submitted within three (3) years from the day the request was submitted.

CHAPTER X ORGANIZATIONS OF EMPLOYEES AND EMPLOYERS

Article 88

Freedom of Trade-Union Organisation

1. Employees and employers are guaranteed the freedom of association and action without undue interference from any other organisation or public body.
2. The rights and freedoms of trade-union organisation in Republic of Kosovo shall be regulated through a special Law.

Article 89
The Right to Strike

1. For the protection of the rights of employees, the organisations of employees' (trade unions) are entitled to the organisation of strikes.
2. The rights, duties and responsibilities for the organisation and participation in strike shall be regulated by a special Law.

SOCIAL DIALOGUE

Article 90
Collective Contract

1. Collective Contract may be concluded between:
 - 1.1. Organization of employers and their representatives and
 - 1.2. Organization of employees or, in cases where there are no such organisations, the agreement may be concluded by the representatives of employees.
2. Collective Contract may be concluded at:
 - 2.1. the state level;
 - 2.2. the branch level; and
 - 2.3. the enterprise level.
3. Collective Contract shall be concluded in a written form in official languages of Republic of Kosovo.
4. Collective Contract may be concluded for a certain period of time with a duration of maximum three (3) years.
5. Collective Contract shall be applicable to those employers and employees who commit themselves to the implementation of obligations deriving from such an agreement.
6. Collective Contract shall not include such provisions that limit the rights of employees and that are less favourable than the ones defined by this Law.
7. An employer shall make available to employees a copy of the Collective Contract.
8. Collective Contract shall be registered in the Ministry in compliance with terms and criteria determined by sub-legal act.
9. For the resolution of various disputes in a peaceful manner and the development of consultations on employment, social welfare and labour economic policies by the representatives of employers, employees and Government in the capacity of social partners, through a special legal-secondary legislation act, the Social-Economic Council shall be established.
10. Other issues of social dialogue shall be regulated through a legal or sub-legal act depending on the agreement reached by social partners.

Article 91
Labour Card

1. The labour card is an identifying public document of the employee, which serves for presentation of personal data and work experience.

2. The labour card shall be issued by the Ministry of Labour and Social Welfare.
3. The employee must have the labour card, which shall be delivered to the employer in the occasion of establishing the work relationship.
4. In the day of conclusion of work relationship or termination of employment contract, the employer is obliged to return the labour card to the employee, which shall be filled in with the personal data and work experience.
5. It is prohibited to be written the negative data for the employee in the labour card.
6. The ministry shall issue a sub-lega act for the content and form of labour contract for the issuance procedure, way of registration of the data, procedure for changing the card and for keeping the exact number of the card.

CHAPTER XI PUNITIVE PROVISIONS

Article 92 Fines

1. Any natural or legal person who disregards the provisions of this Law, in a legal procedure, shall be fined from one hundred (100) up to ten thousand (10,000) Euro.
2. Where the offence is committed against an employee who is under eighteen (18) years of age, the employer shall be liable to twice the height of the fine specified in paragraph 1 of this Article.
3. Any person who discriminates against a person seeking employment or an employed person in violation of Article 5 of this Law, shall be liable to triple the height of the fine specified in the paragraph 1 of this Article.
4. Ministry of Labour and Social Welfare shall issue sub-legal act to determine fines and other payable amounts for cases when provisions of this Law are breached.

Article 93 Funds Collected from Fines

All funds collected from imposed fines shall be transferred to the Budget of Republic of Kosovo.

CHAPTER XII PROVISIONAL AND FINAL PROVISIONS

Article 94 Supervision

Supervision of implementation of the provisions of this Law regulating employment relationship as well as occupational safety and protection at shall be conducted by the Labour Inspectorate on the basis of the Law on labour Inspectorate and Law on Occupational Safety, Health and the Working Environment No. 2003/19.

Article 95
Harmonization of Employer's Acts

1. An employer is obliged to harmonize its internal acts regulating employment relationship with the provisions of this Law, no later than six (6) months after its entry into force.
2. Up to the issuance of internal acts from paragraph 1 of this Article, the provisions of this Law shall be directly applicable.

Article 96
Exercising the Rights of Provisions in Force

Up to the day of entry into force of this Law, employees shall exercise their rights and duties deriving from employment relationship on the basis of existing provisions in force.

Article 97
Public Services of Employment

1. For active and passive policy execution of employment in Republic of Kosovo, in frame of MLSW there shall be established the Public Services of Employment.
2. Besides the public services of employment, physical and juristic persons for the intercession issue on labor can establish the Private Agency of Employment.
3. Establishment, functioning, scope and other important issue of Public Services of Employment and Private Agencies of Employment will be regulate and to define with special Law.

Article 98
Issue of sub-legal acts

The Ministry in coordination with other ministries of the Government of Republic of Kosovo, within one (1) year, after the entry into force of this Law, shall issue secondary legislation for a proper and efficient implementation of this Law.

Article 99
Abrogation of Legal Acts

1. With the entry into force of this Law, UNMIK Regulation No. 2001/27 on the Essential Labour Law in Kosovo, dated 8 October 2001, Law on work relationship of ASP of Kosovo of the year 1989 and the Yugoslav Labour Law dated 1977 with the respective amendments shall be abrogated.
2. Applicable sub-legal acts in the sphere of labour and employment shall continue with implementation up to the issuance of secondary legislation provided for under article 98 of this Law to the extent they do not contradict with this Law.

Article 100
Entry into force

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

Law No.03/L –212
1 November 2010

Promulgated by Decree No. DL-077-2010, dated 18.11.2010, Acting President of the Republic of Kosovo, Dr. Jakup Krasniqi.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / PRISTINA: YEAR V / No. 90 / 01 DECEMBER 2010

**LAW No. 04/L-065
ON COPYRIGHT AND RELATED RIGHTS**

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Assembly of Republic of Kosovo,

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

Approves

LAW ON COPYRIGHT AND RELATED RIGHTS

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
The purpose of the Law**

1. This law regulates:
 - 1.1. copyright that based on intellectual property which belong to authors with respect to their works in the literary, scientific and artistic domain;
 - 1.2. copyright that based on intellectual property are related to the copyright below: the related rights and belong to:
 - 1.1.1. performers with relation to their performances;
 - 1.1.2. phonogram producers with relation to their phonograms;
 - 1.1.3. movie producers in relation to their videograms;
 - 1.1.4. audiovisual media service regarding their broadcasts;
 - 1.1.5. database producers related to their data base;

- 1.1.6. publishers related to their publications;
- 1.3. administration of copyright and the related rights;
- 1.4. protection of copyright and the related rights;
- 1.5. the enforcement of this law to the foreign persons.

Article 2

Principles of enforcement

Administrative measures, inspection, the civil and criminal protection, prescribed by this Law shall be implemented according to the general rules of the administrative and legal procedures.

Article 3

The relation between the copyright and the related rights

1. The protection provided by this Law on the related rights does not interfere or overlap by no means with the protection of copyright.
2. The provisions of this Law regarding:
 - 2.1. the elements of the copyright, with the assumption of the authorship;
 - 2.2. co-authors and authors of the interlaced works;
 - 2.3. the remuneration for the property rights and the right for special remuneration for private reproduction or their own reproductions;
 - 2.4. the relation between the copyright and the property right on the copy of work;
 - 2.5. the limitations of copyright, including the limitations;
 - 2.6. the calculation of the starting of protection term and the effect of conclusion of protection term of the copyright, as well as the assignments of author's right.
3. Shall apply mutatis mutandis to related rights.

Article 4

Definitions

1. Terms used in this law shall have the following meaning:
 - 1.1. **Audiovisual media service** - a service which is under the editorial responsibility of a media service provider and the principal purpose of which is the provision of programs in order to inform, entertain or educate, to the general public by electronic communications networks;
 - 1.2. **Collective association** - an association formed in accordance with the provisions of Part III of this Law, in order to carry out the tasks and activities of collective management of copyright or related rights;
 - 1.3. **Commercial scale** - such acts of a person, which are carried out for direct or indirect economic or commercial advantage, excluding acts carried out by end consumers acting in good faith;
 - 1.4. **Publication** - that a copyright work, or of a subject matter of a related right, was offered to the public with the consent of the right holder;

- 1.5. **Moral rights** - the exclusive rights which protect the integrity of a copyright work and the personality of its author;
- 1.6. **Office** - the Office on the Copyright and the related rights established in accordance with the provisions of this Law;
- 1.7. **Possessor** - a natural person or legal entity who has the possession of an original work or a copy of a work;
- 1.8. **Public** - a larger number of people who are outside the usual circle of a family or the usual circle of personal acquaintances;
- 1.9. **Publication** - that a sufficient number of copies of a copyright work or of a subject matter of a related right was offered to the public or put into circulation with the consent of the right holder;
- 1.10. **Videogram** - the recording of an audiovisual work or of a sequence of pictures with or without the accompanying sound on a picture or a picture and around carrier;
- 1.11. **Audiovisual work** - according to this Law shall include cinematographic, TV and animated works, short video-music pictures, advertising works, documentaries and other audiovisual works presented in a sequence of pictures with or without the accompanying sound, regardless the picture carrier where they are fixated;
- 1.12. **Computer programs** - according to this Law shall include any type of computer programs including the designed material prepared for its creation;
- 1.13. **Performers** - shall include artist, singers, musicians, dancers and other persons who through acting, singing, dancing, body language or movements, reciting, or other similar way perform works of authors or execute the folklore, as well as theatric director, the conductor of an orchestra, choir conductor, sound editors, and circus and varieties artists;
- 1.14. **Phonogram producer** - a natural person or legal entity who by its own initiative and responsibility is the first one to make the fixation of sounds or any performance or other sounds as well as other sound expressions. The phonogram producer may be considered a person, whose name, company; nickname or brand is marked in an ordinary manner in phonogram or is presented as such at the time of the publication of phonogram, until proven otherwise;
- 1.15. **Phonogram** - the recording of sounds of a performance or of other sounds, or of a representation of sounds, on a sound carrier, other that a soundtrack incorporated in an audiovisual work;
- 1.16. **Fixation** - the placement of sounds or of a representation of sounds into the sound carrier from where they can be listened to, reproduced or communicated through some equipment;
- 1.17. **Movie producer** - the natural person or legal entity who by its own initiative and responsibility is the first to fixate an audiovisual work into a videogram. The movie producer is considered to be a person, whose name, company, nickname or brand is marked in an ordinary manner in videogram or is presented as such at the time of the publication of videogram, until proven otherwise;

- 1.18. **Database** - the collection of independent works, data and materials of any form, administered systematically or methodically with separate access through electronic or other means where the obtain, verification or the representation of its content in terms of quality and quantity requires essential investment;
- 1.19. **Database producer** - the natural person or legal entity who by its own initiative and responsibility is the first to make an essential investment in the meaning of the sub-paragraph 1 of this paragraph. The database producer is considered to be a person, whose name, company, nickname or brand is marked in an ordinary manner in the certain database or is presented as such at the time of the publication, until proven otherwise.

CHAPTER II

SUB-CHAPTER A COPYRIGHT

Article 5

The authors of works in the area of literature, science and art enjoy the protection regarding their works and its use in accordance with this Law.

Article 6

1. The copyright is an inseparable right of a work, which belongs to the author as a subject of an intellectual property for the protected work.
2. The copyright shall include:
 - 2.1. personal exclusive authorisations to protect the invulnerability of a work of an author and his/her personality, hereinafter the moral rights of the author;
 - 2.2. exclusive property authorisations to protect the property interests of the author hereinafter the property rights of the author;
 - 2.3. other author's authorizations hereinafter: other author's rights.

Article 7

1. The author's right belongs to the author for the fact of the creation of that work.
2. In order to enjoy the right of the protection of the copyright, no administrative procedure is required to be fulfilled prior.

SUB-CHAPTER B THE AUTHOR'S WORKS AND THE CONDITIONS OF PROTECTION

Article 8 Protected works

1. The works of the author shall mean the intellectual original properties of the literary, scientific and artistic domain represented in any form, if not otherwise provided by this Law.

2. The works of the author in particular are considered:
 - 2.1. verbal works, such as speeches, lectures, narratives and other similar works represented verbally;
 - 2.2. written works such as textbooks, brochures, daily newspapers, and other texts of the literary domain, scientific and professional literature as well as computer programmes;
 - 2.3. music works with or without text, despite of whether they are presented through musical notes or in any other form;
 - 2.4. theatrical works, theatrical- musical and puppet theatre works including the radio-drama;
 - 2.5. choreographic and pantomime works;
 - 2.6. filmic and other audiovisual works;
 - 2.7. photographic works and other works made through a similar process of the photography such as artistic photography, photo- montage, posters, photos of the reporters;
 - 2.8. art works in the area of painting, sculpture, graphics and drawing;
 - 2.9. architectural works such as charts, plans, templates and the buildings built based on architectural and engineering works, urbanism, panorama and interior design;
 - 2.10. stenography works;
 - 2.11. applicative art works as well as industrial and graphic design;
 - 2.12. cartographic works in the area of geography and topography;
 - 2.13. scientific, educational or technical presentations such as: technical drawings, graphics, charts, expertise, and three-dimensional presentations.

Article 9

The elements of the author's work

1. Unfinished works of the author, component parts of the work, as well as the title that are by itself original intellectual creations enjoy protection as much as the work itself.
2. The use of work title shall not be allowed if that title has been used before for the same type of work, if such title creates confusions regarding the authorship of work.

Article 10

Derived works

1. Work of an author shall be considered also the derived work processed or formed, if it fulfils the conditions referred to in paragraph 1., Article 8 of this Law.
2. Derived works shall mean translations, adjustments, arrangements, musical orchestrations and other processing of the existing work or material.
3. Protection shall enjoy also the translations of the legal texts, court decisions and administrative acts, if they are not made for official publication.
4. The author's rights of already existing works are not violated with the processing of these existing works.

Article 11
Collections of works

1. A work of the author shall be presumed to be the collection of the existing works of author or other materials which by selection, adjustment and coordination of their content represent original intellectual property, respectively a genuine work such as: encyclopedia, anthologies, and collections of quotes, poetries or works on prose, collection of folkloric expressions, documents and court decisions.
2. A collection shall be considered also a database of genuine works, data or other arranged materials, systematized in a methodic way with separate access through electronic means or others.
3. The protection according to this Article does not apply for computer programs used for developing or operationalising of electronic database unless they are genuine creations.
4. With the overlaping of the existing works, the rights of authors of this authorial works will not be violated. With overlaping in the collection, the existing material will not become a protected work.

Article 12
Creation without the protection

1. Legal protection of the copyright shall not include:
 - 1.1. ideas, principles, instructions, procedures, discoveries or mathematical concept as such;
 - 1.2. laws, sub legal acts, and other regulations;
 - 1.3. official materials and publication of parliamentary bodies, government and other organizations which carry out public functions;
 - 1.4. official translations of regulations and other official materials as well as of international agreements and of other instruments;
 - 1.5. submissions and other acts in administrative and judicial proceedings;
 - 1.6. official materials published for public information;
 - 1.7. folkloric expressions;
 - 1.8. headlines and different information of media of ordinary reporting nature.

SUB-CHAPTER C
AUTHOR

Article 13
Natural person

An author is the natural person creating the work.

Article 14
The assumption of authorship

1. A person whose name or firm, pseudonym or mark appears in the customary manner on the copy of a certain work or is so indicated at the time of disclosure of

- that work shall be presumed to be the author of the work, until proved otherwise.
2. The copyright of the disclosed works with pseudonym or mark, whose author is anonymous, shall enjoy the publisher, until the author's identity is disclosed. In cases when the publisher is anonymous too, the rights shall enjoy the person disclosing the work.
 3. The paragraph 2. of this Article will cease to apply if the identity of the author is proved.
 4. The right holder according to the paragraph 2. of this Article, shall refer to the author the benefits derived from the copyright, if not otherwise provided by this Law. The rights acquired from third persons remain in force.

Article 15 **Co-authors**

1. If the work of an author is created in cooperation with two or more persons, these persons shall be considered as co-authors.
2. The copyright on the work created by co-authors belongs to all co-authors and it is administered by their joint consent, if not otherwise provided by this Law or contract.
3. The co-author can not object his consent for publication or use of the work without any reason.
4. Co-authors shall not administer the rights separately, if an agreement was not reached among them prior.
5. The relation between co-authors regarding their portion of property benefits is determined based on the proportion of their contribution during the creation of the work, unless otherwise provided by contract.
6. If any of the co-authors gives up his/her part of the property remuneration, the parts of other co-authors shall be added in proportion to the initial amount.

Article 16 **Authors of combined works**

1. When two or more authors merge their works with the purpose of joint use or some other form of use, each of them enjoy the right of author for his own contribution.
2. Relation between the authors of combined works shall be regulated by contract.
3. Provisions of Article 15, paragraph 3. through 6. of this Law, shall apply mutatis mutandis for the authors of combined works.

SUB-CHAPTER D **MORAL RIGHTS**

Article 17 **The right to first publication**

1. The author has the exclusive right to decide as to when and where and in which manner the work will be disclosed for the first time.

2. The author holds the exclusive right to communicate his works to the public or describe the content of work while the work has not been disclosed with his authorisation.

Article 18

The right to recognition of authorship

1. The author holds the exclusive right to be recognised and marked as the author of work.
2. The author holds the right to decide whether the authorship should be disclosed by name, pseudonym or mark.

Article 19

The right of the integrity of work

The author holds the exclusive right to object any type of deformation, or other intervention in his work as well as any type of use if such intervention would in any way prejudice his innovative reputation and respect.

Article 20

The right to remorse

1. An author can revoke his property right assigned to others if there are serious moral reasons for that, on condition that the right holder is compensated for the damage caused by such revocation of right.
2. When the right of remorse applies, the property rights of the right holder cease to be valid. This shall apply from the time of the payment of remuneration.
3. The right holder shall inform the author for the amount of damage from such revoke of the right, within three (3) months from the moment of notification. If the right holder fails to do so, the right to remorse applies at the expiry of term.
4. If the author later decides to again assign the rights for use of his work and if ten (10) years are not yet fulfilled from the use of the right of remorse, he should first offer these rights to the previous right holder under the previous conditions
5. The provisions of this Article shall not apply for computer programs, audiovisual works and database.

SUB-CHAPTER E PROPERTY RIGHTS

Article 21

The right for use and its forms

1. The author holds the exclusive right to property use of his work in any form as well as to allow or prohibit the use of their work to other persons if not otherwise provided by this Law.
2. Other persons can use the work of an author only with the authorisation of author

Civil laws

for transferring the exclusive rights and under conditions specified by him if not otherwise provided by this law.

3. For any transfer of rights for use of work, the author is entitled to remuneration if not otherwise provided by this law or contract.

Article 22 **Use of work**

1. The work of an author shall be used in thematic, non thematic and modified form.
2. Use of works in thematic form includes in particular the exclusive author's rights as below:
 - 2.1. the right of reproduction;
 - 2.2. the right of distribution;
 - 2.3. the right of leasing,
3. The use of work in non thematic form includes in particular the exclusive author's right as below:
 - 3.1. the right for public interpretation;
 - 3.2. the right for use by "Audiovisual media service";
 - 3.3. the right for public communication through phonograms and videograms;
 - 3.4. the right for public disclosure;
 - 3.5. the right for making the work available to public.
4. The use of work in modified form includes in particular the exclusive rights of author as shown below:
 - 4.1. the right for reproduction;
 - 4.2. the right for audiovisual adaptation.

SUB-CHAPTER F **USE OF WORK IN THEMATIC FORM**

Article 23 **The right for reproduction**

1. The right for reproduction is an author's exclusive right to authorize or prohibit fixation of his work or copies of work in thematic carrier made directly or indirectly, temporary or permanently, in any mode or form, entirely or partially regardless the number of copies.
2. The reproduced work made by graphic multiplying, three dimensional reproduction, merge, photography, audio or video fixation, electronic recording.
3. Construction of architectural building is considered as a reproduction act.

Article 24 **The right of distribution**

1. The right of distribution is an exclusive right of the author to authorize or to prohibit the putting into circulation of the original or copies of his work, by sale or any other form of transfer of ownership, including their offering to the public for such purpose.

2. By first sale or other type of transfer of ownership in an original or a copy of work made by the author or his authorization, the right of distribution in respect to such original or copy of a work is exhausted in the territory of the Republic of Kosovo.

Article 25
The right for leasing

1. The right for leasing is an exclusive right of the author to authorise or prohibit that the original or copies of his work are put in use for a certain term, through direct or indirect property benefits.
2. Provisions from paragraph 1. of this Article do not apply for the use of:
 - 2.1. constructed architectural building;
 - 2.2. original or copies of works of applicative arts and industrial design;
 - 2.3. the original or copies of work, when viewed on the spot within the facilities of institution.
3. The author that his right for leasing has assigned to a phonogram film producer holds the right to remuneration from leasing.

SUB-CHAPTER G
USE OF WORK IN NON-THEMATIC FORM

Article 26
The right for public interpretation

1. The right for public interpretation is an exclusive right of the author to authorise or prohibit the public reciting, public musical interpretation, or public disclosure of his work.
2. The right for public reciting is the right of communicating the written or verbal works through reciting or reading directly to public.
3. The right to public music interpretation is the right for communicating the music work through direct interpretation to public.
4. The right to public disclosure is the right of communicating the scenic works directly to public.

Article 27
The right for public communication

The right for public communication is an exclusive right of the author to authorise or prohibit that the reciting, performance, or disclosure of his work are made available to public, abroad or outside source space, through loudspeaker, screen or similar device.

Article 28
The right for public communication through phonograms or videograms

The right to public broadcasting through phonograms and videograms is an exclusive right of the author to authorise or prohibit that his work fixated into phonogram or

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videogram is communicated to public through technical devices or audiovisual reproduction.

Article 29
The right to public disclosure

The right to public disclosure is an exclusive right of the author to authorise or prohibit, by technical devices the communication to public of his audiovisual work, photography, figurative works, the works of applicative arts and industrial design, choreographic works and scientific or technical presentations

Article 30
Broadcast and Rebroadcast of audiovisual program content

1. Audiovisual media services licensed by the Independent Media Commission - IMC as well as cable operators and other operators that regardless of technology they use offer audiovisual content are obliged to broadcast and rebroadcast programs based on valid copyright agreements.
2. Copyright agreement dealing with the broadcast and rebroadcast of audiovisual programs will be valid only after they have been registered by the collective associations licensed by the Office for copyright in the Ministry of Culture, in accordance with the Article 171. of this Law.
3. All complaints relating to violation of copyright during broadcast and rebroadcast of programs by the side of audiovisual content services will be prosecuted to the Independent Media Commission (IMC).
4. Failure to comply with the obligations and responsibilities by the side of audiovisual media services for broadcast and rebroadcast of programs, as defined by this Law, will be reviewed by the IMC in accordance with the provisions of the Law on Independent Media Commission.

Article 31
Encoded Programs

If the signals that carry programs are encoded/encrypted, communication to the public by the satellite or other platforms is performed with the condition that means for decoding of the transmission/broadcast are provided to the public by the audiovisual media service or with his approval/consent.

Article 32
The right of secondary broadcasting

The right of secondary broadcasting is the exclusive right of the author to authorize or to prohibit the communication to the public of a broadcast work or a work made available to the public, by a loudspeaker, screen or similar device.

Article 33
The right of making the work available to public

The right of making the work available to public is an exclusive right of the author to authorise or prohibit that his work is made available to public through linear and non-linear communication, in a way which enables access to individuals from place and time they choose.

Article 34
Use of work in modified form

1. Use of work in modified form includes:
 - 1.1. the right of reproduction
 - 1.1.1. the right of reproduction is the right of an author to authorise or prohibit the translation, scenic adaptation, musical adaptation or processing of his work in other ways with the purpose of creating a derived work.
 - 1.1.2. the right referred to in paragraph 1. of this Article, shall apply also in cases when the work of author, in a unchanged way, is included or interlaced in a new work.
 - 1.1.3. the author of source work holds the exclusive right for the processed version, if not otherwise provided by this law or contract.
 - 1.2. the right for audiovisual adaptation
2. The right of audiovisual adaptation is an exclusive right of the author to authorise or prohibit that his work is adapted or used to be fixated into an audiovisual work.

CHAPTER III
OTHER AUTHOR'S RIGHTS

Article 35
The right to access and exposure

1. An author holds the right to access his original work or copy of it which is under the possession of other person, if he needs it for reproduction or processing if the reasonable interests of the possessor are not affected in essence.
2. The author has the right to require from the possessor his original photography or figurative work to submit it temporarily, for the purpose of exposure.
3. The possessor can temporarily submit the original of work in accordance with the paragraph 2. of this Article, on condition that the author provide sufficient financial guaranty or enters into a contract for securing to the amount of market value of the original.
4. The author shall ensure that the way of access to work or its exposure result in less concern for the possessor. In case of damage of the original or the copy or work, the author holds the objective responsibility even if not culpable of the damage.

Article 36
The right for resale

1. In case of resale of the original of an artistic work after its first alienation from the author, the author holds the right to be informed for the resale as well as the right to remuneration in the amount provided by this Article.
2. The obligation for remuneration referred to in paragraph 1. of this Article shall be fulfilled in solidarity by: the seller, buyer, and mediator who are dealing with the sale of artistic works.
3. Original of the artistic work as referred to in paragraph 1. of this Article are deemed to be considered : paintings, collages, drawings, wallpapers, sculptures, creations from ceramics and glass, photography and other artistic works. Copies for such works are considered as originals if created or authorised by author himself and are made in a limited number and as per rule, counted and signed by the author.
4. The remuneration from the right of resale shall be paid in the percentage of the sale price of the original work in the market, excluding tax, however on condition that the sale price exceeds two thousand (2.000) €.
5. The percentage referred to in paragraph 4. of this Article shall be determined according to subsequent units of the price, ensuring that the total amount of compensation is not higher than twelve thousand five hundred (12.500) €:
 - 5.1. 4% of the part of sale price above two thousand (2.000) € to fifty thousand (50.000) €;
 - 5.2. 3% of the part of sale price above fifty thousand (50.000) € to two hundred thousand (200.000) €;
 - 5.3. 1% of the part of sale price above two hundred thousand (200.000) € to three hundred fifty thousand (350.000) €;
 - 5.4. 0.5% of the part of sale price above three hundred fifty thousand (350.000)€ to five hundred thousand (500.000) €;
 - 5.5. 0.25% of the part of sale price above five hundred thousand (500.000) €.
6. The right for resale shall not be a subject of abandonment or transfer during the life of the author, nor subject of mandatory execution.

Article 37
The right for public hire

1. The right for public hire is the right of an author with reasonable compensation, when the original or copy of his work is made available through public institution, to be in use for a certain period of time without direct or indirect property benefit.
2. Paragraph 1. of this Article shall not apply for the use of:
 - 2.1. original or copies of work in school libraries at all levels;
 - 2.2. architectural constructed buildings;
 - 2.3. original or copies of work of Applicative arts and industrial design;
 - 2.4. original or copies of work in the public institution facilities for the on spot view;
 - 2.5. hiring purpose through public institution.

3. Public hire of the original and copies of computer programs and database is an exclusive right of the author.

Article 38

The right for special remuneration

1. If according to the nature of a Copyright work it may be used for private reproduction according to Article 44 of this Law in the form of making an audiovisual fixation, the author has a right to a portion of a special remuneration for such reproduction of his work.
2. Special remuneration under paragraph 1. of this Article with respect to sound or visual fixation shall be paid upon the first sale or importation of new blank audio or video fixation media.
3. Special remuneration under paragraph 1. of this Article, with respect to photocopying shall be paid:
 - 3.1. upon the first sale or importation of new appliances for photocopying,
 - 3.2. upon each photocopy made for sale, taking into account their probable number in one (1) year.
4. The terms audio or visual fixation and photocopying in this Article include other similar reproduction techniques
5. The right to special remuneration may not be waived or alienated during the life of the author, and is not subject to mandatory execution.

Article 39

Payment of the special remuneration

1. Persons liable to pay remuneration under the preceding Article 38 of this law are: manufacturers of appliances for sound or visual reproduction; manufacturers of appliances for photocopying; manufacturers of blank audio or video media as well as holders of appliances who are offering photocopying services against payment. Jointly liable with manufacturers are importers of appliances and blank audio or video media, unless such imports are intended for private and non-commercial use, as part of their personal baggage, de minimis imports.
2. Manufacturers referred to in the preceding paragraph 1. of this Article are not liable to pay remuneration with respect to such appliances or blank audio or video media which are made for exportation. The same applies for the importers of blank audio or visual appliances imported in the Republic of Kosovo and are exported without offering for sale first in the territory of the Republic of Kosovo.
3. Persons referred to in paragraph 1. of this Article shall, on request of a collective association administering those rights, submit data about the type and number of sold or imported appliances and blank audio or video media, as well as such information about the photocopies sold, as is necessary for the calculation of the special remuneration due.

Article 40
The amount of special remuneration

1. The entire amounts of the special remuneration under Article 38 of this Law, which belong to all beneficiaries entitled under this Law, shall be adopted by the Government of Kosovo. With a special contract between a collective association of rights and users, special tariffs for such remuneration may be provided for.
2. The amounts mentioned in the preceding paragraph shall be set separately: for each sound and visual fixation medium depending on the possible duration of the fixation including e.g. CD-ROMs, DVD-s and similar media; for each photocopy appliance including fax machines, scanners etc, depending on its capacity, number of copies per minute, and its capacity to make coloured copies, double the amount of black-and-white copying; as well as for each photocopy page
3. The amounts under paragraph 1. of this Article shall be determined in nominal money value. When setting these amounts, the probable extent of the application of effective technological measures on the market must be taken into account.

CHAPTER IV
LIMITATIONS OF AUTHOR'S RIGHTS

Article 41
Limitations of author's rights

1. Limitations of the author's rights shall mean that a work can be used:
 - 1.1. without author's authorisation and related remuneration, hereinafter free use;
 - 1.2. without author's autorisation, but with payment of due remuneration.
2. The limitations of the author's right shall apply only for cases provided by this Article explicitly, and the volume and way of use is limited to the served purpose, on condition that it does not contradict the normal use of work and the lawful interest of author are not violated.
3. If the use of works is authorised as per the provisions of this Article, the name of the author and source shall be written, unless it is objectively impossible or this law explicitly excludes it.

Article 42
Free use and Implementation of official procedures

Free use of works without the necessity to write the name of the author and the source of receipt shall apply when needed for public security or regular flows of action or reporting regarding the administrative and parliamentary and judicial procedures.

Article 43
Teaching

1. Only for the purpose of teaching illustration for schools of all levels, while within the domain of non-commercial aim, it is free:

- 1.1. public interpretation of published works if this is a direct way of teaching in school;
- 1.2. public interpretation of published works in school celebrations without payment, on condition that the performers are not compensated for such interpretation.
- 1.3. communication of works from phonograms and videograms for the purpose of teaching;
- 1.4. reproduction of short parts of published works for direct teaching purposes or exams;
- 1.5. further audiovisual broadcasting of school programs;
- 1.6. reproduction of audiovisual school programs in phonograms and videograms, only for the purpose of direct teaching within the facilities of educational institutions.

Article 44

Private and own reproduction

1. Within the meaning of Article 38 of this law, reproduction of published works is free if it is done up to three copies and if the conditions are fulfilled according to paragraph 2. and 3. of this Article.
2. Natural person can freely reproduce a work:
 - 2.1. into any type of carrier, if this is done for private use only and without any direct or indirect commercial interest and if such copies are not distributed or communicated to public;
 - 2.2. in paper or other similar carrier for the purpose of photocopy or other similar photographic techniques ;
3. Public libraries, archives, museums, and educational and science institutions can reproduce freely a work in any type of subject carrier if the reproduction is done from the copies they possess and without any direct or indirect commercial interest;
4. Regardless the provisions of paragraph 1., 2. and 3. of this Article, it is prohibited the reproduction of the written work in the complete book volume, music scores, electronic database, computer programmes and works of architectural constructions, if not otherwise provided by this law or contract.
5. Regardless the provisions of paragraph 4. of this Article, but in accordance with conditions referred to in paragraph 1. of this Article it is allowed:
 - 5.1. complete reproduction of a book, if printed copies were sold at least two (2) years before;
 - 5.2. the transcript of music scores with handwriting.

Article 45

Transitional recordings

1. Audiovisual media service authorised to broadcast a work, can carry out the recording of the same work freely, by its own means and for its needs.
2. Audiovisual media service can broadcast the referred broadcasting in paragraph 1. of this Article only once and shall delete it no later than within a month upon it is broadcasted.

3. The recording referred to in paragraph 1. of this Article can be handed over to a official archive on condition that it gets the extraordinary documenting character. The Audiovisual media service shall inform immediately the right holder regarding such hand over.

Article 46
Persons with special needs

Reproduction, distribution and communication of published work shall be allowed if it is in the benefit of persons with special needs. Such use is allowed on condition that is directly connected to persons with special needs and it is not done for direct or indirect commercial interest.

Article 47
Ceremonies and celebrations

Use of works during religious ceremonies and official celebrations organized by the public authorities is free.

Article 48
Special cases of free use

1. Are free the temporary reproduction acts of a work which are transitional or accompanying, are component and essential part of a technologic process, that are not of an independent economic relevance and its only purpose is to enable the work to:
 - 1.1. to be broadcasted into a network among third parties, through mediators, or
 - 1.2. to be used lawfully.
2. It is free the use of published work in other material, if it is included randomly and does not represent an essential element of such use.

Article 49
The right for public information

1. In order to have free access in the information of public nature, it is free:
 - 1.1. reproduction, distribution and Communication of an audiovisual work that forms a component part of the event for which the reporting takes place, but without exceeding the extent of the reporting for the event of the day;
 - 1.2. reproduction and communication to public in a brief way, in the form of recession or other reference of the content of published works of an author;
2. Use of short parts fragmented from different comments and other Articles published in public media in the form of reflection of daily events.
3. Use of political and other speeches held in public debates to the extent of information purpose.

Article 50
Quotations

It is authorised to use fragmented parts of a foreign published work or the complete foreign work published in the domain of photography, figurative arts, industrial design, architecture, applicative arts and cartography if this is related to critics and elaborations of the work of the author on condition that it is done in accordance with the principles of consciousness and honesty.

Article 51
Free processing

1. The processing of work is allowed if:
 - 1.1. it is related to private processing or other individual processing that is not available to public;
 - 1.2. for processing in parody or cartoon and does not create or can not create confusion regarding the source;
 - 1.3. if processing coincides the allowed use and lawful purpose.

Article 52
Catalogues

It is allowed the reproduction and distribution in the catalogue of exposed works of figurative arts, applicative arts, and industrial design and photography works published by an organiser to promote exhibition or auction, but excluding any direct or indirect commercial interest.

Article 53
Works placed in public places

1. Works placed in public places and other places where the general public access is allowed shall be used freely.
2. Use of works referred to in paragraph 1. of this Article is not allowed to be done in three dimensional form or for the same purpose of the source work, nor for direct or indirect commercial interest.

Article 54
Demonstration of equipment

In workshops, shops and repair warehouses, it is allowed reproduction of work in phonogram or video as well as communication of works to public, but only to the necessary extent for demonstrating the operation of equipments to be produced, sold or repaired in such facilities.

Article 55
Database

1. Lawful user of a published database or its copies may freely reproduce or apply changes in such database on condition that it is necessary to access its content and ordinary use of such content. If the user is authorised to use only one part of the database, this provision apply only to that related part.
2. Each contractual provision in contradiction with the paragraph 1. of this Article is not valid.

Article 56
Reading books and school textbooks

With the payment of relevant compensation, it is allowed the reproduction and obtain of fragmentations from the author's published work, respectively fragmentations of separately published works in the area of figurative arts, photography, architecture, applicative arts and industrial design as well as cartography, in reading books and school textbooks containing works of more authors and dedicated to teaching in schools of all levels.

Article 57
Comments of Audiovisual media service broadcasting organisations and press Articles

Upon payment of respective remuneration, it shall be lawful to reproduce by the press, communicate to the public or make available to the public published Articles on current economic, political or religious topics, or of broadcast works, or of other subject-matter of the same character, unless such use is expressly reserved by the right holder

Article 58
Broadcasting of works from published phonograms

The broadcasting of works from published phonograms shall be allowed, provided that broadcaster has prior to broadcasting concluded an agreement with the collective association on the amount, mode and term of payment of a remuneration

Article 59
Social institutions

With payment of related remuneration, it is allowed the reproduction and further broadcasting of emission of audiovisual media service in nursing homes, hospitals, prisons and other similar social institutions

Article 60
Security of the limitations of rights

1. If the right holder applies technologic measures within the meaning of the provisions of this law, he is obliged to make available to the beneficiary of the limitations of rights from Article 42 through 46 and Article 59 of this law, on his request, but not later than 14 (fourteen) days from the day of submission, means of use of these limitations, on condition that they are used only to the necessary extent and the beneficiary has lawful access in the protected work or subject matter of related rights.
2. If the right holder does not fulfil the obligation according to paragraph 1. of this Article, the user or the association of users can refer to the competent court.
3. The above paragraphs shall not apply:
 - 3.1. if the right holder, voluntarily or as per the contract, made available to the user means of using the limitations of such rights to the satisfactory and necessary extent;
 - 3.2. to technologic measures applied during the fulfilment of obligations of office-holders of right from foregoing paragraphs of this Article;
 - 3.3. for works made available to public according to contracted conditions, in the way made possible to public to have access from the place and time they choose on individual basis.

CHAPTER V
LIMITATIONS OF TERM OF COPYRIGHTS

Article 61
Term of protections

1. The Copyright shall run for the life of the author and for seventy (70) years after his death.
2. Copyright in anonymous and pseudonymous works shall run for seventy (70) years after the lawful disclosure of the work. When the pseudonym leaves no doubt as to the identity of the author, or if the author discloses his identity during the period referred to in the preceding paragraph, the term of protection shall be laid down in accordance with the provisions of paragraph 1. of this Article.
3. Copyright on a co-author's work shall last seventy (70) years from the death of the last surviving co-author.
4. Copyright in collective works shall run for seventy (70) years after the lawful disclosure of the work, except if natural persons who have created the work are identified as such in versions of the work which are disclosed to the public.
5. In case of identified authors who are included in such works, the provisions of paragraph 1. and 3. of this Article shall apply.
6. When the term of protection does not run from the death of the author, and the work has not been lawfully disclosed, the copyright shall run for seventy (70) years from the death of author.
7. When the term of protection is calculated from the day of lawful disclosure of the

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work, and the work is disclosed in volumes, parts, installments, issues or episodes, the term of protection shall run for each such item separately

8. Insubstantial changes to the selection, adjustment or arrangement of the contents of a collection of works shall not extend the term of protection in that collection
9. The terms of protection laid down in this Article shall be calculated from the first day of January of the year following the event which gives rise to them.

Article 62

The effect of expiry of protection of terms

Upon the expiry of the term of protection, as provided by this Article, the protected work with copyright shall be transferred to public domain and is free for use.

Article 63

The right of publication and the right of withdrawal

The right of publication and the right of withdrawal referred to in Article 17 and 20 of this law shall run for the life of the author.

Article 64

The right of authorship and the integrity of work

Regardless the provisions of Article 61 and 62 of this law, the obligation for respecting the author's right, Article 18, and the right of the integrity of work, Article 19, shall run without any term limitation.

CHAPTER VI

TRANSFER OF AUTHOR'S RIGHTS

Article 65

The author can not transfer his moral rights to another person.

Article 66

Inheriting the author's right

The economic rights and other rights as well as application of moral rights which run after the death of the author, shall be transferred in accordance with the provisions on inheritance.

Article 67

Transfer of author's property rights

The property rights and other author's rights are component parts of the property of their holder and can be subject to legal transfer.

Article 68
The holder of property rights

1. The author is the first holder of all property rights and other rights related to his work.
2. Except the author, the right holder from paragraph 1. of this Article can be also natural person or legal entity to whom these rights are assigned on legal basis or by legal actions.

Article 69
Legal possession

The rights recognised to the author by law including their legal protection, belong to other right holder, to the extent and as per the type transferred by Law or by other legal actions unless otherwise provided by this Law.

Article 70
Execution

1. The author's right, incomplete work, not published originals and work manuscript can not be the object of execution.
2. Subject of execution can be only the property benefits from the author's right.

Article 71
The relation of the author's right with the property right

1. The author's right is a separate right from the property right on item where the author's right is included, if not otherwise provided by his law.
2. The separate transfer of the author's property rights and other rights on the work of the author shall not impact the ownership right on item where the author's right is included, if not otherwise provided by this law.
3. Legal transfer of item where the author's right is included shall not impact the special property rights and other author's rights on that work, if not otherwise provided by this law or contract.

Article 72

In the joint property of married persons fall only the property benefits deriving from the use of author's right.

Article 73

The owner of constructed architectural work can freely process that work.

Article 74

1. The owner aiming to exterminate the original of the work of author and has grounds to assume that the author has reasonable interest for saving the original,

- can not exterminate such original before having offered it to the author. The owner can not ask for more than the real value of the material.
2. If it is impossible to restore the original, the owner can exterminate it but he shall enable the author to make the copy of work with author's expenses.
 3. The owner of the architectural constructed work can exterminate that work, but the author has the right to take photographs of it and request the submission of copies of plans on his own expenses.
 4. Provisions of this Article shall not impact the protection of work according to provisions of Law on cultural heritage.

Article 75
Contract for the author's right

1. The author can assign the property right to another person for use of his work by concluding a contract or other legal action, unless otherwise provided by this law.
2. The contract of the author's right includes in particular: names of contractual parties, title respectively identification of work, subject of contract, the rights, respectively mode of use, subject of transfer, the types of remuneration for the author, possible limitations of the content, possible limitations of territorial domain, and duration.
3. The provisions of law of obligations apply to the contract of author's right unless otherwise provided by this law.

Article 76
Volume of assignment of rights

1. The assignment of some property rights or other author's rights can be done with limitations in content, territory and duration.
2. The assignment of property rights can be exclusive or non-exclusive:
 - 2.1. exclusive assignment authorizes only the receiver of the right to use the author's work according to the mode established by contract, excluding all other persons, including the author.
 - 2.2. non-exclusive assignment authorises the receiver of right to use the author's work according to the mode established by contract, along author and any person being office- holder of the author's right.
3. Regardless the provisions of paragraphs of this Article, the exclusive assignment of the rights for using a certain work shall not prohibit the author to use such work in his collection of selected works or in the collection of all his works.
4. Non-exclusive assignments, authorised by author prior concluding a contract for non exclusive assignment, remains valid toward the receiver of the exclusive right, if not otherwise provide by the contract between the author and receiver of exclusive right.

Article 77

Assumption of the extent of assignment of rights

1. If law or contract does not specify whether the assignment of rights is exclusive or non-exclusive, it shall be considered as non-exclusive.
2. If law or contract does not specify the territorial extend, it shall be assumed that the assignments applies only for the territory of the Republic of Kosovo.
3. If law or contract does not specify which rights are assigned, or to what extent a right is assigned, it shall be assumed that are assigned only those rights and to the extent that is essential to reach the aims of contract.

Article 78

Further assignments of rights

1. The person which through assignment has obtain the property right or other right of the author can not further assign such rights to a third person without the authorisation of the author, if not otherwise provided by contract.
2. The authorisation referred to in paragraph 1. of this Article is not necessary if further assignment is a result of sale, bankrupt or regular liquidation of the natural person who is the holder of the right.
3. The assignment of a certain right to use the work shall not mean the assignment of right with remuneration of author, in cases when the use of author's work can be done without author's authorisation but with obligation to pay the remuneration of author.
4. If further assignment, without author's consent is allowed by law or contract, the first receiver of the right and the new holder of right, hold the solidary responsibility toward the author for fulfilling the obligations deriving from contract of assignment.

Article 79

Rules of separate assignment

1. Assignment of a property right or other author's right shall not impact the assignment of other rights, if not otherwise provided by law or contract.
2. Assignment of the right for reproduction shall not mean the assignment of right to record it in electronic mode as well as the right for audio or video fixation, if not otherwise provided by this law or contract.
3. In case of assignment of right for leasing of phonograms, respectively videogram of the author's work, the author holds the right of remuneration for any type of work leasing. The author can not revoke this right.

Article 80

Assumption of the attached assignment

When the right of reproduction is assigned, it shall be assumed that also the right for distribution of its copies is assigned, unless otherwise provided by contract.

Article 81
Assignment of the right for periodical publications

1. If the author assign his rights in the form of including his work in the collection published periodically, it shall be assumed that the publisher win the exclusive right of reproduction and distribution.
2. In case referred to in paragraph 1. of this Article, the assignment shall be done exclusively after one year from the day of publication of periodic collection.

Article 82
Invalidity

1. The contractual definitions by which the author assigns the below rights shall be considered as invalid:
 - 1.1. copyright as a whole;
 - 1.2. moral rights;
 - 1.3. property rights for all his future works;
 - 1.4. property rights for yet unknown modes of use of his work.

Article 83
Formality

1. All contracts and other legal actions by which the property rights and other author's rights are assigned, or authorisations for use of works are given, shall be provided in written, if not otherwise provided by law.
2. In case of non-compliance with the paragraph 1. of this Article, all controversial or uncertain definitions of verbal agreement are interpreted in favor of the author.

Article 84
Author's remuneration

1. Author's remuneration can be determined: in the fixed rate, depending to the extent the work is used, depending on economic effects of use of work, on the size and quality of work or in combination of all these methods, as well as taking into consider other conditions affecting its amount.
2. If remuneration of author is not determined by contract, it shall be determined according to ordinary payments for the type of work, according to the extent and duration of use as well as other circumstances.

Article 85
The right for revision of the disproportionate remuneration

1. If the profit from the use of work is in clear disproportion with the contracted amount in fixed rate, the author has the right to request amendment of contract, in terms of determining a fairer portion in profit.
2. The right referred to in paragraph 1. of this Article is prescribed within two (2)

years term from the day of knowing about the existence of a disproportionate remuneration, latest within ten (10) years term after the right has been assigned.

3. Author can not resign from his right referred to in paragraph 1. of this Article.

Article 86

Obligation for record keeping

1. If the remuneration has been determined depending on the realised incomes deriving from use of work, the user of copyright shall by all means keep relevant books and other records, in order to verify the realised incomes.
2. The user of work is obliged to enable the author and his representative the control of records referred to in paragraph 1. of this Article, and within specified terms and once per year to submit accurate reports regarding the incomes.

Article 87

Revoke of property right

1. Author can revoke the property right given for use, if the right holder has use such right insufficiently or has not use it at all, and as a result, the interests of the author have been damaged clearly, if not otherwise provided by this law.
2. The author can not put into action his right of revoke before two (2) years have passed from the day of assignment of the right for use or has handed over the copy of work, if such hand over is done after the contract is concluded. If it is related to daily Articles, this term is three (3) months, and for periodical press is one (1) year.
3. The author can put into action his right of revoke only after having notify the receiver of the right for subsequent revoke and allow extra and additional time to use the given right.
4. The right for use of work ceases to exist from the moment of revoke.
5. The author shall compensate the receiver of right in a fair manner for the damage caused by the revoke of right.
6. Author can not resign from his right of revoke referred to in this Article.

CHAPTER VII

SPECIAL CONTRACTS ON COPYRIGHTS

Article 88

Scope of Publishing Contract

1. By concluding a publishing contract the author will assign the right to the publisher to reproduce his work by printing and the right for distribution of copies of work, and the publisher takes the responsibility of reproducing and distributing the work and pay the remuneration to the author thereof.
2. If the work is not published, based on the contract for work publication, it shall be assumed that the consent is given for such publication
3. The publishing contract shall authorise the publisher to translate the work in another language and reproduce and distribute it.

4. The contract on publishing, which scope is the publication of Articles, drawings, cartoons and other author's contributions in daily and periodical press is not necessary to be presented in written.
5. The author's representative can conclude contract on publishing only for those works specified explicitly in the author's authorisation.

Article 89 **The content of contract**

1. Contract on publishing in particular contains:
 - 1.1. the term within which the author is obliged to hand over to the publisher the manuscript or other copies of work, to enable the publication. If not otherwise provided by contract, this term shall include one (1) year from the day the contract is concluded;
 - 1.2. the term within which the publisher is obliged to release the copies for the market; If not otherwise provided by contract, this term shall include one (1) year from the day of receipt of manuscript or copies of work;
 - 1.3. the number of publications which the publisher is authorised to release. If not otherwise provided by contract, the publisher has the right for one publication;
 - 1.4. the term within which the publisher is obliged that after the exhaustion of first publication, is obliged to initiate the release for market of copies of future publication, if provided by contract. If not otherwise provided by contract, this term shall include one (1) year from the day author has require such publication;
 - 1.5. display and technical layout of copies of work.
2. If the compensation is set in percentage from the retail price of the sold copies, the publishing contract shall specify the printing of first publication. If that is not specified, it is assumed that the work is published in at least five thousand (5.000) copies.
3. If compensation is set in fixed rate, the contract shall specify the total printing of copies to be published. If this is not provided by or does not result from the purpose of contract, professional habits and other circumstances, the publisher can reproduce and distribute up to five hundred (500) copies.

Article 90 **Obligations of the publisher**

1. The publisher is obliged to:
 - 1.1. ensure the selling of copies and notify the author immediately, on his request.
 - 1.2. to enable proofreading to the author, on his request, during relevant phases of the technical multiplication process;
 - 1.3. during the preparations of future publication of work to enable the author to enter relevant amendments on condition that the nature of work is not changed and that taking into account the integrity of contract for the publication of work, to avoid disproportion in terms of the obligation of publisher.

Article 91
Obligation to return the manuscript

Manuscript and other original patterns handed over to the publisher shall be returned to author by all means, except Articles, cartoons, and other contributions in daily and periodic press, if not otherwise provided by such contract.

Article 92
The right of publisher's priority

1. The publisher who acquired the right to publish the work in book mode holds the right of priority that along other equal bidders, to publish such work in electronic way.
2. The right for priority referred to in paragraph 1. of this Article shall run for three (3) years from the day of contracting the publishing date. The publisher shall declare in written within thirty (30) days from the day of receiving the offer in written from the author.

Article 93
Extermination of unsold copies

If the publisher aims to sell the unsold copies of work as an old paper, he is obliged to offer it first to the author, according to the price for simple paper.

Article 94
Extermination of work from force majeure

1. If the only existing copy of work is exterminated by cause of force majeure after has been submitted to the author, the author holds the right for the same compensation, as if such work had been published.
2. If as a result of cause of force majeure, the entire edition was exterminated before launched in market, the publisher has the right to prepare a new publication, and the author is entitled to compensation for the exterminated publication.
3. If as a result of cause of force majeure a part of edition is exterminated before launched in the market, the publisher has the right without additional pay to multiply the same number of copies with the number of exterminated ones.

Article 95
Termination of contract

1. Publishing contract terminates:
 - 1.1. if the author dies before the completion of work;
 - 1.2. if the copies of all contracted editions are sold;
 - 1.3. when the term of contract expires;
 - 1.4. when annulling the contract in accordance with law on obligation.

Article 96
Annuling of contract

1. If the publisher does not publish the work within the contracted term or within the term referred to in paragraph 1. of Article 89 of this law, the author has the right to annul the publishing contract, to retain respectively to request the remuneration pay and indemnity.
2. The author can annul the publishing contract if the publisher after having sold the edition of preliminary publication, although the contract includes the obligation for re-publication, does not initiate the launching in market of copies of future publication within the term referred to in paragraph 1. of Article 89 of this law.
3. The publisher can annul the contract if the author does not submit the manuscript or another copy of work within the term referred to in paragraph 1. of Article 89 of this law.
4. The edition is considered as sold if the number of unsold copies is less than one hundred (100).

Article 97
The contract on presentation and interpretation

The contract on presentation respectively interpretation of author's work shall specify the right of the user to present respectively to perform publicly his work, and the user takes the responsibility that such work is publicly interpreted within the specified term, according to the way and conditions provided by contract and pay the compensation to the author.

Article 98

The author can assign the right of presentation respectively the right of public interpretation of work simultaneously to several persons, if not otherwise provided by contract.

Article 99

The right holder of public presentation or interpretation of theatrical, theatrical-musical and choreographic work concludes contract on theatrical director, choreography, scenography and costumography.

Article 100

If the author does not submit his work to user within the contracted term, the user can annul the contract and ask for indemnity.

Article 101

Manuscript, scores or other originals of work subject to contract shall be returned to the author if not otherwise provided by contract.

Article 102

The user is obliged to enable the author to follow the flow of preparations regarding the presentation respectively interpretation of work, to ensure the technical conditions and submit the programme to the author or his representative and occasionally inform for the incomes from presentation respectively interpretation of work.

Article 103

If the user does not present or interpret the work within the contracted term, author can annul related contract and ask for indemnity, and in addition he can retain the compensation paid, which means to require the payment of contracted compensation

Article 104

The contract on work processing

By the contract on work processing of the author, the author assigns the right for his work to be published in the mode of scenic adaptation, audiovisual adaptation or of other modes of use of work in modified form.

Article 105

The contract on request of author's work

1. Through the contract for requesting the author's work, the author takes the obligation to create for the requester an author's work and to submit to him the original or copy of work, and the requester is obliged to pay remuneration to the author.
2. The requester can supervise the process of creating the work and provide instruction, without interfering in the freedom of artistic or scientific expression of author.
3. The requester enjoys the right of publication and distribution of work and the author retains other rights, if not otherwise provided by contract.
4. Provisions of this Article shall apply similarly mutatis mutandis also for the work that author created as a winner of public competition.
5. The general provisions of the right of obligations apply for the contract on the request of work similarly, if not otherwise provided by this law.

Article 106

Contract of collective works of the author

1. The collective work of author is the work created in cooperation of several authors, by combining their contribution separately into a work such as: encyclopedias, lexicons, database, computer programs, collections and other similar works, with the initiative and guidance of a natural person or legal entity as a requester of work.
2. In order to create a collective work, a special contract shall be concluded. If the conditions referred to in paragraph 1. of this Article are not fulfilled, such contract is not valid.

Civil laws

3. If not otherwise provided by contract, it is considered that the requester has been assigned with all unlimited and exclusive property rights and other author's rights of the collective work.
4. The requester of collective work of author enjoys the right to publish and use the work under his own name, however in each copy of work the list of participating authors shall be placed.

CHAPTER VIII SPECIAL PROVISIONS REGARDING SOME AUTHOR'S WORKS

Article 107

The right of audiovisual adaptation

1. By the contract of audiovisual adaptation of author's work, the author assigns to the film producer the exclusive right of processing his source work, to record and use it as audiovisual work.
2. If not otherwise provided by contract, it is considered that the author of source work assigns exclusively and without limitations to the film producer the right of adaptation of source work into audiovisual work, all property rights and other author's rights, translations as well as its audiovisual adaptations.
3. Regardless the provisions referred to in paragraph 2. of this Article the author of source work retains:
 - 3.1. the exclusive right for further processing of audiovisual work in another artistic form;
 - 3.2. the exclusive right to allow a new audiovisual adaptation of source work, but only after ten (10) years have passed from the date of contract is concluded as referred to in paragraph 2. of this Article;
 - 3.3. the right of relevant remuneration from the film producer for every leasing of videograms of audiovisual works;
4. The author of source work can not resign from his right as referred to in paragraph 3. of this Article.

Article 108

Presumption of assignment

If a source work is created by two or more co-authors and only one of them has assigned his right to audiovisual adaptation, whereas the other or others have received their portion of the royalty, it shall be presumed that the other co-author or co-authors have assigned their rights in silence.

Article 109

For further assignment of the right for adaptation, the author's authorisation is not needed in cases when the film producer is not able to complete the work successfully.

Article 110

1. If not otherwise provided by contract, it shall be presumed that the film producer has the right to use the title of adapted audiovisual work for the title of audiovisual work.
2. The author of source work has the right to request that his name and the notification that the audiovisual work is done based on his work, are written in posters, cinema programmes and other advertising means.

Article 111

The contract of audiovisual adaptation can include a clause specifying that the author of source work has the right to see the screenplay before the beginning of production.

Article 112

Coauthors of audiovisual work

1. Audiovisual work is an independent integrity of creative contributions of co-authors as well as a work in which contributions of other authors are embodied but they are not considered as coauthors.
2. Coauthors of audiovisual works are considered: the author for adaptation, the author of dialogues, the director of photography and the main director.
3. If the music is composed specially for that work, the composer shall be considered as co-author of such work.
4. If the animation constitutes an essential element of the audiovisual work, the main animator is considered to be co-author of that work.
5. Music composer and animator that are not considered coauthors of work according to paragraph 3. and 4. of this Article, as well as scenograph, costumograph, makeup artist and editor are considered authors of related contributions in the author's work.

Article 113

Contract of film production

1. Mutual relations between film producer and the authors of audiovisual work and the authors of contributions as well as relations between co-authors themselves are regulated by the contract of film production.
2. With the contract of film producer, the authors of audiovisual work and the authors of contribution undertake the obligation toward film producer to cooperate in a innovative way in creating the audiovisual work and assign all the property rights related to that work, whereas the film producer takes over the obligation to pay remuneration to the author.
3. By entering into a contract for the film production, it shall be presumed that the coauthors and the authors of contributions exclusively and without limitations, have assigned to the film producer all property rights and other rights of audiovisual work, its translations in other languages and other audiovisual

processing as well as photography related to the work, if not otherwise provided by this contract.

4. Regardless the provisions of paragraph 3. of this Article:
 - 4.1. co-authors retain the exclusive right until the further processing audiovisual work in another artistic mode;
 - 4.2. the authors of contributions retain the exclusive right that their contributions in audiovisual work after the completion of work are used separately from the audiovisual work, if by that the rights of film producer are not infringed;
 - 4.3. co-authors and authors of Contributions retain the right of relevant compensation from the film producer, for every leasing of videograms of audiovisual work.
5. Co-authors and authors of contributions can not resign from the rights referred to in paragraph 4 of this Article.

Article 114

Remuneration of the author

1. The remuneration of the author belongs to co-authors of an audiovisual work, separately for each property right, or other authors' right assigned to the movie producer.
2. The movie producer is obliged at least once a year to inform the co-authors of the audiovisual work on executed incomings for each authorized form of use of the work, and to enable them to see the data referring to the incomings.

Article 115

Completion of the audiovisual work

1. The audiovisual work is considered as completed when a consent is reached between the main director and film producer that the first standard copy is completed.
2. Any alteration of the first standard copy from paragraph 1. of this Article is not allowed to be carried out without the reached consent between the main director and the film producer.
3. Extermination of the first standard copy of the audiovisual work is not permitted.
4. If one of the co-authors or contributive authors does not want the full completion of his contribution on the audiovisual work or does not have the possibility to continue the cooperation, he cannot oppose the use of his so far contribution for the purpose of the work. In this case, the author enjoys the rights on his so far contribution.

Article 116

Annuling of the Contract

1. If the film producer does not manage to complete the audiovisual work for three (3) years from the day of entering into the contract for the film work, the co-authors have the right to annul the contract, unless otherwise provided by the contract.

2. Besides the right to annul the contract, co-authors of the audiovisual work have the right to indemnity, if the film producer does not start to use the completed audiovisual work within a year from the day of the completion if its first standard copy, unless otherwise provided by the contract.
3. In cases of paragraph 1. and 2. of this Article, the co-authors and authors of the contributions hold the right of remuneration.

Article 117 **Rights on photography**

When entering into a contract for the movie production, it is considered that the director of photography has assigned to the film producer all the rights to use the photographs taken during the production of the audiovisual work.

Article 118 **Limitation of the rights**

Author of the source work, who has assigned his right for audiovisual adaption, and the co-authors of the audiovisual work, and the authors of the contribution on the audiovisual work do not enjoy the right of remorse referred to in Article 20, and the right of revocation of the economical rights referred to in Article 87.

Article 119 **Computer Programs**

The ideas and principles constituting the base of any element of the program shall not enjoy protection, including those that constitute the base of the interface.

Article 120

If the author has created a computer program while fulfilling his duties or according to the instruction by his employer, respectively if the author has created a computer program based on the contract for request of work, it is considered that all authors' property rights and other authors; rights on that computer program were assigned exclusively and without limitations to the employer, respectively to the one requesting the program, unless otherwise provided by this contract.

Article 121 **Copyright**

1. The author of the computer program has the exclusive right to authorize or prohibit, especially:
 - 1.1. reproduction of the consisting parts or of the computer program in its entirety, through any means or form, regardless if it is temporary or permanent. In case of the placement, exposure, operationalising, transmission or deposition of the program requires its reproduction to conduct these activities, the author's permission is a must;

Civil laws

- 1.2. translation, adaption, adjustment or any other processing of the computer program, and the reproduction of such alterations, but without affecting the rights of the person who made those alterations;
- 1.3. distributions of the original computer program or of its copies in any form, including its lease.
- 1.4. the author may also assign the rights from sub-paragraph 1.3 of this paragraph to the third persons with contract for issue of permission.

Article 122 **Limitations of author's rights**

1. Unless otherwise provided by the contract, the legal owner of the computer program, can carry out the activities under subparagraphs 1.1 and 1.2, and paragraphs 1 of Article 121 of this law without the authorization from the author, including the review of mistakes, but at the required measure which is necessary to the use of the computer program, in compliance with its purpose.
2. The person who enjoys the right to use the computer program may without the authorization of the author, make a back-up copy, provided this is necessary for its use.
3. The person having the right to use a copy of the computer program shall be entitled, without the authorization by the author, to observe, study or test the functioning of a program in order to determine the ideas and principles that underlie any element of the program, if he does so while performing any act of loading, displaying, running, transmitting or storing the program which he is authorized for.
4. Provisions on the right of remorse according to Article 20, the right to special remuneration according to Article 38 and the right to private or other internal reproduction according to Article 44 shall not apply to computer programs.
5. Contractual stipulations contrary to the provisions from paragraph 2. and 3. of this Article are null.

Article 123 **Diffraction**

1. The permission of the author is not necessary for the purpose of sub-paragraph 1.1 and 1.2, paragraph 1 of Article 121 of this law, on reproduction of the code or translation of its forms, when such reproduction or translation is necessary to extract the data on achieving the interaction of the created computer program with other programs or computer mechanisms, if the following conditions are met:
 - 1.1. these activities to be carried out by the owner of the permit or other authorized user, or by another persons on their behalf ;
 - 1.2. that the required information for the interaction was previously easily accessible to the persons from sub-paragraph 1.1, paragraph 1 of this Article;
 - 1.3. that these activities are limited only on those parts of the existing program which are required for achieving the interaction.

2. It is prohibited that extracted information from activities of paragraph 1. of this Article:
 - 2.1. are used for other purposes, other than for achieving the interaction of the independently created computer program;
 - 2.2. are passed on to other persons, other than when this is necessary for achieving the interaction of the independently created computer program;
 - 2.3. are used for creating, production or launch in the market of the other computer program, expression of which is essentially similar, or for any activity by which the author's right is violated.
3. Provision from paragraph 1. of this Article can not be interpreted in a way which would allow its implementation in contrary with the normal use of the computer program, or violating the legal rights of the author.
4. Contractual stipulations contrary to the provisions from paragraph 2. and 3. of this Article are null.

Article 124

Special protection measures

1. Violation of the author's right on the computer program is considered:
 - 1.1. any distribution, including also the offer for the use of one or more copies of the computer program, which is known that it is or it could be an illegal copy.
 - 1.2. possession of the copy of the computer program for commercial use, which is known that it is or it could be an illegal copy.

Article 125

Application of other legal provisions

Provisions of this law on computer programs do not affect other legal provisions on computer programs, such as license, production brand, protection of semiconductors, protection from non loyal competition, official secret and the right of obligations.

Article 126

Author's work from working relationship

1. When the author's work is created from the employee during his working relationship, while fulfilling his work duties or according to the instructions given by the employer, it is considered that the property rights and other author's rights were assigned exclusively and without limitations to the employer, for a period of ten (10) years, from the completion of the work, unless otherwise provided by the employment contract or by another signed act with the employer.
2. Regardless of the provisions referred to in paragraph 1. of this Article, the rights will be returned to the employed author before the completion of such term, in case of employer's death, respectively in case of employer's liquidation as a legal person.
3. If the employer does not use the property rights on that work, or uses them in a negligible manner, the employed author has the right to ask from the employer to assign those rights to him, against compensation of expenses.

Civil laws

4. Unless otherwise contracted between the author and employer, the employee, as the author of the work enjoys the right to claim additional compensation from the employer, if his salary evident disproportion with the incomings and savings realized due to the use of the work.

Article 127

Regardless of other provisions of this Law, the author of the work holds the exclusive right to include his work on the collection of his selected works or on a collection of all his works.

Article 128

Property rights and other rights of the author related to the data base or with the collective work created during the working relationship, it is considered that they were assigned to the employer exclusively and without limitations, unless otherwise provided by the contract.

Article 129

Works created during the education

Educational institutions have the right to include on their school collection of works and to reproduce, full works of authors or parts of the pupils and their student's works, and to also reproduce and distribute these collections.

CHAPTER IX RELATED RIGHTS

SUB-CHAPTER A PERFORMERS RIGHTS

Article 130

Moral rights of performers

1. The performers have the exclusive right:
 - 1.1. their name, alias or mark to be shown when used for their performance;
 - 1.2. to oppose any disfiguration, deformity or use of the performance, which would, hurt their honor and fame.
2. If the performance is done by the ensemble of performers, the right from sub-paragraph 1.1 of paragraph 1. of this Article holds the ensemble as a whole, solists and the artistic leader.
3. When assessing whether by one concrete form of use, performers honor and respect are hurt, reasonable measure of performer's sensitivity is considered.

Article 131
Property rights of the performers

1. The performer has the right to allow or prohibit:
 - 1.1. fixation of his direct performance;
 - 1.2. reproduction of his performance in phonograms and videograms;
 - 1.3. distribution of phonograms and videograms containing his performance;
 - 1.4. renting of the phonogram or videogram containing his performance;
 - 1.5. radio and television live transmission of his performance;
 - 1.6. public live transmission of his performance;
 - 1.7. processing of his already fixated performance;
 - 1.8. making his performance available to the public.

Article 132
The right to compensation

1. Performers have the right on their share in compensation that the producer of phonogram receives, for the public communication of their performance from the published phonogram for commercial purposes.
2. Performers who assign the right of renting to the producer of phonogram or movie producer, hold the right of relevant compensation from the rent. Performers cannot resign from this right.
3. Performer has the right of the share of special compensation from paragraph 2. of Article 38 of this law.

Article 133
Presumption of assignment

1. By entering into a contract for the film production, the performer shall be presumed to have assigned to the film producer, exclusively and without limitations, all property rights in his performance, unless otherwise provided by contract, exceptionally as defined in paragraph 3. of this Article.
2. For each transferred property right according to paragraph 1. of this Article, the performer has the right on remuneration from the film producer.
3. A performer cannot waive the right referred to in paragraph 2. of this Article.

Article 134
Completion of audiovisual work

If the performer refuses to complete his contribution for the audiovisual work, or he is not able to complete it, he cannot oppose for his already given contribution to be used for the full completion of the work. The performer enjoys the related rights for his contribution to that point.

Article 135
The representative of the performer's ensemble

1. Regarding the administration of the performer's rights, the performer's ensemble is represented by a person authorized in written by the majority of ensemble members.
2. If on the work performance, except the ensemble, the conductor, solists and main cast actors participate, who are not member of the ensemble at the same time, for the administration of the rights from this law, it is necessary the consent of all these persons, unless otherwise provided by the contract between them and the ensemble.
3. Provision of paragraphs 1. and 2. of this Article do not concern the conductors, solists and directors of theatre plays.

Article 136
Performance from working relationship

On the performances as a result of fulfillment of duties or orders from the employer during the employment term, similar and what belongs to them *mutatis mutandis*, provisions of this law are implemented, which refer to the author's works created during the working relationship.

Article 137
Term of protection

1. Property rights of the performer shall run for fifty (50) years from the conducted performance. If the performance fixated within this period was published in a legal form or was communicated to the public, performer's rights shall run for fifty (50) years from the day of first publication or first such communication, depending on which was conducted first.
2. Moral rights of the performer shall run without any limited timelines.

SUB-CHAPTER B
RIGHTS OF PHONOGRAM PRODUCERS

Article 138
The rights of phonograms producers

1. Phonogram producers have the exclusive right to allow or prohibit:
 - 1.1. reproduction of its phonograms;
 - 1.2. distribution of its phonograms;
 - 1.3. lease of its phonograms;
 - 1.4. making its phonograms available to the public;
 - 1.5. processing of its phonograms.

Article 139

Right to remuneration for public communication of the phonograms

1. Producer of phonograms shall have the right to remuneration for the communication to the public of his phonogram published for commercial purposes.
2. Unless otherwise provided by a contract between the producer of phonogram and the performers, producer of phonogram is obliged to pay half of remuneration from paragraph 1. of this Article to performers whose performances are one his phonogram.
3. For the purpose of this Article, phonograms made available to the public shall be considered as published for commercial purposes.

Article 140

Right to special remuneration

Producers of phonograms have the right to a portion of special remuneration from paragraph 1. of Article 38 of this law.

Article 141

Term of rights

Rights of the producers of phonograms shall run for fifty (50) years from the fixation time. If within this period the phonogram was legally published, the rights shall run for fifty (50) years from its first publication. If during this period the phonogram was not legally published but was legally communicated to public, the rights shall run for fifty (50) years from the day of the first legal communication to public.

SUB-CHAPTER C

RIGHTS OF FILM PRODUCERS

Article 142

Rights of film producers

1. Film producers have the exclusive right to allow or prohibit:
 - 1.1. reproduction of its videograms;
 - 1.2. distribution of its videograms;
 - 1.3. lease of its videograms;
 - 1.4. public display of its videograms;
 - 1.5. making its videograms available to the public.

Article 143

Right to special remuneration

Film producers enjoy the right of portion of special remuneration from paragraph 2. of Article 38 of this law.

Article 144
Term of rights

Rights of film producers shall run for fifty (50) years from the first fixation of the videogram. If during this period the videogram was published or communicated legally to public, the rights of film producers shall run for fifty (50) years from the day of its first publication or first communication to public, depending on which activity was conducted first.

SUB-CHAPTER D
RIGHTS OF AUDIOVISUAL MEDIA SERVICE

Article 145
Rights of Audiovisual media service

1. An audiovisual media service shall have the exclusive right to allow or prohibit:
 - 1.1. the fixation of its broadcast;
 - 1.2. the reproduction of its fixated broadcasts;
 - 1.3. the distribution of fixations of its broadcasts;
 - 1.4. the radio television re-broadcasting of its broadcasts;
 - 1.5. further broadcasting of its broadcasts, if this is done in public places accessible with payment;
 - 1.6. making available its fixated broadcasts to the public.

Article 146
Term of rights

Rights of the audiovisual media service shall run for fifty (50) years from the day of its first radio television broadcast.

SUB-CHAPTER E
RIGHTS OF THE DATA BASES PRODUCERS

Article 147
Protection of data base

Protection of the data base or its contents is implemented despite the author-judicial or other judicial protection. The rights that exist regarding the interlaced material on the data base and its use remain inaccessible.

Article 148
Target of protection

1. For the purpose of this chapter data base protection is implemented:
 - 1.1. against the whole content of the data base;
 - 1.2. against each essential qualitative and quantitative part, and qualitative or quantitative of its content;

- 1.3. against nonessential qualitative and quantitative parts and qualitative or quantitative of its content, when used respectively and systematically, which is in contradiction with the normal use of this data base or by doing this the existing legal interests of the data base producer are overly accessible.
2. For the purpose of this chapter, the protection does not include the computer programs used to develop or for functioning of the electronic data base.

Article 149

Rights of the data bases producers

1. Data bases producer has the exclusive right to allow or prohibit:
 - 1.1. reproduction of its data base;
 - 1.2. distribution of its data base;
 - 1.3. lease of its data base;
 - 1.4. making available its data base to the public;
 - 1.5. any other form of communication of its data base to public.

Article 150

Rights and obligations of the legal users

1. The legal user of the published data base or its copies can use freely in qualitative and quantitative manner non essential parts of its contents, for any purpose. If the user is authorized to use only one part of the data base, provisions of this Article will be implemented only for that part.
2. Legal use of the published data base or of its copy cannot conduct activities in contradiction with the normal use of that data base or where by doing this without any reason the rights of the data base producer would be accessed.
3. Legal use of the published data base or its copy cannot violate the author's right or the related rights for the interlaced works on that data base.
4. Any contractual definition in contradiction with this Article is not valid.

Article 151

Employment and order contract

When the data base was developed by an employed person fulfilling his work duties or based on the directions by his employer, or when developed based on the order contract, it is supposed that all the rights for that data base were assigned exclusively and without limitations to the employer, respectively to the person who placed the order, unless otherwise provided by this law or with contract.

Article 152

Limitation of rights

1. The legal user of published data base can use freely essential parts of its content:
 - 1.1. for private use or other internal use, if it has to do with a non electronic data base;

Civil laws

- 1.2. for teaching illustration or science researches, with the condition to mention the source for non commercial use up to the allowed measure by law;
- 1.3. for public security needs or to secure the right continuance of activities and reports on the administrative, parliamentary and court procedures.

Article 153 **Term of protection**

1. Rights of data base producer shall run for fifteen (15) years from its complete development. If the data base was completed in legal manner during this period, the rights shall run for fifteen (15) years from its first publication.
2. Each essential qualitative and quantitative and qualitative or quantitative modification of the data base content that results with a new essential qualitative and quantitative investment, will qualify that data base with a new protection term.

SUB-CHAPTER F **RIGHTS OF PUBLISHERS**

Article 154 **The right to the portion of special remuneration**

1. Publishers have the right to the portion of special remuneration from Article 38, paragraph 3. of this law.
2. The right from paragraph 1 of this Article lasts fifty (50) years from the legal publication of the work.

Article 155 **Unpublished works on public domain**

1. A person who publishes legally for the first time and communicates the unpublished work to public and which goes to the public domain enjoys same protection as those of property and other author's rights.
2. Rights for the purposes of paragraph 1. of this Article shall run for twenty five (25) years from the first legal publication, respectively communication of the work to the public.

Article 156 **Science publications**

1. Publications consisting of works and texts with expired protection enjoy same protection as those for property rights and other author's rights, if they are a result of science attempts and are evidently distinguished from other previous publications of these works, through rhyme, split and other editorial characteristics.
2. Rights for the purposes of paragraph 1. of this Article, last thirty (30) years from its first legal publication of the work.

CHAPTER X

SUB-CHAPTER A ADMINISTRATION OF RIGHTS

Article 157

1. The holder of author's right or of related rights, can administrate his rights individually or collectively.
2. Copyrights and the Related Rights are administrated individually, where for each author's work or subject matter of related rights the administration is conducted separately.
3. Author's right and related rights are administrated collectively, when administration covers a series of author's works or subjects from the related rights and at the same time a series of right holders related to them.

SUB-CHAPTER B INDIVIDUAL ADMINISTRATION OF RIGHTS

Article 158

1. Individual administration of rights, are exercised by the holder personally or through his representative based on the relevant authorization.
2. Duties of the authorized representative can be conducted by a natural person or legal entity.

SUB-CHAPTER C COLLECTIVE ADMINISTRATION OF RIGHTS

Article 159

Scopes of collective administration of rights

1. Collective administration of author's rights and related rights include:
 - 1.1. non-exclusive assignment of rights for certain categories of author's rights and subject matters of related rights;
 - 1.2. submitting requests and collection of remuneration for the use of specific category of the author's rights or subject matters of related rights;
 - 1.3. distribution of collected remunerations to the right holders;
 - 1.4. exercise control regarding the fulfillment of contractual and legal obligations by the users;
 - 1.5. representation on realization of the protection of rights before courts and other bodies.

Article 160

The scope of activity of collective administration of rights

1. Collective administration of rights is allowed only on the protected subjects already published and on the cases dealing with:
 - 1.1. communication to the public of non-theatrical musical works and literary works, small rights;
 - 1.2. resale of originals of works of fine art, droits de suite;
 - 1.3. public lending of originals or copies of works;
 - 1.4. remuneration for private or other personal use and photocopying beyond the scope as defined on the provisions of this law;
 - 1.5. cable retransmission of copyrighted material, except in respect of Audiovisual media service' own transmission, irrespective of whether the rights concerned are their own or have been assigned to them by other right holders;
 - 1.6. reproduction of copyrighted material on phonograms and videograms, mechanical rights;
 - 1.7. lease of phonograms and videograms;
 - 1.8. reproduction of copyrighted material in readers and text books for the purpose of teaching;
 - 1.9. reprinting of Articles on current topic in daily or periodical publications;
 - 1.10. reproduction of works of fine arts, photographs and drawings in daily or periodical publications;
 - 1.11. reprinting of parts of works or short literary works in daily or periodical publications;
 - 1.12. reproduction and public communication of copyrighted material in commercials lasting no more than sixty (60) seconds;
 - 1.13. reproduction of works in generally accessible places for commercial purposes.
2. The rights from the cable retransmission of copyrighted material, is exercised only through the association for collective administration of rights, except in respect of Audiovisual media service own transmission, irrespective of whether the rights concerned are their own or have been assigned to them by other right holders;

Article 161

Associations of collective administration of rights

1. Collective administration of rights may be carried out through associations of the rights' holders, which have the authorization to conduct such activity from the Office for Authors' Rights and Related Rights.
2. For carrying out specific author's rights and holders of rights from the association for collective administration of data from paragraph 1 of this Article, the authorization from the author and the other right holders is required.
3. Authors' rights on the public plays of non performing musical works or literary works, known as small rights, can be administrated by the associations for collective administration of rights, even without the authorization by the author or the holder of the right.

4. The office for authors' rights and related rights, herein the Office, shall issue authorization to association for collective administration of the rights, which fulfil the professional and legal criteria defined by the Office.
5. If the associations for collective administration of rights does not meet the defined criteria to carry out such activities then the Office revokes the given authorization.

Article 162

Scope and Status

1. Within the scope and authorizations, the association for collective administration of rights ensures the authorization and protection of the authors' rights and related rights, of national and foreign holders of rights in Kosovo, and national holders of these rights outside Kosovo.
2. Collective administration of authors' rights and related rights is the only activity of the association for collective administration of rights.

Article 163

1. The association for collective administration of data is a legal subject, registered to administrate collectively the authors' right and related rights in Kosovo, and is governed by its members.
2. The association for collective administration of data has the status of a non governmental and non profit organization.
3. The association for collective administration of rights acts on its behalf and on behalf of the right holders.
4. The headquarters of the association for collective administration of rights has to be in Kosovo.

Article 164

1. The association for collective administration of rights is independent on its activity and on undertaking organizational measures and other required measures for its functioning, and for fulfilling the contractual and legal obligations.
2. The association for collective administration of rights is obliged to ensure the conditions for an effective and proper administration of rights and of the interest of right holders, including personnel, technical equipment and organizational schemes.

Article 165

Governance

1. The association for collective administration of rights is governed by the members, through its bodies and in accordance with the status.
2. Bodies of the association for collective administration of rights are: Assembly, Management Board and Supervisory Board.
3. The assembly of the association for collective administration of rights consists by all its members.

4. The assembly of the association for collective rights approves the decisions on the general session of members with the simple majority of votes.
5. The form and manner of decision making in assembly is defined by the status of the association for collective administration of rights.

Article 166 **Statute**

1. The statute is the highest basic and legal act that regulates the organization and functioning of the association for collective administration of rights.
2. All other legal acts have to comply with the statute of the association based on paragraph 1. of this Article.
3. The statute of the association for the collective administration of rights contains provisions which regulate especially:
 - 3.1. objectives and duties of the association for the collective administration of rights;
 - 3.2. type of right administrated collectively;
 - 3.3. relationships with right holders ad rights users;
 - 3.4. obtaining and losing the author quality;
 - 3.5. identical categories of the right holders and membership categories;
 - 3.6. members rights and the manner of voting according to the membership category;
 - 3.7. obligations of the members and the rules of conduct;
 - 3.8. governance system of the association;
 - 3.9. essential principles on the distribution of incomings, right holders;
 - 3.10. supervisory system of financial and economical administration ;
 - 3.11. obligation for accountability against the right holders and the office;
 - 3.12. informing the members and the public.
4. The statute is approved by the Assembly of Association for rights administration on a general session.
5. The statute is subject to approval from the Office of Author's Rights and Related Rights.

Article 167 **General fees and fee agreements**

1. Remuneration sums that need to be paid by the users for various forms of use of unprotected subjects are defined with general fees.
2. General fees are proposed by the Management Board of the association and after the Assembly of the Association approve them.
3. General proposed fees from paragraph 2. of this Article are subject to negotiations with users organizations of the same type of the protected subjects.
4. If the agreement is not reached during the foreseen negotiations in paragraph 3. of this Article, the involved parties in negotiations are obliged to propose the mediator.
5. If the mediator foreseen in paragraph 4. of this Article does not result with reach of agreement, the general fees according to this Article are subject to approve from the Government of the Republic of Kosovo.

6. If there is no users' organization of the same type of protected subjects, the individual user is subject to general approved fees.
7. General approved fees are published on the Official Gazette of Kosovo.

Article 168

Regulation on the distribution of incomings

1. Criteria and the manner of distribution of the collected remunerations by users of protected subjects are foreseen with the regulation for the distribution of remunerations.
2. Collected remunerations are distributed to the right holders, in proportion with the real share from the use of their protected subjects in total remunerations that the associations collected from the use of the protected subjects.
3. When defining the share of the rights holders on the total collected remunerations, is considered the category of protected subjects, their importance for cultural and historical development of the society, forms and measures of the use of protected subject and other factors which would reflect more exactly its range.
4. The Assembly of the Association for collective administration of rights approves the regulation for distribution of remunerations.
5. Distribution of the collected remunerations from the users of protected subjects is carried out at least once a year by the association.
6. Distribution has to be supported on exact data. In lack of them, or when ensuring them would be too much organizational and financial burden, the based evaluation resulting with reliable relevant facts is permitted.

Article 169

Cost of the association for collective administration of the right

1. In accordance with the statute and based on the decision by the Management Board, one portion of the collected incomes is divided to cover the expenses of the collective association for administration of rights.
2. The association in accordance with the statute and the decisions by the Assembly of the Association establishes the Fund for cultural activities of specific importance, health care and social status of its members.
3. For the fund foreseen in paragraph 2. of this Article, the association for collective administration of rights, divides 10% from the total amount of collected means, within one year from the users of the protected subjects.

Article 170

Evidence and Account

1. The association of collective administration of rights is obliged to keep and store evidences and following documents for all relevant fact related to the collection of remunerations and calculation of incomings and outputs.
2. The association for collective administration of rights keeps the accounts according to the relevant standards.

3. The association for collective administration of rights is obliged that for every previous year to compile annual working report with exact and comprehensive data, and reflection of relevant facts. This report is available to members.
4. At least thirty (30) members of the association for collective administration of rights may ask that one or more independent audit to conduct financial audit of associations' work.

Article 171

Office on the Copyright and Related Rights

1. Office on the Copyrights and Related Rights is an administrative body which was established and functions within the relevant Ministry of Culture.
2. Main activities of the Office includes:
 - 2.1. issue authorizations to associations for collective administration of rights;
 - 2.2. revocation of the issued authorization to the association for collective administration of rights in case they do not comply with the criteria foreseen by the law.
 - 2.3. supervision of activities of the Associations for collective administration of rights.
 - 2.4. promotion and undertaking of activities for giving necessary information to authors, right holders and the wide opinion on the copyright and related rights.
 - 2.5. following international legislation and giving recommendations in respect with the area of copyright and related rights.

Article 172

Issuing authorization for collective administration of rights

1. The office for copyright and related rights issues authorization for collective administration of rights to the association which:
 - 1.1. has its headquarters in the Republic of Kosovo;
 - 1.2. has relevant work space and professional service with at least one employee with Law degree;
 - 1.3. collective administration of rights is exercised as its sole activity;
 - 1.4. administrates on its behalf and on account of right holders;
2. The association does not have the right to complain against the decision of the Office to not issue the authorization, but a suit can be filed based on the administrative provision at the competent Court.

Article 173

Revocation of authorization

1. Revocation of issued authorization to the association for collective administration of rights is carried out by the Office if occurred events can be a cause of serious violation of this law's provisions. After revocation of authorization, the Office notifies the association for collective administration of rights on the reasons and

gives a timeline of no less than thirty (30) days to eliminate the cause for revocation of authorizations.

2. The association does not have the right to complain against the decision of the Office for the revoking the authorization, but a suit can be filed based on the administrative provision at the competent Court.

Article 174

Obligation of use on providing information

1. Users of protected subjects and the obliged of payment for special remuneration, are obliged to enable association for collective administration of rights and to control the precise and on time fulfillment of signed contracts for collective administration.
2. Users of protected subjects are obliged to notify the association for collective administration of rights, on the title of protected subject, frequency and volume of its use, and other influential circumstances on the calculation of obligation on remuneration paid based on the fee, regardless that the protected subject is used based on the obtained authorization or based on this law.
3. When he authorization based on this law is needed, the organizers of the public, cultural, artistic or entertaining plays and other users of protected subjects are obliged to obtain in advance authorization from the association for collective administration of rights.
4. If the organizer of the public, cultural, artistic or entertaining plays and other users of protected subjects, does not posses authorization from paragraph 3. of this Article, the competent body of police of the Republic of Kosovo with the request by the right holder or the association for collective administration of rights, will stop the public play, respectively the use of protected subject.
5. Users of protected subjects, when they can be used without having to assign the right, are obliged to send to association for collective administration of rights once a month data on any form and frequency of use.
6. Audiovisual media service are obliged to send to the association for collective administration of rights once a month reports on transmission of protected subjects during the previous month, while presenting the list of authors, performers and producers, titles of protected subjects and the frequency of their use.
7. If the organizer of the public, cultural, artistic or entertaining plays and other users of protected subjects, respectively the Audiovisual media service does not submit the information from paragraph 5. and 6. of this Article, is considered that he has violated the rights administrated by the association for collective administration of rights.
8. Owner of the original work of art, auction house, gallery or other agent is obliged to send to the association for collective administration of rights, data on alienated original, author of the work, salesman and the new owner of the work, and the price of sale of the original, within thirty (30) days from the resale date.

Article 175
**Administrative supervision of the association of collective administration
of rights works**

1. The Office will supervise if the collective association carries out its functions in compliance with the law provisions.
2. The Office at any time may request from the collective association any type of information or documents related to the collective administration or collective administration of rights, in general or regarding a specific author, a specific work or user, and may inspect books or any other document related to the collective association or collective administration of rights, including function and expenses of special funds, if they exist.
3. The office may order the collective association to ensure the audit report for the company on any specific issue and within a defined set of scope by the Office, but no more than once a year, on collective associations expenses.
4. The office can nominate one or more of its representatives, who will attend meeting of assembly and other bodies of collective associations, with the right of speech, but without the right to vote.
5. The Office can issue obligatory instructions to collective associations.

Article 176
Mediation

1. Collective associations and representatives of users may propose on a basis of a mediation agreement, mediation in a dispute:
 - 1.1. concerning conclusion of an inclusive agreement;
 - 1.2. concerning conclusion of an agreement for cable retransmission of transmissions;
 - 1.3. concerning:
 - 1.3.1. use for the benefit of people with disability;
 - 1.3.2. use for the purpose of teaching;
 - 1.3.3. private or internal reproduction;
 - 1.3.4. performance of official proceedings; and
 - 1.3.5. ephemeral recordings made by broadcasting organizations.
 - 1.3.6. agreement concerning the definition of general fees.
2. The mediator shall be independent, impartial and not bound by instructions.
3. The mediator shall ensure that all parties conduct negotiations in good faith and not hinder them without valid justifications.
4. The mediator may submit proposal to parties concerning the settlement of the dispute. The settlement proposal shall be deemed to have been accepted if the parties conclude an inclusive agreement for retransmission within three months following the receipt of the proposal.
5. Confidentiality shall be ensured during the mediation procedures.
6. The parties shall jointly choose the mediator from the list of mediators appointed by the Office.
7. The Office shall provide administrative assistance to the mediator.

8. The parties shall remunerate the mediator for his work.
9. The Office shall define, in greater detail, the mediation proceeding, as well as the degree of education of mediator, and other conditions that need to be fulfilled.

CHAPTER XI PROTECTION OF DATA

SUB-CHAPTER A PERSONS WHO ENJOY THE PROTECTION

Article 177

1. The person, whose protected rights by law have been violated, can ask for protection of his rights and relevant compensation depending on the violation.
2. Same protection of rights may be asked also when the danger of violation of the protected rights by this law is evident.
3. Foreseen protection from other legal provisions remains intact.

Article 178 Solidarity of parties

1. When there are more than one holder of one right that was violated and which is recognized by this law, each of them may ask for protection of such right in its entirety.
2. When there is more than one violator of a holder's right which is recognized by this law, each of them is responsible for the entire damage.

Article 179 Protection of technological measures

1. It is considered that one person has violated exclusive rights recognized by this law if he has done any type of activity to avoid the effective technological measures.
2. It is considered that one person has violated exclusive rights recognized by this law if processes, imports for distribution, sales, lends, advertises for sale or lease or keeps for commercial technological purposes, means or computer program, or carries out services without authorization, which:
 - 2.1. are advertised or traded especially for avoiding effective technological measures;
 - 2.2. have evident commercial purpose or sole use on avoiding effective technological measures;
 - 2.3. are designed, produced, adapted or processed above all for avoiding the effective technological measures.
3. For the purpose of paragraph 2. of this Article, technological measure is every technology, computer program, or another mean foreseen that during its normal activity, to prevent or hind the violation of protected rights. These measures will be considered as effective where entry or use of the author's work or the subject from

related rights is checked through protection processes, by which, in operative and reliable manner, and with the authorization from the right holders, protection purposes are achieved.

4. This Article will be implemented similarly and to the extent that belongs to mutatis mutandis against other technology, mean or computer program, by which the electronic information of data administration is removed or modified.

Article 180

Protection of information of rights conclusion

1. It is considered that one person has violated the exclusive rights protected by this law when he carries out one of the below listed activities, by which he encourages, enables, facilitates or hides the violation of rights from this law, such as:
 - 1.1. removal or modification of any electronic information regarding the rights administration;
 - 1.2. reproduction, import for distribution, lease or communication to public of a protected subject, where the electronic information of rights administration was removed or modified without the relevant authorization.
2. For the purpose of paragraph 1. this Article, information of rights administration is considered every information entered by the right holder, by which the subject of right, duration and terms of use are identified, and their respective numbers and codes signed on the copy of the protected subject or appear when communication the protected subject.

SUB-CHAPTER B JUDICIAL PROTECTION

Article 181 Claims

1. When the exclusive rights granted by this Law were infringed, the right holder may claim:
 - 1.1. finding of the existence of infringement of rights;
 - 1.2. issuing of an injunction, prohibiting the continuation of the infringement and future recurring infringements, as well certain preparatory acts for such periodical infringements;
 - 1.3. the goods created as a result of infringement, materials and implements principally used in the creation or manufacture of infringing goods, will be asked to be definitely removed from the market and destroyed at the expenses of the infringer;
 - 1.4. recovery of material damages, meaning actual damages and lost profit, or special recovery.
 - 1.5. recovery of non-material damages, suffers as a result of an infringement of moral rights;
 - 1.6. the judgment of the court be published in full or in part in mass media, at the expenses of the infringer.

2. Provision of sub-paragraph 1.3. of paragraph 1. of this Article, insofar as they relate to the destruction, shall not apply to architectural buildings, unless the destruction of a building is justified by the circumstances of the case.

Article 182

Special recovery

1. In place of the recovery of material damage, the right holder may claim the infringer to pass to him the overall profit he had gain through the infringement of right.
2. When the exclusive right granted by this Law was infringed intentionally or by gross negligence, the right holder may claim the payment of a fee or remuneration customary for this type of use, and increase by up to double of such amount, irrespective of actual damages suffered by him, as a consequence of this infringement. If such infringement was committed for purposes of commercial gain, the right holder may claim a fee or remuneration in triple of such amount.
3. If the actual damage is in excess of the amount of damages mentioned in the proceeding paragraphs, the right holder has the right to claim the difference to full remuneration of the damage.

Article 183

Monetary remuneration for non material damage

Irrespective of any material damages remunerated from the infringer, the author or performer has the right to claim proper monetary remuneration for his violated moral rights.

Article 184

Precautionary measures

1. If the right holder shows probable grounds for belief that his exclusive right under this Law is infringed and that the recovery of damages is likely to be endangered, the court may, with right holders' claim, order the provisional seizure of alleged infringer's movable and immovable property, including the blocking of his bank accounts and other assets.
2. This measure includes also the power of the court to ask for and seize financial banking or commercial documents of the infringer, or proper access to respective information.
3. If the right holder shows grounds for belief that any delay in taking the provisional measures from paragraph 1. and 2. of this Article is likely to cause him irreparable damage, or that these measures may not be effective at a later time, the court may order and execute such measures without prior notification and hearing of the other party *inaudita altera parte*.
4. The procedure on precautionary measures is implemented within three (3) days from the day of filed claim.

Article 185
Provisional measures

1. If the right holder shows probable grounds for belief that his right under this Law is infringed, or that there is a threat of imminent infringement, the court may, on application of right holder, order any provisional measure which is capable of securing the right holder:
 - 1.1. the injunction of an imminent infringement or of the continuation of an alleged infringement,
 - 1.2. the seizure or removal of goods from delivery, suspected of infringing a right under this Law, to prevent their Access to the market,
 - 1.3. the seizure or removal from flow of materials and means that are mainly used for procession or manufacturing of goods, suspected for right infringement based on this Law.
2. If the right holder shows grounds for belief that any delay in taking the provisional measures from paragraph 1. of this Article, may likely cause him irreparable damage, or that these measures may not be effective at a later time, the court may order and execute such measures without prior notification and hearing of the third party *inaudita altera parte*.
3. The procedures for ordering provisional measures are accelerated. The court shall order the provisional measures within seven (7) days from the day of filed claim.
4. In case of a claim for non payment of remuneration, the court shall adopt a provisional measure prohibiting further use of the protected subject.

Article 186
Preservation of evidence

1. By the claim from the right holder, who has based grounds that his exclusive right under this Law was infringed and that there is possible risk that the evidence of such infringement will be destroyed or that it will be impossible to obtain such evidence later, the court may order the storage and preservation of evidence.
2. The measures for the preservation of evidence may include the detailed description of the infringing goods, taking of samples or the physical seizure of the infringing goods, the inspection of places, the inspection or seizure of documents, inventory, databases or other items having evidentiary value relating to the infringement, the examination of witnesses, and the appointment and examination of experts.
3. If the right holder shows grounds for belief for delay in taking the measures from paragraph 2. of this Article and which may likely cause him irreparable damage or there is possible risk that the evidence of such infringement will be destroyed, the court may order and execute such measures without prior notification and hearing of the third party *inaudita altera parte*.
4. Court order granting measures for preservation of evidence without prior notification and hearing of the third party shall be served to the other party at the time when these measures are being executed, or if this is possible, as soon as possible after the execution of the measures.
5. Proceedings for the preservation of evidence are implemented within seven (7) days after the claim was filed.

6. Where it is subsequently found that the right holder's claim for reservation no evidence was without grounds, or that the right holder has not justified it, the other party shall have the right to claim:
 - 6.1. return of the seized objects;
 - 6.2. the prohibition of the use of information obtained through the execution of measures under this Article;
 - 6.3. the compensation for any injury caused by those measures.
7. In the proceedings for preservation of evidence under this Article, the court shall ensure that confidential information of the parties is protected, and that such proceedings are not used in bad faith, with the sole purpose to obtain confidential information from the other party.

Article 187 **Acceleration of proceedings**

The proceeding for infringement of Copyright and related rights is quick. The Court shall open the first hearing session no later than within three (3) months from the day the claim was receipt.

Article 188 **Competence**

For the proceedings on the infringement of Copyrights and Related Rights decides the competent Court.

SUB-CHAPTER C **MEASURES FOR THE ENFORCEMENT OF PROTECTION**

Article 189 **Duty to provide information**

1. During the proceedings concerning the infringement of the rights recognized by this Law, and in response to a justified request from the claimant, the court may order that the infringer provides full information on the origin and distribution networks of the infringed goods.
2. The court may order that the information referred to in paragraph 1. of this Article be provided also by any other person who:
 - 2.1. is in possession of the infringing goods on a commercial scale,
 - 2.2. is using the infringing services on a commercial scale,
 - 2.3. is providing on a commercial scale services used in infringing activities,
 - 2.4. is indicated by any person from sub-paragraph 2.1., 2.2. and 2.3. of this paragraph, as being involved in the production, manufacture or distribution of the infringing goods or the provision of infringing services.
3. Any person failing to fulfill the duty to provide information according to the provisions of this Article shall be liable for damages that may be caused by such failure to comply

CHAPTER XII PUNITIVE PROVISIONS

Article 190

1. By a fine of no less than two thousand (2.000) to ten thousand (10.000) Euro shall be punishable the legal entity if within his activity or in business with others, uses a Copyright work or a subject matter of related rights without authorization.
2. By a fine of no less than five hundred (500) to two thousand (2.000) Euros shall be punishable the responsible person for the legal entity who commits a misdemeanor mentioned in paragraph 1. of this Article.

Article 191

1. By a fine of five thousand (5.000) to twenty five thousand (25.000) € shall be punishable for a misdemeanor any legal entity, if within the scope of its activity or in business cooperation:
 - 1.1. commits any act of circumvention of effective technological measures of protection;
 - 1.2. commits any act or removal or alteration of electronic rights management information.
2. By a fine of one thousand (1.000) to five thousand (5.000) Euro shall be punishable the person who commits the misdemeanor defined in paragraph 1. of this Article.

Article 192

1. By a fine of no less than five hundred (500) to twenty five thousand (25.000) Euro, shall be punishable for a misdemeanor any legal entity:
 - 1.1. that does not submit to the competent collective association, information about the types and number of sold or imported devices for sound or visual fixation, photocopying devices, blank carriers of sound or image, as well as information about sold photocopies, which are necessary for the calculation of the special remuneration;
 - 1.2. that does not submit to the competent collective association, in the manner and time limit as prescribed by this Law, the reports or information or programs, relevant for the calculating of the respective remuneration;
2. By a fine of no less than one thousand (1.000) to five thousand (5.000) Euro, shall be punishable for a misdemeanor any legal entity from paragraph 1. of this Article.

Article 193

1. By a fine of no less than four thousand (4.000) to twenty thousand (20.000) Euro shall be punishable for a misdemeanor a collective association of rights, if it:
 - 1.1. does not keep or negligently operates records and accountancy.
 - 1.2. does not distribute to right holder the income, realized from royalties collected from the users of protected matter;

- 1.3. does not follow the request for inspection of its activity through independent auditors;
 - 1.4. does not fulfil its obligations to the office or does not take measures ordered by the Office for the correction of its work.
2. By a fine of no less than one thousand (1.000) to five thousand (5.000) EUR shall be punishable a responsible person of the collective association who commits a misdemeanor mentioned in paragraph 1. of this Article.

Article 194

The Articles gained by committing a misdemeanor from the above mentioned paragraphs shall be confiscated.

Article 195

The procedure for misdemeanors shall be initiated on the submission of complaint by the inspection body, the police, and the injured party, association for collective administration of rights or by the Office.

CHAPTER XIII PROTECTION OF FOREIGNERS

Article 196

1. Foreign natural or legal persons enjoy the same protection of copyright and related rights same as domestic persons, if international agreements or this law provide so, or in case that factual reciprocity exists.
2. Foreign authors and performers enjoy the same protection of moral rights recognized by this law.
3. Foreign authors of works of art enjoy the protection of this law regarding the resale of the right only when factual reciprocity exists.

Article 197

Authors

1. Protection under this law enjoys foreign authors:
 - 1.1. who have permanent residence in Kosovo;
 - 1.2. for their works published for the first time in Kosovo or within thirty (30) days after being published in another country;
 - 1.3. for their works published for the first time in Kosovo;
 - 1.4. for their architectural and art works, which in the territory of the Republic of Kosovo are real estate or are integral part of a real estate.
2. If the author's works was created by a couple of authors, all of them enjoy protection under this law, even when only one of them meets the conditions from paragraph 1. of this Article.

Article 198
Performers

1. Protection under this law enjoys foreign performers:
 - 1.1. who have permanent residency in Kosovo ;
 - 1.2. their performance is carried out in the territory of the Republic of Kosovo;
 - 1.3. whose performance was fixated in phonograms that enjoy the protection under this Law;
 - 1.4. their nor fixated performance on a phonogram, is included on a broadcasting emission that enjoys the protection under this Law;
2. If the work was created by a couple of authors, all of them enjoy protection under this law, even when only one of them meets the conditions from paragraph 1. of this Article.

Article 199
Other foreign holders of related rights

1. The protection under this Law shall enjoy other foreign holders of related rights which have their domicile or corporate seat registered in the Republic of Kosovo.
2. The protection under this Law shall enjoy the producer of phonogram and film producer if their phonogram or film was first done in the Republic of Kosovo.
3. The protection under this Law shall enjoy the publisher with respect to his related rights if his edition was first published in the Republic of Kosovo or within thirty (30) days of having been published in another country.
4. The protection under this Law shall enjoy the broadcaster that transmits his broadcast from transmitters located on the territory of the Republic of Kosovo.
5. The protection under this Law shall enjoy the data base producer, if this base was first done in the Republic of Kosovo.

Article 200
Communication to the public by satellite

1. The protection under this Law shall enjoy authors and holders of related rights whose works or subject matters of related rights are communicated to the public by satellite, when under the control and responsibility of a Audiovisual media service, the relevant programme-carrying signals are sent from the territory of the Republic of Kosovo, into an uninterrupted chain of communication, to a satellite and down to the Earth.
2. The protection under this Law applies also when the condition from paragraph 1. of this Article is not fulfilled, provided that:
 - 2.1. the uplink station from which program-carrying signals are transmitted is located in Kosovo, or
 - 2.2. the audiovisual media service which commissioned the communication to the public by satellite has its corporate seat registered in Kosovo

Article 201
Comparison of protection terms

For foreign holders of related rights who enjoy protection under this law, apply the defined terms of protection defined by this law, but they expire at latest on the day protection expires on their country of citizenship or where they have their residence or headquarters, and they cannot last more than the foreseen terms by this law.

Article 202
Persons without citizenship or refugees

1. Authors or right holders of the related rights who do not have citizenship or when the same cannot be verified, enjoy the same protection as native right holders of rights, if they have permanent residence in Kosovo.
2. If they do not have permanent residence or their residence cannot be verified, they enjoy the same protection as native right holders of rights, if they have temporary residence in Kosovo.
3. If they do not have permanent or temporary residence in Kosovo, they enjoy protection in Kosovo the same as the citizens of the countries where they have permanent or temporary residence.
4. Provisions of this law apply the same for authors and the holders of the related rights, who in accordance with international treaties or with the law in Kosovo enjoy the refugee status.

Article 203
Factual reciprocity

Reciprocity has to be proven by the person referring to it.

CHAPTER XIV
TRANSITIONAL AND FINAL PROVISIONS

Article 204

1. This Law shall apply to all authors' works and to all performers' performances and all transmissions of Audiovisual media service which, on its coming into force, still enjoyed protection according to the Copyright Law and other Related Rights No: 2004/45.
2. This Law applies to the phonograms and to recordings fixated on it, respectively the legal publication and its presentation to the public have not passed fifty (50) years, calculating from the beginning of the calendar year in which this Law entered into force.
3. This Law applies to videograms, transmission of audiovisual media service and publishers' publications, if they were first fixed, broadcasted or lawfully published after this law entered into force.
4. Procedures launched for protection of author's rights and related rights, shall continue according to the procedural provisions of this law.

Civil laws

5. Contracts on assigned rights, which have been concluded before the entry into force of this Law, cannot be changed with the argument of being in line with this Law.
6. All granted rights before entry into force of this law remain intact, while the normative acts of associations for collective administration of rights is implemented also after entry into force of this law, and its harmonized with the provisions of the same, in a period of six (6) months from the entry into force.
7. The provisions of this law concerning the computer programmes and the data bases are implemented on computer programmes and data bases that have been created after entry into force of this law, if by doing so the signed contracts and the gained rights before this day remain intact.
8. With the accession of the Republic of Kosovo to the European Union the exhaustion of right of distribution, referred to in the paragraph 2. Article 24 of this Law, shall apply to any first sale or other transfer of ownership in an original or a copy of a work, made anywhere in the European Union or in the European Economic Area.

Article 205

With the entry into force of this Law, all other legal provision of the Law on Copyright and Related Rights No. 2004/45 and other sub legal acts deriving from this law cease to apply.

Article 206

Entry into force

This law enters into force fifteen (15) days after its publication on the Official Gazette of the Republic of Kosovo.

Law No. 04/L-065

21 October 2011

Pursuant to the article 80, paragraph 5 of the Constitution of the Republic of Kosovo, Law shall be published in the Official Gazette of the Republic of Kosovo.

**OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / No. 27 / 30
NOVEMBER 2011, PRISTINA**

LAW No. 02/L-65
CIVIL LAW AGAINST DEFAMATION AND INSULT

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Assembly of Kosovo,

Based on Chapter 5.4 (a) and 9.1.26 (a) of the Constitutional Framework for Provisional Self-Government in Kosovo (UNMIK Regulation Nr. 2001/9 15th of May 2001)

In order to promote a tolerant and democratic society in Kosovo through respect of international standards of human rights and freedom of expression and for the prevention of the language of Defamation and Insult,

Hereby adopts the following:

CIVIL LAW AGAINST DEFAMATION AND INSULT

Chapter I
GENERAL PROVISIONS

Article 1
Objective of the law

The objective of this law is to regulate civil liability for defamation and insult while ensuring:

- a) the right to freedom of expression, as guaranteed by the Constitutional Framework on Provisional Self-Government in Kosovo (UNMIK Regulation 2001/9 dated 15 May 2001) and the European Convention for the Protection of Human Rights and Fundamental Freedoms;
- b) that the rules relating to defamation and insult do not place unreasonable limits on freedom of expression including and the publication and discussion of matters of public interest and importance;

Civil laws

- c) effective and appropriate compensation for persons whose reputation was harmed by defamation and insult;
- d) the essential role of media in the democratic process as public watchdogs and transmitters of information to the public.

Article 2 **Interpretation of the Law**

- 2.1. This Law shall be interpreted so as to ensure that the application of its provisions maximizes the principle of freedom of expression in accordance with the European Convention for the Protection of Human Rights and Fundamental Freedoms, as elaborated in the case law of the European Court of Human Rights.
- 2.2. In the case of any conflict between this Law and the European Convention for the Protection of Human Rights and Fundamental Freedoms, the European Convention and legal practice of the European Court of Human Rights shall be applied.

Article 3 **Definitions**

The terms used in this Law have the following meaning:

- a) **defamation** shall mean the publication of a untrue fact or statement and the publisher knows or should know that the fact or the statement is untrue, the meaning of which injures the reputation of another person;
- b) **insult** shall mean the statement, behavior, or publication of a statement directed at another person that is humiliating;
- c) **publication** shall mean disseminating an expression, whether in written or spoken form, whether in print or broadcast media or by other means, which is heard or read by at least one third person;
- d) **publisher** shall mean the person who makes a publication;
- e) **author** shall mean the person making the expression in points (a) and (b) of this article;
- f) **editor** shall mean a person appointed by the publisher who is responsible for exercising control over the contents of a publication;
- g) **child** shall mean a person up to the age of 18 years;
- h) **person** shall mean a physical person or legal entity;
- i) **public authority** shall mean a legal person exercising state powers;
- j) **public official** shall mean any person who exercises public authorization for a public authority;
- k) **matter of public concern** shall mean any matter on which it is in the interest of the public to be published, including but not limited to matters concerning all branches of government, politics, public health and safety, law enforcement, administration of justice, consumer and social interest, the environment, economic matters, the exercise of power, science, art and culture.

Chapter II
MEASURES FOR PROTECTION FROM DEFAMATION AND INSULT

Article 4
Action against Defamation and Insult

- 4.1. A person has the right to demand to stop the defamation and insult and to demand that it will not be repeated in the future, the refutation of defamatory or insulting information concerning his/her person and compensation for moral and material damage caused by the defamation and insult, through a court proceeding, unless one of the exemptions to liability is established in accordance with this Law.
- 4.2. If defamation and insult is made through a mass medium, compulsory, it shall be refuted in the same mass medium and be given the same prominence. The refutation shall be published within eight (8) days of receipt of the relevant demand in the case of daily newspapers on the same page where the defamation and insult was published, in the next issue of a periodical or a telegraph agency and within eight (8) days in the same manner or at the same time of day in case of broadcast information.
- 4.3. Where the defamation or insult identifies a child, the parent or legal guardian may initiate the procedure against defamation and insult before the competent court according to this Law.
- 4.4. Where the defamatory or insulting information identifies a deceased person, the first-degree heir of that person may initiate the procedure against defamation and insult before the competent court according to this Law, under the condition that the defamation and insult caused harm to the reputation of the heir.

Chapter III
RESPONSIBILITY

Article 5
Responsibility for Defamation and Insult

- 5.1. A person is responsible for defamation or insult if he/she made or disseminated the expression of defamation or insult, unless one of the exemptions to liability is established in accordance with this Law.
- 5.2. For defamation or insult made through media outlets the following may be held jointly or individually responsible: author, editor or publisher or someone who otherwise exercised control over its contents.
- 5.3. Where the defamation or insult relates to a matter of public concern or the injured person is or was a public official or is a candidate for public office, there may only be responsibility for defamation or insult if the author knew that the information was false or acted in reckless disregard of its veracity.
- 5.4. Public authorities are barred from filing a request for compensation of harm for defamation or insult. Public officials may file a request for compensation of harm for defamation or insult privately and exclusively in their personal capacity.

Chapter IV
EXEMPTIONS FROM LIABILITY AND ITS LIMITS

Article 6
Proof of truth

- 6.1. In all actions for defamation and insult, except those involving matters of public concern, the defendant shall carry the burden of proving the veracity of an impugned statement, and a finding by the court that the statement of facts is substantially true shall absolve the defendant of any liability.
- 6.2. In defamation and insult actions involving statements on matters of public concern, the defendant shall carry the burden of proving that he/she acted responsibly in publishing the impugned statements. A finding by the court that the defendant acted responsibly in publishing the impugned statements, unless the defendant knew that the impugned statement was false or acted in reckless disregard of its veracity, shall absolve the defendant of any liability.

Article 7
Reasonable publication

No one shall be liable for defamation and insult for a statement on a matter of public concern if they establish that it was reasonable in all the circumstances for a person in their position to have disseminated the material in good faith, taking into account the importance of freedom of expression with respect to matters of public concern to receive timely information relating to such matters.

Article 8
Opinions

No one shall be liable for defamation and insult for a statement which the court assesses to be a statement of opinion, on the condition that the opinion is expressed in good faith and has some foundation in fact.

Article 9
Immunity

Given statements shall not be liable under this law if the defendant shows that they were made in any of the following circumstances:

- a) any statement made in the course of proceeding at legislative bodies including by elected members both in open debate and in committees, and by witnesses called upon to give evidence to parliamentary committees;
- b) any statement made in the course of proceedings at local authorities by members of those authorities;
- c) any statement made in the course of any stage of pre-trial processes, and judicial or administrative proceedings, by anyone directly involved in that proceeding, unless it can be shown that the statement in question is totally unrelated to that judicial or administrative proceeding;

- d) any statement made before a public defender;
- e) any document ordered to be published by a legislative body;
- f) any notice or matter issued for the information of the public by an international organization or international conference;
- g) any notice or matter issued for the information of the public by any authority performing governmental or statutory functions, including the police;
- h) a fair and accurate report of any material described in paragraphs (a) –(g) of this Article; and
- i) a fair and accurate report of any material which is contained in an official document where the status of that document justifies the dissemination of the material, such as official documentation issued by a public inquiry or foreign court or legislature;
- j) a fair and accurate report of proceedings at any legal public meeting in Kosovo;
- k) a fair and accurate report of official proceedings or documents of a public authority; or
- l) a fair and accurate report of any finding or decision of an association with formal powers of adjudication and/or control with the purpose of promoting art, science, religion, learning, trade, business, industry, any profession, sports, pastimes, or charitable objects.

Article 10 Conditional Immunity

No one shall be liable for defamation and insult for a statement made in the performance of a legal, moral or social duty relating to a matter in respect of which the defendant and those to whom the defendant published the statement had a common corresponding interest, unless the claimant can show that the statement was made with malice.

Article 11 Scope of Liability

- 11.1. No one shall be liable for defamation and insult for a statement of which he or she was not the author, editor, or publisher and where he or she did not know and had no reason to believe that what he or she did contributed to the dissemination of the defamatory and insulting statement.
- 11.2. Persons whose sole function in relation to a particular statement is limited to providing technical access to Internet, to transporting data across the Internet or to storing all or part of a web site should not be liable for defamation and insult in relation to that statement, on the condition that the court determines that those persons have taken reasonable care to avoid publishing the material.
- 11.3. A person should not be deemed to have adopted a statement for purposes of paragraph 2 of this Article simply because someone has alleged that the statement is defamatory and insulting.

- 11.4. Paragraph 2 of this Article should not apply in the context of a defamatory or insulting action, to any court order which covers the person in question and requires it to take action to prevent further publication of a statement.
- 11.5. For media which can be said to publish on a continuous basis, such as web sites on the internet, publication at one location, in one form shall be considered to be a single publication.

Chapter V

OBLIGATION TO MITIGATE HARM AND RIGHT OF REPLY

Article 12

Obligation to Mitigate Harm

Prior to filing a complaint under this law, an allegedly injured person shall undertake all reasonable measures to mitigate any harm caused by the expression. In particular the complainant shall request a correction of that expression from the person who allegedly caused the harm. Such actions may include seeking a remedy from the publisher of an allegedly defamatory or insulting expression and filing a claim with any appropriate regulatory body such as (The Independent Media Commission) or self-regulatory body such as (Press Council).

Article 13

Right of reply

- 13.1. Any person, irrespective of citizenship or residence, mentioned in a newspaper, a periodical, a radio and television broadcast, or in any other medium of a periodical nature, regarding whom or which facts have been made accessible to the public which the person claims to be inaccurate, may exercise the right of reply in order to correct the facts concerning that person.
- 13.2. At the request of the complainant, the medium in question shall be obliged to make public the reply which the complainant has submitted.
- 13.3. By way of exception, the publication of the reply may be refused or edited by the medium in the following cases:
 - a) if the request for publication of the reply is not addressed to the medium within seven (7) days from the day on which the complainant became aware of the publication;
 - b) if the length of the reply exceeds what is necessary to correct the information containing the facts claimed to be inaccurate;
 - c) if the reply is not limited to a correction of the facts challenged;
 - d) if it constitutes a punishable offence;
 - e) if it is considered contrary to legally protected interests of a third party;
 - f) if the individual concerned cannot show the existence of a legitimate interest.
- 13.4. Publication of the reply shall be without undue delay and shall be given the same prominence as was given to the information containing the facts claimed to be inaccurate.

- 13.5. Interpretation of the provisions in this Article for right of reply shall be in accordance with recommendations adopted by the Council of Europe.
- 13.6. The court shall determine whether the offer or provision by the defendant of a right of reply, correction, retraction, or apology was a sufficient remedy to satisfy the complaint, and whether such remedy may constitute a mitigating circumstance in any assessment of amount of damages.

Chapter VI

COMPENSATION FOR DEFAMATION AND INSULT

Article 14

Compensation for defamation

- 14.1. Compensation shall be proportional to the harm caused and shall be awarded solely with the purpose of redressing the harm done to the reputation of the person or to compensate for any demonstrable actual financial loss or material harm. In making a determination of compensation, the court is obliged to have regard for all of the circumstances of the case, particularly any measures undertaken by the persons referred to in Article 5.2 of this Law to mitigate the harm.
- 14.2. Compensation for actual financial loss or material harm caused by a defamatory statement shall be awarded by the court only where that loss is specifically established.
- 14.3. The amount of compensation for non-material harm, or harm which cannot be quantified in monetary terms, caused by defamation shall be determined by the court taking into account the seriousness of the defamation and the financial resources of the defendant.
- 14.4. Courts shall, in assessing the amount of compensation pursuant to points 2 and 3 of this Article, have due regard to any voluntary or pecuniary remedies, as well as the potential chilling effect of the award on freedom of expression.
- 14.5. The persons referred to in Article 5.2 of this Law may, in mitigation of damages, prove that they made or offered to make an apology or correction for any defamation before the commencement of action for damages or as soon afterwards as they had an opportunity. Compliance with remedial orders or instructions by a Press Council or relevant regulatory body shall be considered as a mitigating circumstance in determining any non-material compensation.

Article 15

Compensation for insult

- 15.1. Compensation for insult may only be awarded in case the persons referred to in Article 5.2 of this Law do not meet an obligation to refute the information or repeats insulting information following a court order prohibiting such repetition.
- 15.2. The persons referred to in Article 5.2 of this Law may, in mitigation of damages, prove that they made or offered to make an apology for any insult before the commencement of action for damages or as soon afterwards as they had an

opportunity. Compliance with remedial orders or instructions by a Press Council or relevant regulatory body shall be considered as a mitigating circumstance in determining any non-material compensation.

Article 16 **Injunctions**

- 16.1. A person has the right to demand through a court proceeding, the termination of defamations and insults and the refutation of defamatory and insulting information concerning his/her person as well as the promise that the defamation and insult will not be repeated in the future, unless one of the exemptions to liability is established in accordance with this Law.
- 16.2. Preliminary court orders to prohibit disseminating or further disseminating of information may only be issued where publication has already occurred and the allegedly injured person can make probable with virtual certainty that the information caused harm to his or her reputation and that the allegedly injured person will suffer irreparable harm as a result of further dissemination.
- 16.3. Permanent court orders to prohibit the dissemination or further dissemination may only be applied to the specific expression found to be defamatory or insulting and to the specific author or mass medium making or disseminating the expression.

Chapter VII **LIMITATION PERIODS, PROTECTION OF SOURCES** **AND COMPETENT COURT**

Article 17 **Limitation Periods**

- 17.1. The limitation period for filing a request for compensation under this Law is three (3) months from the day that the allegedly injured person knew or should have known of the expression and the identity of the author, and shall in any event not exceed one (1) year from the day that the expression was made public.
- 17.2. Should the allegedly injured person die after the commencement but before the termination of the proceedings, his or her first-degree heir may continue the proceedings on behalf of the deceased if the heir files a request to the court, within three (3) months from the day of the death of the allegedly injured person.

Article 18 **Protection of sources**

- 18.1. No defendant in a defamatory or insulting action under this law shall be required to reveal a confidential source of information.
- 18.2. No adverse inference shall be drawn from the fact that a defendant in a defamatory or insulting action under this law refuses to reveal a confidential source of information.

18.3. The court may require the defendant in a defamatory or insulting action under this law to disclose information relevant to determining the truth of published material but without identifying the source.

Article 19
Competent Court

The Competent Court shall decide for claims for defamation and insult filed in accordance with this Law.

Chapter VIII
TRANSITIONAL AND FINAL PROVISIONS

Article 20

A procedure that relates to the matter regulated by this Law that has been commenced and not disposed in a legally valid manner upon the date of the entry into force of this Law shall be continued in accordance with the law that was in force at the time when the proceeding was commenced.

Article 21
Entry into Force

The present law shall enter into force after adoption by the Assembly of Kosova on the date of its promulgation by the Special Representative of the Secretary-General.

UNMIK/REG/2007/13
28.02.2007

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / PRISTINA: YEAR
III / NO. 24 / 01 MAY 2008

LAW No. 04/L-061
ON SALE OF APARTMENTS IN WHICH THERE IS TENURE RIGHT

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Assembly of Republic of Kosovo,

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

Approves

LAW ON SALE OF APARTMENTS IN WHICH THERE IS TENURE RIGHT

CHAPTER I
GENERAL PROVISIONS

Article 1
Purpose

This Law regulates the conditions and manner of sale of public and socially owned apartments in which there is a tenure right or the rent right indefinitely, along with common parts and building equipments, and ways determining the selling price of the apartment and termination of tenure rights.

Article 2
Scope of application

This Law applies to socially owned apartments and public housing in which there is tenure right.

Article 3 Definitions

1. Terms used in this Law shall have the following meanings:
 - 1.1. **Residential building** - the building as a whole or the bulk of it, is designated and used for housing.
 - 1.2. **Apartment** - one or more spaces designated and suitable for housing, together with supporting spaces which as a rule, constitute a complex and have separate entrance;
 - 1.3. **Supporting spaces** - space or common areas separate from residential buildings, but are a function of residential buildings, except garages;
 - 1.4. **Sale of apartment** - the sale of a socially owned apartment namely publicly owned, in which the tenure rights of the bearer of housing right and other authorized persons as defined by this Law;
 - 1.5. **Common parts and the residential building facilities and equipments** - parts and equipments which serve the building as a whole, including: foundations, main walls, roof, stairs, chimney, elevators, facade, basement, ceiling, corridor, lightening, clothes washing and drying space, waste space, building council spaces, electrical equipments, lightening conductor, sewerage, telephone network, water supply, tubs, gas and hot water and telephone antenna installation;
 - 1.6. **Holder of tenure right** - a natural person whose apartment has been granted - is awarded an apartment use permit and who has a contract on use of the apartment;
 - 1.7. **Members of the close family of tenure rights holder**- spouse, children born in marriage and outside marriage, adopting, foundling, stepmother, adopters, and other persons whose the holder of tenure right is responsible is obliged to keep under the Law, or these persons under the Law have a duty to feed the holder of the tenure rights, and who live together;
 - 1.8. **Buyer** - the person who under the terms of this Law can buy the apartment in which tenure rights exists, which includes the holder of tenure rights, and close members of a family community of tenure rights holder, with his consent given during his lifetime or after his death, by the decision act of the heritage;
 - 1.9. **Vendor**- a legal person, holder of the tenure right for public owned apartments, the Kosovo Privatization Agency to socially owned apartments, respectively municipality on the apartments whose owner is unknown;
 - 1.10. **Contract** - contracts for the sale of the apartment in which the tenure right exist, connected in accordance with the provisions of this Law;
 - 1.11. **Sale or discount coefficient** - discount from the selling price of the apartment set within the meaning of Articles 17,18,19,20 and 21 of this Law;
 - 1.12. **Ministry** – The relevant ministry of Environment and Spatial Planning.

Article 4

1. Apartment is sold with common parts and building equipments which serve the building as a whole.

Civil laws

2. Selling object is also the garage whether it is as part of the residential building, or if the holder of tenure right has been given to his / her use as part of the apartment.

Article 5

1. Not considered as apartments within the meaning of this Law:
 - 1.1. spaces in buildings used for temporary accommodation; and
 - 1.2. commercial and administrative spaces in buildings.

Article 6

1. Apartments in the ownership of legal entities whose headquarters is in the territory of our country, which are located in the territory of any country deriving of the former Yugoslavia, will be sold in accordance with the provisions of agreements between states and under reciprocity conditions, if otherwise it is not regulated by bilateral agreements.
2. Foreign nationals can buy an apartment under the conditions stipulated by this Law only if it is possible that the citizens of Kosovo to buy an apartment with the same conditions in the respective country.

CHAPTER II RIGHT TO BUY AN APARTMENT

Article 7

1. Each holder of tenure right, namely user of the public or socially owned apartment, except in cases of Article 11 of this Law, shall submit a written request for purchasing an apartment.
2. Request for buying an apartment is submitted to:
 - 2.1. Kosovo Privatization Agency on apartments whose holder of tenure right is socially owned;
 - 2.2. a public institution that has given the apartment, respectively who is the bearer of the tenure right to the public owned apartments.
3. The application from paragraph 1. of this Article, shall be submitted within two (2) years from the date of entry into force of this Law, and the apartment sales contract must be entered within three (3) months from the date of application for purchasing the apartment.
4. If the seller, despite the request of the holder of tenure rights respectively authorized purchaser who has the right to buy the apartment, refuses or does not enter into a contract within the time specified in paragraph 3. of this Article, the buyer acquires the right in the contentious proceedings requires from the competent court to issue a decision that replaces the contract.
5. The term for the contract to purchase an apartment for which at the time of application for purchase, all relevant facts that are essential to selling are not known, a new term will start from the day when these facts are known.
6. Facts known to the apartment market are estimated at the time of contract.

7. The seller is obliged within three (3) months after entry into force of this Law, to inform the tenure right holder, namely the user of the apartment to its rights stipulated by this Article.

Article 8

Close members of a family community of tenure rights holder have the right to housing accommodation sold under the provisions of this Law.

Article 9

1. When one of the spouses who live in joint family has won the tenure right, holder of tenure right is also the other spouse.
2. Spouses can buy the apartment together, and one of them only with the agreement of the other.
3. In cases where the cohabitants are holders of tenure rights, they buy the apartment together, each for the part which is the bearer of the tenure rights, if they do not reach other arrangements.
4. Notwithstanding paragraph 3. of this Article, it is worth the case when one or more cohabitants do not submit a request to purchase a part of his / her apartment within the time specified in the provisions of paragraph 3 of Article 7 of this Law, in such cases other cohabitants gain the right to buy the apartment in general.
5. Agreement, under paragraph 2. and 3. of this Article, is in the form of a written contract and certified to a competent Institution.
6. In case of disputes, legal proceedings will decide.

Article 10

1. The apartments, which have been proved that their vendor is unknown, the right to sell is borne to municipalities whose territory is the apartment.
2. In terms of this Law, apartments of unknown vendor are considered such apartments whose holder of the tenure right is a legal entity who has not registered activity, or has ceased its activities and its successor is unknown, or its headquarter is not known and tenure rights holder is not able to apply for purchasing an apartment within the time specified in paragraph 3 of Article 7 of this Law.
3. In cases under paragraph 1 of this Article, the holder of tenure rights, submits a request to buy the apartment to authorized body of the municipal administration in the territory of which the apartment is located.
4. The local municipal authority, after completion of the determined procedure, shall approve the application for purchase of apartment of tenure right holder who has fulfilled the conditions under this Law and signs a contract within the time specified in Article 7 of the Law.

**CHAPTER III
EXEMPTION FROM THE RIGHT TO BUY THE APARTMENT**

Article 11

1. Under the Law provisions from selling is excluded:
 - 1.1. apartment located in buildings to which the destruction procedure has been initiated;
 - 1.2. apartment located in administrative buildings used for the conduct of state administration, judiciary, health, and other representative buildings used for the need of local and central institutions;
 - 1.3. apartment located in charitable institutions, respectively belonging to the charitable institution and which can go on the achievement of goals for which it is established, building constructed or bought by the funds provided or collected for charity and other purposes of public interest;
 - 1.4. apartment used for pensioners housing and other persons, in terms of social protection;
2. Tenure right holder shall be compensated in an equivalent manner.

**CHAPTER IV
POWERS FOR DETERMINING THE APARTMENT STATUS**

Article 12

1. Municipality defines which apartments belong to administrative or representative buildings, under Article 11 of this Law.
2. The Municipality, under the request of the person concerned, confirms which apartments are purchased from funds provided or collected for charitable purposes or other public interest purposes, under Article 11 of this Law.

Article 13

1. Before signing a contract for the sale of the apartment, the seller is obliged to ask the Kosovo Property Agency, to verify whether a requirement to certain apartment in the Housing and Property Directorate established by UNMIK Regulation 1999 / 23 and 2000/60 or in Kosovo Property Agency, established by UNMIK regulation 2006/50 amended and supplemented by Law No.03/L-079.
2. If the Kosovo Property Agency or her heir confirms that the apartment that is the subject of sale is submitted an application at the institutions from paragraph 1 of this Article, it is obliged to send the seller a certified copy of the decision of the Housing and Property Claims Commission respectively Kosovo Property Claims Commission and such decisions shall be applied by the seller.
3. Apartments which are subject to conflict of tenure rights can not be sold until the final decision of the court or other competent Institution.

Article 14
Contract Contents for Apartment Sale

1. The sale of the apartment is done under the contract which is in writing and include:
 - 1.1. contracting parties;
 - 1.2. time and place of contract;
 - 1.3. details of the apartment which is the subject of this contract;
 - 1.4. price;
 - 1.5. declaration of the seller who accepts the transfer of ownership rights to the buyer and its registration in the register of immovable property;
 - 1.6. statement of the buyer accepting a mortgage on the apartment, in case of payment in rates;
 - 1.7. conditions, manner and time of completion of contract and;
 - 1.8. reasons for termination of the contract.

Article 15

1. The contract by the contracting parties must respect the deadline set by paragraph 3 of Article 7 of this Law.
2. The contract signed by the contracting parties is verified in the competent Institution.

Article 16
Setting the Selling Price

1. Base price for calculating the sale price for apartments is one hundred (100) Euro per m².
2. Sale discount coefficient is $KL = 0.03$ for each year of seniority.

Article 17

1. Apartment selling price is calculated according to the formula:

$$Sp = Av - (Av \times Aa \times Sc)$$

Where:

- Sp**- selling price;
- Av**- the apartment value;
- Aa**- apartment aging;
- Sc**- sale coefficient.

Article 18

1. Sale coefficient during the process of calculating the selling price of the apartment is applied for aging period of the apartment from fifteen (15) to thirty (30) years.

Civil laws

2. For apartments older than thirty years (30), the sale coefficient is applied to them as those with thirty (30) years of seniority.

Article 19

The price of the garage is set in the manner provided under paragraph 1 of Article 16 of this Law, but the buyer is not entitled to sale discount and shall pay the cost of the garage, under Article 20 of this Law.

Article 20

Method of Payment of Apartment Selling Price

1. Payment of the apartment selling price and of garage can be made with cash-in such case there is a 20% decrease from the selling price. Deadline for cash-payment can not be longer than fifteen (15) days, after the day of signing the contract.
2. Payment of the apartment selling price can be done by monthly installment for a period not longer than ten (10) years.

Article 21

If the buyer of the apartment does not comply with the contract on the payment method, about the observed delays will be applied interest penalty under the applicable Law.

Article 22

Payment Inability of Apartment Price

1. If the buyer of the apartment can not pay the debt due to the loss of his regular income or members of the family community residing with him/her, then the contract on the sale of the apartment is terminated and is established a joint ownership in the apartment proportional to the number of installments paid in proportion to the total number of installments contracted.
2. In the case from paragraph 1 of this Article, the buyer of the apartment continues to use the apartment in quality of tenant for the apartment in which he has not gained the ownership.

CHAPTER V

REGISTRATION OF PROPERTY RIGHT IN THE APARTMENT

Article 23

1. The buyer/purchaser gains the right of the apartment ownership when the apartment is registered in the registry of immovable property rights.
2. If the buyer has contracted payment method of the purchase price in installments, the right of ownership registration in the register of immovable property rights is acquired by the payment of final installment.

3. If the immovable property is not registered in the register of immovable property rights, the right of ownership over the apartment for which the payment is done, it is obtained with the certification and registration of the contract to the competent body in the territory of which the apartment is located.
4. Municipal Cadastral Office shall register the Immovable Property Rights in the registry under the authorization of the Kosovo Cadastral Agency and in accordance with applicable Law.

Article 24

In the case of contractual payment in installments, the contract for the sale of the apartment shall contain a statement of the buyer with which he / she enables the registration of the right of mortgage on the account of the seller on the purchased apartment for the amount of price and interest.

Article 25

1. The mortgage right is obtained by its registration in the registry of immovable property rights.
2. In municipalities where it is not established the registry of rights over immovable property, the mortgage right is achieved by registration of that right in another adequate register for registration of mortgage right on immovable property.
3. In cases where the competent authority accepts the request for registration or recognition of the ownership right over the apartment, it must ex officio register also the mortgage right on behalf of the seller for the amount of the sale price and interest.

Article 26

The tenure rights shall be terminated on the day on which the bearer of tenure right or his authorized representative signs the contract on the apartment market.

Article 27

For contracts selling the apartments under the provisions of this Law, no turnover tax is paid on immovable property.

CHAPTER VI METHOD OF DISTRIBUTION OF FUNDS FROM SALE OF APARTMENTS

Article 28

1. Money collected from the sale of apartments whose bearer of the tenure right are socially owned enterprises are paid into the account of social enterprise and used according to the applicable legislation on privatization of socially owned enterprises.

Civil laws

2. Funds from the sale of apartments are paid in:
 - 2.1. in the municipal budget when the holder of the tenure right are municipalities;
 - 2.2. in Kosovo budget when the holder of the tenure right are public central.
3. Received funds under paragraph 2 of this Article shall be used to solve the housing needs under Article 11 of the Law No. 03/L-164 on Financing of Special Housing Programs.

CHAPTER VII SPECIAL PROVISIONS

Article 29

1. The legal status of the unfinished buildings and their mode of privatization shall be regulated by special Law.
2. Uncompleted apartments, in terms of this Law, is considered each apartment building which is not subject to technical control and for which there was not issued a use permit.

Article 30

Authorized body for data management - records of apartments, is bound at the request of the seller or buyer, to enable access to those data that are important for the sale of apartments.

CHAPTER VIII PENALTY PROVISIONS

Article 31

Fine in the amount of five hundred (500) Euro to one thousand (1000) Euro will be applied to the responsible person of the authorized body if he fails to comply with the provisions of Article 30 of this Law.

CHAPTER IX TRANSITIONAL AND FINAL PROVISIONS

Article 32

Contracts for apartments use which are managed in accordance with the Law on Housing Relations (Official Gazette of KSAK "-No. 11/83, 29/86 and 42/86), which are formally contracted until the day of entry into force of this Law, shall be valid up to two (2) years, after the entry into force of this Law.

Article 33

1. If the holder of tenure right does not make a purchase contract before the deadline set by Article 32 of this Law, continues to use the apartment as a tenant.
2. The amount of rent and the tenant and landlord relations are determined by the Municipality under the Law on Financing of Special Housing Programs.

Article 34

Abrogation provisions

With the entry into force of this Law, all legal provisions, acts and regulations which are inconsistent with this Law shall be abrogated.

Article 35

Entry into force

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

**Law No. 04/L-061
21 December 2011**

Promulgated by Decree No.DL-053-2011, dated 30.12.2011, President of the Republic of Kosovo Atifete Jahjaga.

**OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / No. 01 / 12
JANUARY 2012, PRISTINA.**

**LAW No. 04/L-134
ON THE CONDOMINIUM**

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Assembly of Republic of Kosovo;

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

Approves

LAW ON THE CONDOMINIUM

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Purpose**

By this law are regulated the rights, obligations and responsibilities of the owners of building unit relating to the use, management and maintenance parts, facilities, spaces and joint equipments of the building - condominium.

**Article 2
Scope**

This law applies to all residential buildings and commercial activities that are owned by more than one owner and, for individual housing unit's complex which have jointly owned on territory, in operation and in use, exclusively the owners of the units.

Article 3 **Definitions**

1. Terms used in this law shall have the following meaning:
 - 1.1. **Residential building in the condominium** - independent building with two or more appropriate units and designated for housing, respectively housing and commercial activities which is owned by more than one owner.
 - 1.2. **Individual building units** - dwelling units, commercial units or other independent spaces in the building that are individually owned and its dimension is determined by horizontal and vertical boundaries in the condominium agreement.
 - 1.3. **Owner** - the natural person and legal entity that is a holder of the property right of the building unit.
 - 1.4. **Founder of the Condominium** – state institution, legal person, person or group of natural persons that act together, invest on a property, on whose behalf is registered for the first time.
 - 1.5. **Condominium Agreement** - a signed document by all unit owners, which is recorded in the Cadastre and which serves as an Act for establishment of the condominium. The Document must reflect any change in the building with amendment and including any amendments to those documents and include site plans and planimetry. This agreement describes the rights and responsibilities, restrictions and conditions on the way the common elements or units may be used. This typically includes the regulation of a condominium. The Agreement is the key governing document of a condominium.
 - 1.6. **Site Plan** - a plan depicting all or any portion of a condominium in two dimensions that shows the location of the condominium and spaces, parts and common elements.
 - 1.7. **Planimetry** - graphic description of individual building units and condominium.
 - 1.8. **Horizontal Boundary** – boundaries established in the condominium agreement and mean the space between two constructive plates respectively the clear height of the floor-to-ceiling of a unit such that the immovable property respectively below or above the constructive plates is not part of that unit.
 - 1.9. **Vertical Boundary** - the defined boundary of a unit that is not a horizontal boundary of that unit. It is defined in the condominium agreement and typically means the interior walls which limit the unit.
 - 1.10. **Joint Ownership** – part of a property that is not owned individually and is not public property, but in which an indivisible interest is held by unit owners.
 - 1.11. **Joint Ownership Elements** – parts, spaces and common equipment of the condominium which serve to unit buildings and building as a whole, as well as construction land, parking areas, recreational facilities and similar.
 - 1.12. **Joint Ownership elements for special use** - elements intended for exclusive use of one or more individual units but do not serve other units in the building which typically are spaces or common elements of a floor.

- 1.13. **Joint Ownership elements for general use** - all the condominium elements except for common elements for special use.
- 1.14. **Owner's Association** – legal body that functions as a non governmental organization or legal person where all owners of individual units are obligated to become members of a condominium.
- 1.15. **Chairmanship of the Association** – group of units owners, designated in the condominium agreement or in the regulation for the functioning and acts on behalf of the association.
- 1.16. **Regulations** – any agreement adopted by the Association for the functioning, regulation and management of the Association.
- 1.17. **House Rules** - agreement adopted by the Association for manner of usage, administration and maintenance of Joint Ownership elements.
- 1.18. **Participation Fee in Condominium** – part of undivided property in condominium, which serves for defining the measure of participation in common expenses and in the voting for owners of each unit.
- 1.19. **The usable area** - the total floor area of a building unit, not including wall spaces of the building unit.
- 1.20. **Administrator** - a commercial entity registered at competent authority for registration of businesses that is contracted by the Owner's Association to conduct management, maintenance or other services for the benefit of the condominium.
- 1.21. **Total usable area** - the measurement of usable area of all units in square meters.
- 1.22. **Management** - the implementation of decisions made by the Chairmanship of the Association based on the approved regulations of the Association for the purpose of administration including maintenance and safe operation of a condominium.
- 1.23. **Resident** – any person with permanent stay in the condominium, and leaseholder with their family members.
- 1.24. **Conflicting interest transaction** – contract, transaction or other financial relation between: Owners' Association, administrator and a member of the Chairmanship of the Association (except the contract of the Owners' Association with Administrator); Owners' Association and a party related to a member of the Chairmanship of the Association; Administrator and a party related to a member of the Chairmanship of the Association.
- 1.25. **Related Party** – spouse, descendant, brother or sister, brother's or sister's spouse, a property or trust in which the director or the party related to the director has beneficial interests
- 1.26. **Ministry** - Ministry for Environment and Spatial Planning.

CHAPTER II
INDIVIDUAL OWNERSHIP AND JOINT OWNERSHIP OF THE
CONDOMINIUM

Article 4
Rights of Ownership in Common Elements

1. All unit owners have an indivisible ownership right to Joint Ownership elements of a condominium.
2. Participation fee in the condominium of the individual unit owner is determined by the percentage ratio of the individual unit area of whole building surface designated for housing.

Article 5
Condominium Elements and Individual Units

1. Except as provided by the Condominium Agreement:
 - 1.1. parts of the individual unit are considered also all network amplifier, wall reinforcements, internal panel, plaster, panel, tiles, wallpaper, paints, and finite floor and any other material that constitutes part of the finite surface, if the walls, floors, or ceilings are designated as boundaries of a unit;
 - 1.2. any part of a condominium designated to serve only one unit is element of condominium for special use such as: duct, chute, flue, wire, conduit, bearing wall, bearing column, or other fixtures lies partially within and partially outside the designated boundaries of a unit, whereas any portion serving more than one unit or more parts is a condominium element;
 - 1.3. part of a unit are considered, all spaces, internal partitions, and other fixtures and improvements within the boundaries of a unit;
 - 1.4. any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies and patios and all exterior doors and windows or other fixtures designed to serve a single unit, but located outside the unit's boundaries, are common elements for special use allocated exclusively to that unit.
2. The common elements of the condominium are everything other than the individual units, and include such things as:
 - 2.1. holding construction of the building (foundations, massive walls, poles, construction between floors, roof / slope and flat roofs);
 - 2.2. roof covering (insulate, tiles, halls and similar);
 - 2.3. flat roofs usable and unusable;
 - 2.4. building frontage, entrance door and windows of common areas;
 - 2.5. sheet iron of roof and other works;
 - 2.6. chimneys, ventilation ducts, hydrants, fire extinguishing equipments, water pipes, waste channels and similar;
 - 2.7. common stairs, corridors, fences, emergency exits, balconies or lodges and similar;
 - 2.8. elevators to transfer people and items, with all its equipments;
 - 2.9. electrical wiring of the main fuse to the distribution slab of the building;

Civil laws

- 2.10. water supply from the main metering to the consumer as well as expenses repairs after interventions;
 - 2.11. installing sanitary facilities and sewage water in common areas;
 - 2.12. vertical installations of sewage from the pipes exit of the apartment to the main wells;
 - 2.13. electrical installation for stairs lighting: automatic, lamps place and fittings, spreader slab and mounted hour metering;
 - 2.14. common parts of central heating installation by connecting with jelly and heating devices in common areas;
 - 2.15. installing the phone up to the distribution of building units, installation of doors with electrical handles, interphone rings, lightning conductor installations and similarly;
 - 2.16. water supply equipment (pump and hydro-flexes);
 - 2.17. facilities and installations for waste removal, laundry spaces, basements and under the roof spaces;
 - 2.18. joint septic excavation;
 - 2.19. any other parts, space or other facilities and equipment that are not part of individual units, including the land parcel upon which the building is built.
3. Except for the common elements of the condominium for special use described in subparagraph 1.2. and 1.4. paragraph 1. of this Article, the condominium agreement must specify the unit or units to which elements of the condominium are allocated for special use.

Article 6

Condominiums that serve to more Building

1. The condominium that serves to the owners of several buildings is condominium which was built for this purpose and if for their construction have contributed more building owners.
2. The Condominium from paragraph 1. of this Article are Joint Ownership elements for general use of all unit owners in those buildings.
3. For the proportionally use and administration of the condominium are implemented the provisions of this law.

Article 7

Mandatory Regulation

For Condominiums, the Ministry, by regulation will determine minimal technical norms for condominiums and minimal spatial norms for the functioning areas of these buildings.

CHAPTER III CREATION, ALTERATION AND TERMINATION OF THE CONDOMINIUM

Article 8 Creation of the Condominium

1. A condominium for existing construction is created by recording the condominium agreement, signed by all unit owners in the building which include at least a site plan and a planimetry of a condominium in the Immovable Property Rights Registry and the Cadastre.
2. For new construction, a condominium is created by recording of the condominium agreement in the Immovable Property Rights Register and the Cadastre under the name of the developer who transfers the ownership of individual units together with the condominium participation fee to the new buyers-owners.

Article 9 Designation of Condominium and Individual Units in the Building

Condominiums and individual units are designated according to Law No.04/L-071 on Address System.

Article 10 Contents of the Condominium Agreement

1. The agreement must contain:
 - 1.1. the names of the condominium and of the association members;
 - 1.2. the building or buildings involved, defined by municipality, street name and house number;
 - 1.3. the general description of the condominium, including size, construction type, general purpose;
 - 1.4. a description of each unit, its position within the building, its purpose, its size, the identifying number, and any particular characteristics;
 - 1.5. the participation fee for each owner;
 - 1.6. a clear description of all common elements and any common elements for special use, including equipment;
 - 1.7. the rights and responsibilities pertaining to all owners;
 - 1.8. any restrictions on the use, occupancy and transfer of the units;
 - 1.9. sufficient legal description in which unit owners shall possess only a part of immovable property for few years, named as “limited time property”, if there is any;
 - 1.10. all drawings, planimetries, and technical certificates pertaining to the condominium.
2. The agreement may contain any other matters the filer considers appropriate like the regulations of the condominium.
3. The Agreement may contain the site plan and planimetry which may contain specific information required to be included in the Agreement.

Civil laws

4. The Agreement may be amended by presenting changes in the site plan or planimetry to correct typographical or technical errors.
5. The Agreement may be amended to comply with the requirements, standards or guidelines of any relevant governmental agency.
6. In cases where an amendment to the agreement that created or adds units must include a certification by an architect or engineer stating that:
 - 6.1. all structural components of the building are completed; and
 - 6.2. for amendments adding of units, that the structural capacity of the building and utility infrastructure is sufficient to support the creation of additional units.
7. The content of site plan and planimetry shall be determined by sub-legal act.

Article 11 Amendment of the Condominium Agreement

1. The condominium agreement includes planimetry and may be amended by majority votes of the unit owners who own more than fifty percent (50%) of usable area of the condominium.
2. The condominium agreement is done for:
 - 2.1. changing the size of the building, increasing the number of units, or changing the common areas;
 - 2.2. changing the designated purpose of a unit;
3. If from the amendments benefit all unit owners, the responsibilities and costs are borne by the Owners' Association.
4. Consent of the owners discussed in paragraph 1. of this Article must be verified by the competent authorities.
5. Amendments must be filed in the Cadastre.
6. Amendments should reflect changes in the participation fee in common elements and common elements for special use.

Article 12 Termination of Condominium

1. Except in the case of taking all units by expropriation, a condominium may be terminated only by the agreement of all unit owners in compliance with provisions in Law No.03/L-154 on Property and Other Real Rights.
2. An agreement to terminate must be executed in the same manner as a contract to transfer immovable property, by the number of unit owners required by paragraph 1. of this Article.
3. The Owners' Association, on behalf of the unit owners, may contract for the sale of the immovable property of the condominium following termination, but the contract is not binding on the unit owners without prior approval.
4. If property is to be sold following termination, title to that property, upon termination, vests in the Owners' Association as trustee for the holders of all interests in the units that has the necessary power to facilitate the sale.
5. Until the sale has been concluded, the Owners' Association continues in existence with all the powers it had before termination process.

6. Proceeds of the sale must be distributed to all unit owners and lien holders as their interests may appear, in accordance with this Article, taking into account the value of property owned or distributed that is not sold so as to preserve the proportionate interests of each unit owner with respect to all property cumulatively.
7. Property relations with owners who do not wish to sell their property shall be regulated by the Law No. 03/L-154 on Property and Other Real Rights.
8. Following termination of the condominium, the proceeds of any sale, together with the assets of the Owners' Association, are held by the Owners' Association as trustee for unit owners and holders of liens on the units to ensure completion of financial obligations of the units.

Article 13 **Public Disclosures Required**

1. The Owners' Association shall make the following information available to unit owners:
 - 1.1. the name of the Owners' Association;
 - 1.2. the name of the Owners' Association's designated administrator, if any;
 - 1.3. a valid physical address and telephone number for both the Owners' Association and the administrator, if any;
 - 1.4. the name of the condominium;
 - 1.5. the initial date of recording of the condominium agreement; and
 - 1.6. the Cadastral number of the recording of the condominium agreement.
2. Within ninety (90) days after the end of each year, the Owners' Association shall make the following information available to unit owners:
 - 2.1. the operating budget for the current fiscal year;
 - 2.2. a list of expenses, by unit type, including both regular and special expenses;
 - 2.3. its annual financial statements, including any amounts held in reserve for the year immediately preceding the current annual disclosure;
 - 2.4. the results of the recent audit report;
 - 2.5. a list of all Owners' Association insurance policies;
 - 2.6. the Owners' Association Condominium Agreement and any amendments, regulation of association functioning and house rules; and
 - 2.7. the minutes of the member meetings.
3. The Owners' Association may make the information public according to paragraph 1. and 2. of this Article by:
 - 3.1. posting on an internet web page if notice of the web address is delivered to the unit owners;
 - 3.2. making the information available at the Owners' Association office; or
 - 3.3. personal delivery.
4. The cost of distribution required by paragraph 3. sub-paragraph 3.3. of this Article shall be accounted for as a common expense.
5. If the address of the Owner's Association or administrator change, the Association must update the information within ninety (90) days after realization and the same ones must be re-published.

**CHAPTER IV
JOINT USE AND BUILDING UNITS**

**Article 14
Condominium use**

1. The owner is obliged to use the condominium in accordance with the purpose and extent of which corresponds to the rights of other owners.
2. Owners decide on all joint works in aiming at improving conditions for its use.

**Article 15
Performance of the allowed activities in the condominium**

1. Residential buildings may change the Canterbury, or common parts of the building can be re-designated only when in harmony with urban regulatory plan and requirements of the construction.
2. Relationship between the beneficiaries of the right for re-designation of condominium and the co-owners of the building will be regulated through the agreement.
3. Consent of the owners must be verified to the competent authorities.
4. Beneficiary of the right under paragraph 2. of this Article is obliged to get the consent from all other owners and to compensate for the value of re-designated area in the condominium if not otherwise agreed.

**Article 16
Use of Building Units**

Any owner its own property right in the building unit, performs in such a way as not to impede other owners to use their owned units, respectively exploitation and use of common parts and equipment in the building.

**Article 17
Performance of the allowed activities in building units**

1. As a subject of provisions of the condominium agreement, a unit owner may:
 - 1.1. realize any improvement or change of its own unit if it does not effect the structural integrity, electric system, mechanic system, as well as in reducing the participation fee of other owners in common elements without permission of Owners` Association;
 - 1.2. eliminate or change any part or may create exit, whereas the partial or total division is a common element, if such actions don't effect the structural integrity, electrical system, mechanical system or don't have an effect in reducing the building stability after the purchase of a neighboring unit or a part of a neighboring unit.
2. In accordance with the provisions of this law, the owner can change the unit designation of the building if he performs the conditions and procedures specified by law in force.

3. In accordance with paragraph 1. of this Article, to change the designation of the building unit, the owner previously must ensure the consent by other owners, where the amount of usable surface of their special units compound over fifty percent (50)% of the total exploitable building.
4. Consent of the owners must be verified to competent authorities.

Article 18

Termination of proceedings

The Chairmanship Association, the administrator or any other owner can request to terminate work on changes, if the changes in the building unit or in common elements are carried out without consent of Owners` Association or have deviated from the condominium agreement with Owners` Association.

Article 19

Responsibility for Damages

1. The owner is responsible for the damage caused during the use of his/her unit and has impact to other building units or in joint ownership, in accordance with general legal provisions.
2. The owner, respectively the lessee of the building unit is responsible for the damage caused in the building unit, namely the condominium, where the cause derives from a third person invited as a visitor of the owner/lessee. If the damage is caused by unreasonable or unsafe conditions in common elements, then the Association is liable.

Article 20

Tenant Relations to the Condominium

1. Owners retain all rights and responsibilities of the condominium granted by the condominium agreement and relevant regulations, whether or not units are leased to a third party. A unit owner is solely responsible for payment of all financial assessments including property taxes.
2. The owner must require from each lessee to comply with the condominium agreement, bylaws and house rules in condominium.
3. Unit Owners can lease their units to a third party subject to complying with the condominium agreement, bylaws and house rules of the condominium
4. Lessees are entitled to the use and enjoyment of the unit and common elements as specified by the lease contract.
5. Depending on the condominium agreement, sub-legal acts and house rules of a condominium, the owner who leases a unit to a third party must provide a rent notice to the Chairmanship of the Association or the Administrator as an Agent of the Owners` Association. The notice shall include contact information for the owner and the lessee.

CHAPTER V
CONDOMINIUM BODY OF DECISION-TAKING AND SHARING OF
RESPONSIBILITIES

Article 21
Decision-taking bodies

The responsible decision-making bodies for administration of a condominium are the Owners` Association, Chairmanship of the Association, who have the power to delegate certain function to an administrator.

Article 22
Owners` Association

1. For a newly constructed condominium, a Condominium Owners` Association shall be organized no later than the date the first unit in the condominium is conveyed to a purchaser.
2. For existing buildings with two or more units, unit owners shall establish the Condominium Owners` Association at the time the condominium agreement is filed establishing the condominium.
3. At the time the Owners` Association is formed, the unit owners must also adopt applicable regulations if they are not included in the Condominium Agreement.
4. The membership of the owners` association at all times shall consist exclusively of all unit owners.
5. If the condominium is terminated pursuant to Article 12 of this Law, the Owners` Association shall consist of all former unit owners entitled to distribution of proceeds of the property.

Article 23
Regulations of the Owners` Association

1. The method of functioning of the Owners` association is determined by regulations.
2. In compliance with this law, the regulations issued by the Owners` Association must include:
 - 2.1. the number of members of the Chairmanship of the Association and the titles of the officers of the Owners` Association;
 - 2.2. election of the Chairmanship of the Association, president, treasure officer, secretary and of all other officers of the Owners` Association specified in the regulations;
 - 2.3. the qualifications, powers, duties and terms of office of, and manner of electing and removing, members of the Chairmanship of the Association and officers and the manner of filling vacancies;
 - 2.4. powers of the Chairmanship of the Association or officers who may delegate to other persons or to an Administrator, if any;
 - 2.5. officers who may prepare, execute, certify, record and amend the condominium agreement on behalf of the Owners` Association; and
 - 2.6. a method for amending the regulations.

3. Subject to the provisions of the condominium agreement and regulations may provide for any other matters the Owners' Association deems necessary and appropriate.

Article 24

Legal status and Registration of the Owners' Association

1. The Owners' Association may decide if it shall be as a Non-Profit Organization (hereinafter, NGO) and wins such legal status upon registration at the Ministry relevant for Public Administration or a legal entity registered in the Ministry of Trade and Industry.
2. Any change in membership must be included in the Owners' Association status and forwarded to the competent body for registration.

Article 25

Denomination of the Owners' Association

Name of the Owners' Association as an NGO or legal entity shall contain the words "owners' association", to which should be added also the address of the condominium building.

Article 26

Legal Rights of the Owners' Association

1. In accordance with paragraphs 2. and 3. of this Article, and based on the Condominium Agreement, the Owners' Association, without specific authorization in the agreement, may:
 - 1.1. adopt and amend regulations;
 - 1.2. adopt and amend budgets for revenues, expenditures, reserves and payment of financial obligations as a part of common expenses of units' owners;
 - 1.3. hire and discharge the administrator, other employees, officials and other independent contractors;
 - 1.4. defend and participate in litigation or administrative proceedings as a representative of one, two or more units' owners in any matter related to the condominium;
 - 1.5. enter into contractual relationships and bear the liabilities;
 - 1.6. regulate the use, maintenance, repair, replacement and modification of common elements;
 - 1.7. do additional improvements to the common elements;
 - 1.8. acquire, hold, provide and bear the right of property or interest to immovable or movable property on its behalf, based on Article 10, subparagraph 1.8. of this Law;
 - 1.9. allocate common expenses, lease revenues, licenses, and concessions related to common elements;
 - 1.10. impose and receive payments and fees for the use, rental and use of the common elements as described in Article 5 of this Law;
 - 1.11. impose additional charges for late carrying out of owners financial

- obligations, reasonable cover of fees for the engagement of attorney and other legal costs for collection of payments and carrying out other actions to enforce the powers of the Owners' Association, regardless of whether or not the suit was initiated, and, after notice and provision of the opportunity the party to be heard, the imposition of penalty for violation of the condominium agreement, regulations and rules of the Owners' Association;
- 1.12. impose reasonable charges for the preparation and recording of amendments of the condominium agreement or the report on financial obligations that have not been carried out by the owners;
 - 1.13. provide the indemnification for its officers and Chairmanship of the Association and for the payment of insurance policy of the building, if possible;
 - 1.14. assign the right to future income, including the right to impose the payment of common expenses, but only to the extent the condominium agreement expressly so provides;
 - 1.15. exercise any other powers in conformity with condominium agreement and regulations;
 - 1.16. exercise other powers that may be exercised in Kosovo by NGO-s or legal persons of the same type as the Owners' Association; and
 - 1.17. exercise the powers necessary and in compliance with the governance and operation of the Owners' Association.
2. The Owners' Association may exercise its power in a manner that is fair, reasonable, and non-discriminatory, and the condominium agreement should not require it to do otherwise.
 3. Administrator, employee, independent contractor, or any person that represents the Owners' Association should be subject to this Article to the same extent as the Owners' Association itself would be.

Article 27 Meetings

1. Meetings of the unit owners, as members of the Owners' Association, shall be held at least once in a year.
2. Owners may attend personally or may authorize a proxy pursuant to Article 28 of this Law.
3. Extraordinary meetings shall be called by the chairman, a majority of the members of chairmanship of the Association, or by unit owners having 1/5 of the votes in the Owners' Association.
4. The chairmanship of the Association or the administrator may provide notice at least two (2) weeks before the meeting by hand delivering the notice to the unit owners or, if the unit owner does not reside at the condominium, by sending the notice via mail, facsimile, or email to the address provided by the owner. The notice shall also be posted in a conspicuous place at the condominium.
5. The notice shall state the time and place of the meeting and the points of the agenda, including the reason of the meeting for any proposed amendment to the agreement or regulations, proposal-amendment to the budget, and proposals for dismissal of the officials or members of the chairmanship of the Association.

6. All regular and extraordinary meetings of the Owners' Association are open for discussion to all members of the Owners' Association or their representatives. Agenda of the meeting shall be available for changes.
7. Condominium Agreement cannot limit unit owners' rights to be notified of and to attend meetings.
8. Meetings of the Owners' Association are led by the Chairmanship of the Association.
9. Besides it is determined in Article 15, paragraph 4. of this Law, matters put to a vote by the Owners' Association will pass if decided by a majority of owners constituting more than fifty percent (50%) of the votes.
10. Unless the regulations provide otherwise, a quorum is deemed present to hold a meeting of the Owners' Association if fifty percent (50%) of the participants are present personally or represented by proxy at the beginning of the meeting.
11. Unless the regulations provide otherwise, a quorum is deemed present to hold a meeting of the Chairmanship of the Association if fifty percent (50%) of the participants are present personally or represented by proxy at the beginning of the meeting.
12. In case of a lack of quorum, the Chairmanship of the Association or the administrator shall appoint a new meeting.
13. In the meeting of the Owners' Association, the matters that can be brought to a vote are those points presented in the agenda provided in the notice on holding the meeting.
14. In the meeting of the Owners' Association, the secretary of the Chairmanship of the Association or the administrator shall keep records and evidence all decisions of the meeting. A copy of the minutes will be distributed to all owners.
15. Notwithstanding paragraph 6. of this Article, the members of the Chairmanship of the Association thereof may hold a closed door meeting during a regular or extraordinary session.
16. Owners' Association shall define in the regulation when there shall be held the closed door meetings.
17. If a closed-door meeting is held, the minutes shall notice that the closed-door meeting was held and shall provide in general information regarding the matter discussed in closed door meeting.

Article 28

Voting and Proxies

1. The power of the vote shall be defined by the quota of participation.
2. Units' owners may delegate the right of voting by a proxy.
3. A unit owner may not revoke a proxy given pursuant to this Article except by actual notice of revocation to the person presiding the meeting of the Owners' Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it is provided otherwise.
4. The manner of voting and other details of functioning and decision-making during the meetings shall be regulated by the regulations of Owners' Association.
5. Any action of the Owners' Association based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation is valid unless a court of competent jurisdiction determines otherwise.

Article 29
Chairmanship of the Association

1. The Chairmanship of the Association is the lead governing body of the Owners' Association.
2. The Chairmanship of the Association is charged with managing the condominium unless a majority of the unit owners vote to hire an Administrator.
3. Except as provided in the Condominium Agreement, regulations, or any other provisions of this Article, the Chairmanship of the Association may act in all instances on behalf of the Owners' Association.
4. Liabilities of the Chairmanship of the Association, in more details, shall be regulated by regulations.

Article 30
Administrator

1. The Owners Association may hire an administrator to carry out day-to-day management functions of the condominium.
2. Any administrator hired must provide:
 - 2.1. proof of fidelity insurance or a security bond written to protect and reimburse the association in the event of illegal action by the administrator;
 - 2.2. certificate that proves the completion of the training of at least one (1) member of the Administrator as it is defined with an Administrative Instruction by the Ministry; and
 - 2.3. business certificate by the competent body for business.
3. The administrator's duties shall be set forth in a contract between the administrator and the Owners' Association.
 - 3.1. the contract shall not grant the administrator any powers greater than that of the Chairmanship of the Association and can include those matters set forth in Articles 29 and 30 of this Law;
 - 3.2. the contract shall include:
 - 3.2.1. name of the condominium;
 - 3.2.2. names and contact information of both parties and their key points of contact, including after hours in the event of an emergency at the condominium;
 - 3.2.3. specific powers and responsibilities of the administrator;
 - 3.2.4. amount and terms of compensation;
 - 3.2.5. amount of fidelity insurance or surety bond required; and
 - 3.2.6. contract period.
4. The contract may be entered into by the Chairmanship of the Association but must be approved by majority votes of the Owners' Association at the next annual meeting or at a special meeting called for the purpose of ratifying the administrator's contract.
5. The administrator is responsible for reporting to the Chairmanship of the Association every month, including providing a full accounting of all collections and expenditures. The administrator shall also assist the Chairmanship of the Association to report to the Owners' Association at the annual meeting.

6. The administrator must keep accurate and detailed records regarding the finances and management of the condominium and must make these records available to any unit owner upon request.
7. The contract with the administrator is terminable at will by either party.
8. After completion of the contract by expiration or by termination, the administrator shall immediately return all documentation regarding the condominium to the Chairmanship of the Association.

Article 31 Conflict of Interest

1. Except the transactions defined by the conflict of interest, no loans shall be made by an Owners' Association to a member of the Chairmanship of the Association or the administrator. Any member of the Chairmanship of the Association or administrator who assents to or participates in the making of any such loan shall be liable to the Owners' Association for the amount of such loan until the repayment thereof.
2. A conflicting interest transaction is not prohibited if:
 - 2.1. the material facts as to the member or administrator's relationship or interest and as to the conflicting interest transaction are fully disclosed to the Chairmanship of the Association;
 - 2.2. the Board of Directors in good faith approves the conflicting interest transaction by the majority of votes of members of the Chairmanship of the Association.

Article 32 Legal Liability

1. Founder of the condominium shall be liable for the full realization of the agreement with owners of units of condominium and areas in their function as well as for the consequences of acting or non-acting in any part of the condominium.
2. Any action alleging an act or omission by the association must be brought against the association and not against any unit owner.
3. Whenever the founder is liable to the association under this Article, the founder is also liable for all expenses of litigation, including reasonable attorney fees, incurred by the association.
4. Founder of the condominium is liable to the association for all funds of the association collected during the period of founder control which were not expended properly.

Article 33 Insurance

1. The owners' association should maintain, to the extent reasonably available:
 - 1.1. property insurance on the common elements to cover the loss for various reasons in an amount of the insured property repair;
 - 1.2. commercial general liability insurance arising in connection with the management of the common elements, in an amount specified by the regulations of Owners' Association.

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2. If the insurance described in paragraph 1. of this Article is not available, or if any policy of such insurance is cancelled or not renewed without a replacement policy having been obtained, the association shall promptly notify the unit owners.
3. By the Condominium Agreement there shall be defined any other insurance that units' owners consider it appropriate to protect the condominium and managing bodies.
4. Cost for insurance is a common expenditure of the Association where each unit owner shall be obliged to cover the expenditures in the amount of his participation fee.
5. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.
6. Any administrator contracted by an association for the managing of thirty (30) or more units of a condominium must obtain and maintain insurance in an amount not less than the amount necessary for covering the expenditures for the last two (2) months, plus reserves, according to the calculations from the current budget of the Association.
7. Each unit owner should carry out the insurance of the unit.

Article 34 Administrator Authorizations

1. The Administrator collaterally with certain powers defined by applicable laws, has also other authorizations as following:
 - 1.1. designs the maintenances plan of building, timely implementation and execution of this plan;
 - 1.2. maintains account management expenses;
 - 1.3. inform the owners for his / her assigns and assess monthly and annual accounts;
 - 1.4. prepares invoices for the owners based on monthly accounts and pays taxes for contracts with third persons;
 - 1.5. presents an annual report for the management of the facility;
 - 1.6. represent owners to the relevant authorities for issuing permits and municipal services;
 - 1.7. the administrator performs also other duties prescribed by this Law, other laws in force or by the agreement of the owners.

Article 35 Administrator's right to select third person

1. The Administrator for performing specific tasks, which are part of the management framework, may authorize a third person to conduct all or a part of the work. The administrator remains responsible for all work performed by the third party.
2. The administrator must advise and answer to the Chairmanship of the Association with respect to any contracts made with third parties.
3. Procedure of selection of third persons for conducting the specific tasks shall be defined by owners in the Condominium Agreement or regulations.

Article 36
Municipality responsibilities towards condominium

1. Municipality through urban regulatory plans shall define the common land and public areas in the function of condominium, common electrical, water-supply and sewerage as well as central heating installations by respecting the minimal norms for areas in the function of condominium.
2. If the condominium, parcel in which it has been built is partially or totally a municipal property, the municipality should agree, during the process of condominium registration, to entitle the units' owners on common areas in the function of the building regulated upon paragraph 1. of this Article.
3. Municipalities, respectively the competent municipal body shall maintain the register of condominium and administrators that practice this activity in territory managed by it.
4. The form, content and manner of keeping the register under paragraph 2. of this Article shall be determined by sub-legal act from the Ministry.
5. The municipality shall initiate the establishment of the Owners' Association through projects depending on budgetary possibilities.
6. Ministry in cooperation with the Municipality shall provide education and training to the buildings' owners and Chairmanship of the Association regarding the governance and functioning of the condominium.

CHAPTER VI
ADMINISTRATION AND MAINTENANCE OF THE CONDOMINIUM

Article 37
Common Expenses

1. Until the Owners' Association makes a common expense assessment, the founder shall pay all common expenses. After any assessment has been made by the Owners' Association, assessments shall be made at least once a year, budget shall also be adopted at least once a year by the Owners' Association.
2. Except for assessments under paragraphs 3. and 4. of this Article, all common expenses shall be assessed against all the units in accordance with the participation fee set forth in the condominium agreement pursuant to Article 10 of this Law. Any common expense fixed by the Owners' Association shall bear interest at the rate established by the association not exceeding the rate allowable by law.
3. As specified with the agreement:
 - 3.1. any common expense associated with the maintenance, repair, or replacement of a condominium element for special use shall be assessed against the units to which that common element is assigned, equally, or in any other proportion the agreement provides;
 - 3.2. any common expense or portion thereof benefiting fewer than all units shall be assessed exclusively against the units benefited; and
 - 3.3. costs of municipal services shall be assessed based on the policies defined by the operators.
4. If any common expense is caused by the misconduct of any unit owner, the association may assess that expense exclusively against such owner's unit.

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5. Each unit owner is liable for taxation made against such owner's unit:
 - 5.1. units' owners shall pay the tax whether or not they used the common elements or used the unit against which the assessment is made;
 - 5.2. units' owners must pay tax to cover costs that were properly approved by the association, regardless of whether the unit owner voted for or against the approved decision.

Article 38

Management of Revenues Collected by the Owners' Association

1. The Chairmanship of the Association and administrator, if any, shall ensure that all funds of the Owners' Association are maintained in a separate bank account.
2. If an administrator manages multiple condominiums, the funds of each condominium must be kept in separate accounts.
3. Unless otherwise provided in the condominium agreement, any surplus funds of the association remaining after paying or setting aside money for common expenses and prepaying or setting aside reserve funds shall be credited to the unit owners in proportion to the participation fee to reduce their future common expense assessments.

Article 39

Use of Owners' Association Revenue

1. Revenues collected by the Owners' Association through tax or other sources may be used only to cover expenses for:
 - 1.1. repayment of loans, including principal and interest;
 - 1.2. emergency repairs to the condominium;
 - 1.3. necessary repairs to the condominium;
 - 1.4. regular management works of condominium;
 - 1.5. condominium insurance from an insurance company;
 - 1.6. fire protection.

Article 40

Regular Administration

1. Regular management works, which are of interest to all unit owners of a building are as following:
 - 1.1. maintaining hygiene in the surface of joint spaces;
 - 1.2. regular maintenance of electrical installations in the common parts of the building;
 - 1.3. maintenance of lighting and other electrical devices within and outside the building;
 - 1.4. payment of costs of electricity in the common parts of the building;
 - 1.5. painting walls inside and outside the building;
 - 1.6. regular servicing of elevators;
 - 1.7. regular servicing of fire fighting installations and fire extinguishers in the building;

- 1.8. regular servicing of water supply, sewerage, electrical installations and installation of machinery;
- 1.9. disinfection of the common space of the building and special parts in the whole building;
- 1.10. cleaning of horizontal and vertical water gutters and water collector.
- 1.11. cleaning of the septic excavation;
- 1.12. maintaining and cleaning of chimney;
- 1.13. necessary repairs as:
- 1.14. repair of roofs, abutments walls, piles, mid-floor constructions and foundations;
- 1.15. reparation of chimneys and damaged ventilation channels;
- 1.16. repairing the damaged facade of the building;
- 1.17. isolation of walls, floors and foundations of buildings;
- 1.18. all other required works to keep the building in regular condition and to be protected the residents of that building, of which is decided by the Owners' Association.

Article 41 **Emergency repairs of condominium**

1. Emergency repairs are considered the undertaken works in condominium with the case of:
 - 1.1. damage to the central heating system;
 - 1.2. cracks, defects and bottlenecks in water supply and sewerage system, to prevent further negative effects;
 - 1.3. problems presented in the electrical wiring;
 - 1.4. major damage to chimneys and ventilation ducts;
 - 1.5. rain water penetration into the building, rehabilitation of major consequences and damage to the roof;
 - 1.6. threat of static stability of the building or certain parts of the building;
 - 1.7. damage in elevators;
 - 1.8. collapse of parts of the facade;
 - 1.9. rehabilitation of the consequences from fire;
 - 1.10. any other construction, repair or rehabilitation urgently needed to protect the condominium or its users from the immediate damage or additional damages.

Article 42 **Regular Maintenance of Buildings**

1. Chairmanship of the Association, or directly through the administrator or owners' association, shall prepare a plan for regular maintenance of buildings. The plan will last at least one (1) year.
2. In the maintenance plan, the Chairmanship of the Association will set the elements to be maintained or repaired and will include them in the budget required from Article 37 of this Law.
3. If any owner believes that the maintenance plan does not ensure preservation of the condominium, he/she may challenge the plan and the budget by submitting an

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objection to the Chairmanship of the Association. If the Chairmanship of the Association rejects this objection, the unit owner can take the available steps under this law, including the convening of an extraordinary meeting of the Owners' Association.

4. In cases where one or more owners do not respect the maintenance plan, each owner may notify the municipal inspector to take a decision against them to implement the maintenance plan.

Article 43 Other Expenses

1. Other expenses can be approved by the majority of owners or as otherwise set forth by this Law.
2. Other expenses are expenses that exceed costs of regular management include changes in joint ownership, changes of use in the building and improvements that are not included in regular maintenance of building, hiring professionals such as attorneys and accountants, and social and community betterment activities.
3. If an Owners' Association does not approve a proposed expense, any unit owner or a combination of unit owners can fund the expense on their own, if the activity or service giving rise to the expense is consistent with the Condominium Agreement, regulations, house rules and this Law, and has obtained the necessary owner approval, if such approval is necessary.
4. Units owners, who own more than half of the parts in the condominium, approve house rules, which set fundamental rules of neighbor understanding in the building.

CHAPTER VII SUPERVISION

Article 44 Administrative Supervision

1. The respective Ministry for Environment and Spatial Planning shall be responsible for the implementation of the provisions of this Law and sub-legal acts issued under this Law.
2. The respective Ministry for Environment and Spatial Planning shall supervise the legality of work of municipal administration regarding the implementation of the provisions of this Law.

Article 45 The inspection supervision

1. The inspection supervision on the implementation of this law and sub-legal acts issued under this Law shall be performed by the municipal inspector authorized for housing within the settings of competent authority for inspection.
2. In the territories that are under the competence of Ministry, the inspection supervision shall be performed by the Inspectorate of the Ministry.

3. During the inspection performing, inspectors of paragraph 1. of this Article have right to perform inspection in all housing buildings and housing buildings that have a unit of commercial business and that are in ownership of more than one owner, and also as complex of individual housings and business units that have in joint ownership a territory, in function and in use exclusively for the owners of units if the administration committed in compliance with the provisions of law and sub-legal acts issued under this Law.
4. The Owners' Association or Administrator as well as owners of individual units in the condominium are obliged to enable the inspector having approach on necessary documents relating to the administration of the condominium.
5. For the ascertained state on the building, the inspector keeps the record based on which will issue a decision and based on which will be allowed the execution.
6. Against the decision of the authorized Inspector for housing can be initiated appeal to the Ministry.
7. The Complaints against the decision will not postpone its execution.

CHAPTER VIII PENALTY PROVISIONS

Article 46

1. The Owners' Association may record a lien on a unit for any tax levied against that unit or fines imposed against its unit owner.
2. The amount of a lien shall be increased depending on tax levied.
3. The lien shall remain on the unit, and must be satisfied before the unit can be sold, transferred or otherwise conveyed.
4. A lien under this Article is prior to all other liens on a unit except:
 - 4.1. liens recorded before the recordation of the condominium agreement;
 - 4.2. a security interest on the unit which has priority over all other security interests on the unit and which was recorded before the date on which the assessment sought to be enforced became delinquent; and
 - 4.3. liens for real estate taxes and other governmental assessments or charges against the unit.
5. Recording of the condominium agreement constitutes record notice and perfection of the lien.
6. The association shall provide a unit owner or such unit owner's designated representative with written notice of the nature and amount of unpaid assessments, fines or other amounts currently charged to the owner's unit. If notice is not given, the association shall have no right to assert a lien upon the unit.
7. The association's lien may be foreclosed in the same manner as a mortgage on real estate.
8. The association shall be entitled to costs and reasonable attorney fees incurred by the association in enforcing the lien.
9. Members of the Chairmanship of the Association or Administrators are subject to legal liability to the Owners' Association as provided by this Law, and may also face criminal prosecution if they engage in criminal activity while carrying out their respective responsibilities.

**CHAPTER IX
TRANSITIONAL AND FINAL PROVISIONS**

Article 47

1. The sub-legal acts required by this law will be issued by the Ministry, within six (6) months from entry into force of this law.
2. By enforcement of this Law, the Law No. 03/L-091 for Use, Management and Maintenance of Building Joint Ownership will be abrogated.
3. Organized owners` units according to the Law No. 03 / L 091 for Use, Management and Maintenance of Building Joint Ownership, within six (6) months from entry into force of this law, to come into compliance with this law.

Article 48

Entry in to force

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

**Law No. 04/L-134
29 July 2013**

Promulgated by Decree No.DL-033-2013, dated 16.08.2013, President of the Republic of Kosovo Atifete Jahjaga.

**OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / No. 29 / 22
AUGUST 2013, PRISTINA**

LAW No. 03/L-091
ON USE MANAGEMENT AND MAINTENANCE OF BUILDING
JOINT OWNERSHIP

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Assembly of Republic of Kosovo,

In adherence on article 65.1 of the Constitution of the Republic of Kosovo;

With the purpose of drafting legal framework for use, management and maintenance of common sections and equipments of the building as well as creating housing conditions and mechanisms according to European Union standards,

Approves

LAW ON USE MANAGEMENT AND MAINTENANCE OF BUILDING
JOINT OWNERSHIP

CHAPTER I
GENERAL PROVISIONS

Article 1
Purpose and purviews

1. This law regulates owners rights and obligations to building units regarding the use, management and maintenance of common sections and equipments of the building – joint ownership.
2. This law shall be implemented for all buildings, which have some units and serve for housing or for exercising commercial activities and that are owned by more than one owner (joint ownership).

Article 2 Definitions

“Housing building in joint ownership” is independent building with two or more suitable units foreseen for housing, respectively for housing and commercial activities owned by more than one owner.

“Joint ownership” are common sections and equipments of the building serving to building units and the entire building, as well as the land building constructed.

“Individual building units” are housing units, commercial units or other independent building spaces of individual ownership.

“Owner” are natural or legal entity bearers of the ownership rights to specific sections of the building.

“Used area” is building unit floor overall area, not including building unit wall space.

Article 3 Right of Building joint ownership

Owners have the right to joint ownership of common sections of the building serving specific units of the building.

Article 4 Common Components and Equipments of the Building

1. In the meaning of this Law, common components and equipments of the building include:
 - 1.1. construction building support (foundations, massive walls, columns, middle floor constructions, roof constructions / flat and inclined roofs);
 - 1.2. roof cover (isolation, tiles, halls and similar);
 - 1.3. flat roofs useable and un useable;
 - 1.4. building façade, entrance door and common section windows;
 - 1.5. roof sheet iron works and other (vertical and horizontal water spouts, edges/sides and other);
 - 1.6. chimneys, ventilation canals, hydrants, fire extinguishing equipments, water pipes, waste canal and similar;
 - 1.7. common stairs, fences, emergency exits and similar;
 - 1.8. lifts and all its equipments;
 - 1.9. electrical instalments from the main fuse to the distribution slab in the apartment;
 - 1.10. water instalment from the main meter to the consumer (all installations in Walls and floor) and repair after interventions;
 - 1.11. sanitary equipments of water and canalization installation in common spaces;
 - 1.12. vertical canalization installation from the outing pipes of the apartment to the main well;
 - 1.13. electrical installation of stair lighting (the automatic, lamp and mounting, distribution tile, meter reading and clock mounted);

Law No. 03/L-091 on use management and maintenance of building joint ownership

- 1.14. central heating installation from the cauldron and heating cases in common sections;
- 1.15. phone installation up to the distribution device in the apartment, electric handle door installation, interphone, door bell, lightning conductor and similar;
- 1.16. water providing equipments (water pump and hydroflex);
- 1.17. spaces and installations of waste removal, laundry washing, basements and under the roof spaces;
- 1.18. cleaning the common septic hole;
- 1.19. and other parts and equipments used for common purpose.

Article 5

Building joint ownership serving to more than one buildings

1. Joint ownership in the building which serve for owners of some buildings are joint ownership in the building which are build for this purpose and if for their construction owners of more buildings have contributed.
2. Joint ownership in the building from paragraph 1 of this article, include joint ownership of all owners of the units in those buildings. For their usage and administration the provisions of this law shall be implemented proportionally.

CHAPTER II

USING OF JOINT OWNERSHIP AND OF BUILDING UNITS

Article 6

Using of Joint Ownership and of Building Units

1. The owner is obliged to use joint ownership in compliance with destination and in measures which responds to the rights of other owners.
2. The owners may take decision for all works in joint ownership which aim to improve the conditions for its usage.

Article 7

Using the units in building

In a multi unit and multi owner building, all owners shall realize their ownership right to building unit so that other building unit owners are not disturbed, meaning to use common sections and equipments of the building.

Article 8

Activities allowed in housing units

1. In accordance to provision of this law, the owner cannot to change designation of building unit if preliminary did not fulfil the conditions by paragraph 2 and 3 of this article as well procedure and other condition determinate with specific acts.
2. In accordance to paragraph 1 of this law, prior to changing designation of building

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unit, the owner shall ensure the consent of other owners where the total of their specific units used area is over fifty (50%) of the whole building area used.

3. The consent of Owners will be verified to competent body.
4. Administrator, respectively each other owner can request to stop project about changing, if changing of the building unit or common parties are in contrary with paragraph 1, 2 and 3 this article.

Article 9 Damage responsibility

1. The owner is responsible for the damage caused during his unit use affecting other building units or joint ownership, in accordance to other general legal provisions.
2. The owner, respectively the building unit tenant together with the person inflicting the damage are responsible for the damage caused by a third person, as a visitor to the owner/tenant in building unit, respectively building joint ownership.

Article 10 Tenant relations to building joint ownership

1. If the owner leases the building unit, then with contract for rent all rights and obligations and responsibility transfer to the tenant, excepts property tax.
2. Usual expenses shall be covered by the tenant, whereas other expenses shall be covered by the owner, unless not decided otherwise in the rent contract.
3. In the meaning of paragraph 2 of this article, usual expenses include all running expenses for regular use such as: electricity, water, heating, maintenance and management of joint ownership in the building.
4. Upon making the rent contract, respectively amending the contract, the owner shall immediately notify the administrator. Until the moment of notifying, all obligations of building administration apply to the building unit owner.

CHAPTER III BUILDING JOINT OWNERSHIP MANAGEMENT AND MAINTENANCE

Article 11 Decision taking

For decision taking and administration of the building joint ownership, responsible is the Owners Communion or representative of the owners and selected administering bodies such as administering council and the administrator.

Article 12 Contract for joint ownership

Relation, rights, obligation as well as the percentage in joint ownership, owners regulate with Contracts for Joint ownership bonded between all owners.

Article 13
Owners Communion

1. Meeting of the Owners Communion could be convened by the owners that compose at least 1/5 of ownership parts, the administrator or Managing Council.
2. The administrator is obligated to convoke the Owners Assembly at least once a year with special invitation at least two (2) weeks before the day of meeting.

Article 14
Leadership and decision takings on the Owners Communion

1. Owners Communion usually is led by the administrator, person which is nominated by the majority of Communion participants, or by that one who convenes the Communion.
2. In the Owners Communion it's decided by the majority votes of the owners that comprise more than fifty (50) % of parts in the building joint ownership.
3. For Owners Communion functioning, it is requested the quorum which comprised is by the owners, parts of the joint ownership that are more than fifty (50) % of joint ownership of the building. In case of quorum absence, the administrator will invite new meeting by the agreement of participants.
4. In the repeated owners meeting, will be voted the proposal-decisions which were represented in the invitation and which are included in regular management by the majority of the present owners, according to the parts of the building joint ownership.
5. During the Owner Communion, the administrator draft the report, in which one are materialized all meeting decisions, and the copy of it will be delivered to all owners.

Article 15
Management Council

If the owners will not decide differently, the Management Council comprises by three members that supervise the administrator's work and which proceeds from the contract of management accomplishing works, represent proposal- decisions that are voted by the signing list and also it gives the competences to the administrator.

Article 16
Administrator

1. If the building has two or more owners with more than six units in the building, then the owners should nominate the administrator.
2. The Administrator is authorized and represents the owners, and also he is responsible for performing the rights and obligations determined by the enforced law, respectively contracting relationship with third persons.

Article 17
The right to exercise the Administrator's activity

1. The administrator performs duties of regular management.
2. Legal entities have the right to exercise the administration activity who should be licensed in MESP.
3. Criteria, norms and procedures for licensing shall be offered in details with Administrative Direction for Licensing the Administrators prepared by MESP.
4. If the administrator is not selected, each owner could propose to be selected in the court by legal procedure.

Article 18
Administrator authorizations

1. The administrator, besides the determined authorizations by the Law on has also other authorizations as following:
 - 1.1. draft the building maintenance plan, period of realization and execution of this plan;
 - 1.2. keep accounts of management expenses;
 - 1.3. inform the owners for his/her work and assign for monthly and annually accounts;
 - 1.4. prepare the owner's billing based on monthly accounts and pay for obligations that rise from the contract with third persons.
 - 1.5. present the annual report of object management;
 - 1.6. represent the owners in front of respective bodies for issuing the permits and exercising municipality services;
 - 1.7. administrator performs also other duties that are determined on Law or based on owner's agreement;

Article 19
Contract of accomplishing the management duties

1. For accomplishment of other administrative doings, besides authorizations from article 18 of this Law, the relations between the owners are regulated by the special contract;
2. The contract of management performance is validated when it is signed by the administrator and the owners, which is necessary for decision acceptance of administrator selection.
3. The owners, besides the administrator selection, could authorize also another owner for assisting on management works. In this case, the contract is valid when it will be signed by the administrator and all authorized persons for contract realization.
4. In accordance with paragraph 2, of this article, contract of performing the management works is valid also for the owners that didn't sign, respectively owners that voted against signing this contract.

Article 20

Contract contents of performing the management works

1. The contract of accomplishing management obligations especially includes:
 - 1.1. administrator's authorizations and obligations;
 - 1.2. monthly salary for accomplishment of management works;
 - 1.3. validation period of the contract.

Article 21

Administrator's right for the third person selection

1. Administrator for accomplishing the special task, which are part of the framework regarding management works, could authorize third person who should be licensed according to article 17 of this law. For perform works by the third person, responsible is the administrator.
2. When the administrator in frame of management performance, contract works with third person, for his selection he will respond to the owners.
3. By the contract of management performance, it could be decided that the administrator before contract league with third person, should present this contract proposal to the owners or to the management council for their consent regarding this issue.
4. Selection procedures for third persons, for accomplishing the special doings, are determined by the owners.

Article 22

Contract secession of management work performance

1. Each contracting parties of management work performance, have right that by unilateral decision to be released from the contract, with obligation to inform the other party within limited period at least three (3) months, since the day of denunciation. Within this period, the owners will select new administrator.
2. In case that administrator would break the law authorizations, or contract obligations, then the owners are not obligated to respect the foreseen resignation period, according to the paragraph 1 of this article.
3. For contract resignation, the owners execute the certain manner as it is for administrator selection.

Article 23

Administrator obligations regarding to the management consigns

1. After contract performance of management works, the administrator should deliver to new administrator all relevant documentations regarding building management, and also should inform the third parties for administrator changing.
2. Owners nominates the temporary administrator, in required cases, whereas will not be selected the new administrator.

Article 24
Non-fulfilment of Administrator obligations

1. Its necessity, that the administrator should fulfil the financial obligations with third persons of the contract of building management, according to the accepted payments from each owner separately.
2. If any one of the owners falls down on the obligations fulfilment toward third person, the administrator within eight (8) days, since the day when he receives this information from third person, will deliver the necessity data's of the owner with aim of submitting the indictment-request for he/her.

Article 25
Administrator Reports

1. Administrator, regarding his work at least once in the year will report to the owners.
2. Without taking in account the provisions of paragraph 1, of this article, according to the requests of most part of the owners, the administrator will report for his/her valuations.

Article 26

1. The administrator should give the possibility to each of owners to have approach in contract view, joining with third person according to the reasonable requests of his/her, not more than once per month, also on accountabilities' books which are evidenced based on the contracts and profiteer reports of the administrator with third persons and about the condition of reserve fund.
2. The administrator should present to each owner the account expenses, once per six (6) months.
3. In expense accountings, the administrator should present separately every circulation expenditures, maintenances, general management works, and also the list of each owner, in which one are evidenced the accountings, amount of monthly prepays on reserved fund, other payments and also the reserve fund condition.
4. The administrator based on the owner's request, will present the evidence- bills of the condition for unpaid obligations due to the certain day.
5. The expenditures of issuing the evidences from paragraph 4, of this article, will not be included in work management performances.
6. For works related with regular management of building, needed consent of co-owners, sections of which contains more than half of joint ownership sections, respectively their authorized.

Article 27
**Performing the activities in contradiction with permit or without a permit
of Competent Authority**

1. If in the apartment were done the activities that are in contradiction of authority permit or without his permit, then the Competent Authority with ordinance will halt that activity until issuing the permit of such activity.

Law No. 03/L-091 on use management and maintenance of building joint ownership

2. If according to paragraph 1, of this article, such activity is performed by leaseholder of that apartment, then the Administrator should inform the owner of that apartment.

CHAPTER IV ADMINISTRATION AND MAINTANANCE OF BUILDING JOINT OWNERSHIP

Article 28 Regular Administration

1. The works of regular administration, which are of the interest of all owners for one part of the building, may be considered:
 - 1.1. maintenance of the hygiene on the surface of common,
 - 1.2. regular maintenance of electrically installations on the common parts of the building,
 - 1.3. maintenance of lightning and other electronically equipments within and outside of the building,
 - 1.4. payment of the expenses of electricity on the common parts and equipments of the buildings,
 - 1.5. colouring of walls within and outside the building,
 - 1.6. regular repair of elevator;
 - 1.7. regular repair of fair installation and fair equipments within the building;
 - 1.8. regular repair of water supply, canalization, electrically installations, and machinery installations;
 - 1.9. disinfecting and deratization of the common space of the building and specific parts in the whole building;
 - 1.10. cleaning of horizontal and vertical, of water and water collection screens;
 - 1.11. cleaning of septic tank;
 - 1.12. maintenance and cleaning of smokestacks;
 - 1.13. maintenance and other services for which shall be decided by the Owners Communion.

Article 29 Building maintenance plan

1. The provision of building and maintenance plan is prepared by the administrator in the period of one (1) to five (5) years, approved by the owners.
2. Owners, in the maintenance plan, define sections maintained and managed with financial means provided through pre-payment in the reserve fund.
3. Any owner considering that the maintenance plan does not provide protection of housing conditions, respectively building unit use or main purpose of the building entirety, can require from the offence court with legal procedure to order the review of maintenance plan adaptability.

Article 30
House Orders

The owners, who have most parts of the joint building ownership, approve the orders of house in which one are determined the essential understanding rules on the building.

Article 31
Conveyance of the management expenses

1. The owners are responsible for covering all management expenses according to the percents of building joint ownership, if the owners by the written contract are not agreed differently.
2. For expense coverings, which are as consequences of approved decisions, responsible are the owners, no matter of the fact if they were voting for or against approved decisions.

Article 32
Works which overpass the framework of regular management

1. The owners determine the works which ones overpass the frameworks of regular buildings management, with the consent of all owners.
2. Works that overpass the framework of regular management includes the changes of buildings joint ownership, use distinction of buildings joint ownership and improvements that are not included on regular building maintenance.
3. If the owners will not arrived agreement regarding the work financing of paragraph 2, of this article, then the owners which proposed these works could finance the same ones with theirs expenses, if these actions would not violate the property right of the others, respectively would not harm the interest of the other owners.

Article 33
Prepaid

Owners in maintenance plan, assigns the amount of monthly prepay for reserve fund, where the participation of each one with be assigned depending of proportional part of him/ her, of the building joint ownership, if the parties will not be agreed differently.

Article 34
Management of reserve fund

1. The Administrator should insure that all prepay of the owners for reserve fund, to be managed in special manner.
2. If the Administrator manages more than one building, the reserve funds of different buildings should be managed in distinctive special accounts.
3. The Administrator manages with reserve funds.
4. Owners could make a bargain by the contract for arranging the management works

Article 35
Using the reserve Fund

1. The incomes of reserve fund are allowed to be used only for covering the maintenance expenses of building joint ownership, reparations that are foreseen on maintenance approved plan, and for covering the expenses of necessity maintenance works.
2. If the owner will not pay his contribute on reserve fund, then the administrator will make a written invitation for payment. The Administrator's invitation according to the enforced law, is legal act.

CHAPTER V
PUNITIVE PROVISIONS

Article 36

1. With a fine from five hundred (500) to three thousand (3000) €, shall be punished for violation the owner if he/she breaks the provisions of Article 31 of this law.
2. With a fine from one thousand (1,000) up to five thousand (5,000) €, shall be punished for violation the legal entity if he/she breaks the provisions of Article 34 of this law.
3. With a fine from one hundred (100) up to five hundred (500) €, shall be punished for violation the owner if she/he breaks the provisions of sub-paragraph 1.4., paragraph 1 of Article 11 of this law.
4. With a fine from one hundred (100) up to three thousand (3000)€ shall be punished for violation the Administrator, of she/he breaks the provisions of paragraph 3 of Article 26 and paragraph 1 of Article 35 of this law.

CHAPTER VI

Article 37
Implementation

With this Law enforcement, the provisions that regulate this field shall be abrogated.

Article 38
Entering into force

This Law shall enter in force fifteen (15) days after publication to the Official Gazette of the Republic of Kosovo.

Law No. 03/L-091
12 March 2009

Promulgated by the Decree No. DL-008-2009, dated 03.04.2009, of the President of Republic of Kosovo, Dr. Fatmir Sejdiu.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / PRISTINA: YEAR IV / No. 51 / 15 APRIL 2009

Civil laws

PROCEDURAL LAWS

**LAW No. 03/L-006
ON CONTESTED PROCEDURE**

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Civil laws

Assembly of Republic of Kosovo,

Based on Article point (1) of Constitution of Republic of Kosovo,

With the aim to create legal provisions for resolving disputes from legal-civil relations of the natural and legal persons from the civil courts, as well

With the aim for building up a legal system for resolving civil disputes in conformity with international standards.

Approves:

LAW ON CONTESTED PROCEDURE

**PART ONE
BASIC PROVISIONS**

CHAPTER I

Article 1

By the law on contested procedure are determined the rules of procedure through which courts examine and settle civil justice disputes of physical and legal persons, unless otherwise provided for by a particular law.

Article 2

- 2.1. The court of the contentious procedure decides within limits of claims submitted by the litigants.
- 2.2. The court applies the rules set by the substantive law as it deems appropriate and is not obliged to claims of litigants concerning the substantive law.
- 2.3. The court shall not reject examination and settlement of claims under its jurisdiction.
- 2.4. The litigant should have juridical interest for the claim and other procedural actions that may be taken in the procedure.

Article 3

- 3.1. Civil and legal claims submitted during the procedure shall be available to litigants.
- 3.2. Parties may withdraw from their claims, recognize the claim of the contesting party and come to a court settlement regarding their contest.
- 3.3. The court may not approve the agreement of contesting parties that are in contradiction with the:
 - a) legal system;
 - b) legal provisions;
 - c) rules of public morale;

Article 4

- 4.1. The court may decide regarding the claim after reviewing the legal matter in direct and public session.
- 4.2. Differently from the provision of paragraph 1 of this article, the court may decide regarding the claim based on written procedural actions and evidences administered that was submitted indirectly, if determined by the law.
- 4.3. The court may examine the matter in non public session only for the cases set by the law.

Article 5

- 5.1. The court shall enable each party to make a statement on the claims and allegations submitted by the contentious party.
- 5.2. Only for the cases determined by this law, the court has the power to settle the claim for which the contentious party was not enabled to make a statement.

Article 6

- 6.1. The contentious procedure proceeds in any of the official languages of the court.
- 6.2. The parties and other participants in the procedure that do not understand or speak the official language of the court shall have the right to speak his or her language or the language that he or she understands.

Article 7

- 7.1. Parties shall present all the facts on which they base their claim and propose evidence which establishes such facts.
- 7.2. The court is authorized to verify also the facts not submitted by the parties as well as evidence which was not proposed by the parties, only if it results from the examination that parties are making a claim which are not available to them (provided in Article 3, paragraph 3 of this law), unless otherwise provided for by law.
- 7.3. The court shall not base its decision on the fact and evidence for which parties could not make statements for.

Article 8

- 8.1. The court shall decide on eligibility of the evidence truthfully and cautiously as well as based on the results of the entire proceeding.
- 8.2. The court shall examine each evidence individually and collectively.

Article 9

The litigants, intercessors and their representatives are obliged to say the truth in front of the court and truthfully utilize the rights recognized by this law.

Article 10

- 10.1. The court shall be bound to carry out proceedings without delay and minimize costs as well as to make impossible any misuse of the procedural rights set for the parties according to this law.
- 10.2. If litigants, intercessors, legal representatives or with their prosecutors, deliberately make damage to the others or with the aim which is in contradiction with the positive habits, trust and conscious, misuse the rights recognized by this law, the court may issue monetary fines or apply other legal measures.
- 10.3. If litigants, intercessors, legal representatives or authorized representatives continuously misuse the court orders, fail to offer information under the mandate in this or any other law in force, or fails to attend respective sessions, with the aim of delaying the proceeding of a case, the court may issue monetary fines or apply other measures provided for by this law.

Article 11

- 11.1. The party not represented by a lawyer may receive instructions on procedural actions that re available from the court, each time that it is ascertained that the party is not aware that it can utilize the procedural rights set by this law.
- 11.2. The court should instruct the party being represented by a lawyer on procedural actions, when considers that representative is not performing his/her duty in a professional manner.

Article 12

- 12.1. The first instance procedure is composed of two court sessions:
 - a) preliminary hearing;
 - b) principle process.

Article 13

- 13.1. If the courts decision is dependent on the preliminary settlement of the issue regarding existence of a subjective right or legal relation on which the court or any other competent body has not made a decision (preliminary issue), than the court has the power to settle such an issue itself, unless is not determined differently by special provisions.
- 13.2. The decision of the court on the preliminary issue has legal effect only for the proceeding for which such a settlement has been issued.

Article 14

In the contentious procedure, regarding the existence of criminal act and criminal responsibility, the court is bound to the effective judgment of the criminal court by which the defendant has been found guilty.

Article 15

- 15.1. Individual judge acts in the procedure of the first instance or for its retry.
- 15.2. The trial panel of judges acts in the procedure of the second instance and its retry.
- 15.3. A trial panel of three judges determines the territorial jurisdiction and settling of the dispute.

Article 16

If the form of procedural actions is not determined by law, the litigants complete these extra-judicially in writing or verbally in the court session.

CHAPTER II COURT JURISDICTION

1. General Provisions

Article 17

- 17.1. Immediately after receiving the law-suit, the court, by its official duty, shall determine whether it has the jurisdiction to proceed with the suit.
- 17.2. The decision over jurisdiction is based on the statements of the law-suit and facts that are known to the court.
- 17.3. If circumstances on which the jurisdiction of the court was based change during the proceeding, the court which had the jurisdiction at the time of submission of the claim remains competent despite the fact that such changes make competent a different court of similar type.

Article 18

- 18.1. The court, by its official duty, during the entire procedure safeguards whether the settlement of dispute is within the court jurisdiction or not.
- 18.2. If the court during the proceeding determines that jurisdiction over settling of the dispute is with a different state body and not with the court, it is announced its incompetence, all the procedural actions are declared invalid and the claim is dropped.
- 18.3. If the court during all stages of proceeding determines that the local court is not competent, it will be declared incompetent, all the proceeding will be nullified and the claim will be dropped. However, such an action will not be taken if the jurisdiction of the court is dependent on the approval of the defendant and the defendant has already given his or her permission.

Article 19

Each court considers its competence during all stages of the first instance.

Article 20

- 20.1. If litigant parties have contracted an arbitration to settle the dispute, the court, to which has been submitted the claim which includes the same contentious parties, based on the objection of the defendant shall be declared incompetent, all the proceedings shall be nullified and the claim dropped. The court shall not act in this manner if it determines that the arbitration contract is not valid, the validity is terminated or it can not be implemented.
- 20.2. Objection from section 1 of this article, the defendant may submit by responding to the claim.

Article 21

- 21.1. Until the decision on the main issue is rendered, the court through a written resolution may complete the contentious procedure if it determines that it should be proceeded according to the rules of the non-contentious procedure. Following the effective written resolution, it shall be proceeded at the competent court according to the rules of the non-contentious procedure.
- 21.2. Proceedings by the contentious court (direct examination, expertise, examination of witnesses, etc.) and the decision rendered by this court shall not be deemed as invalid only because it was proceeded according to the contentious procedure and shall not be retried.

Article 22

- 22.1. The lack of territorial jurisdiction of the court may be declared only after the defendant has objected by responding to the claim.
- 22.2. The court decides on the objection from paragraph 1 of this article in the preliminary hearing at latest or at the first session of the principle process if the preliminary process has not taken place.
- 22.3. The lack of territorial jurisdiction of the court may be declared only in existence of existence of territorial jurisdiction of a different court but before there is a response to the filed claim.

Article 23

- 23.1. Following the effective resolution on the incompetence (Article 20 and 22 of this law) the court, without delay, and within three days, will submit the case to the court, which according to its opinion, is competent.
- 23.2. The court which has received the case will process with the legal matter as if the proceeding had started with it.
- 23.3. Proceedings undertaken by the incompetent court (examination, expertise, witness hearing, etc.) shall not be considered invalid only because of proceedings by an incompetent court and therefore there is no need for retry.

Article 24

- 24.1. If the court that has received the case considers the court that has sent the case, or any other court, to be competent, then, the case will be sent to the court that is competent to settle the dispute over competence within three days. The court which has received the case will not act in this manner only when it determines that there was an open mistake, that it should have been sent to a different court, and in this circumstance will send the case to the other court and inform the sending court that initially sent the case.
- 24.2. If the decision on the appeal against the decision on incompetence of the court of first instance is rendered by the court of the second instance, then this decision applies also to the court to which the matter has been sent if the court of the second instance, that made the decision on the appeal, is competent to settle jurisdiction dispute between these two courts.
- 24.3. The decision of the second instance court on the incompetence of the first instance court over the case obliges the other court to which the same case is sent if the second instance court is competent to settle the dispute over jurisdiction between these two courts.

Article 25

- 25.1. The jurisdiction dispute between two courts of the same level is settled by a court that is of higher instance and common for the courts in dispute.
- 25.2. The jurisdiction dispute between courts of different instances is settled by the Supreme Court of Kosovo.

Article 26

- 26.1. It may be decided about the jurisdiction even if the parties have not declared about the jurisdiction.
- 26.2. Until the jurisdiction dispute is settled, the court which has received the case shall proceed with those actions which could be damaged by the delay.
- 26.3. The appeal against the decision which settles the jurisdiction dispute shall not be permitted.

Article 27

Each court undertakes procedural actions within the territory of jurisdiction, however, for justified reasons, it may undertake certain actions in the territory of a different court. The court, in the territory of which the action is undertaken, shall be notified.

2. Jurisdiction of courts in the international disputes

Article 28

- 28.1. The rules of international law apply regarding the competence of our courts for settlement of disputes of foreign citizens that enjoy immunity, foreign countries and international organizations.
- 28.2. The local court is competent to settle a dispute when its competence to settle a dispute which includes international elements is expressly determined by law or international contract.
- 28.3. If by our law or international contract there are no decisive provisions for competence of court for a certain type of disputes, the local court is competent to proceed for such disputes even when its competence derives from the provisions of this law on territorial jurisdiction of the local court.

3. Competency over matters

Article 29

The courts in the contentious procedure adjudicate within limits of its competence over the matter as set by the law.

4. Determination of the value of the disputable facility

Article 30

- 30.1. The claimant is obliged, in the legal disputes over property, to determine the value of the disputed facility. Only the value of the disputed facility included in the main claim is taken into consideration.
- 30.2. If not included in the main claim, the interest, procedural expenditure, contracted penalties and other claims are not taken into consideration.

Article 31

If the claim is over future profits that are repeated, the value of the disputed facility is calculated according to the total amount of profits but not more than the total of profits for the period longer than five years.

Article 32

- 32.1. If the claim against the defendant includes several claims that have a same factual and legal basis, the value of the disputed facility is set by summing the values of all claims.
- 32.2. If the demands in the claim are with several bases or against several defendants, the value of the disputed facility is determined according to the amount of each individual claim.

Article 33

If the dispute is related to a daily-pay or lease or use of residence or working space, the value of the dispute is calculated based on the annual amount of the daily-pay or lease, except when the daily-pay or lease relation is for a shorter contracted period.

Article 34

If the claim demands only establishment of the right for any claim or the right for mortgage, the value of the disputed facility is determined according to the amount of the demand that need to be established.

Article 35

- 35.1. If the claim is not related to a monetary value but the claimant in his or her claim stresses that it accepts to receive a certain monetary amount instead of fulfillment of the claim, then this value is determined as the value of the disputed object.
- 35.2. In other cases where the claim is not monetary related, the decisive amount shall be the amount that was set by the claimant in his or her claim.

Article 36

If the claimant did not specify the value of the disputed facility in the claim filed to the court, or the amount is much higher or lower than the actual value, the court shall, according to its official duty or objections of the defendant, at the preliminary hearing at latest, or if there was no preliminary hearing held, at the principal hearing session of the legal matter but before the start of the principal proceeding, promptly and appropriately determine or verify accurately the value claimed by the claimant. In such a case, the decision of the court is not subject to appeal.

5. Territorial Jurisdiction The General Territorial Jurisdiction

Article 37

- 37.1. If the law does not determine exclusive territorial jurisdiction to any other court, the court of general jurisdiction for the defendant shall be competent for adjudication.
- 37.2. In cases determined by this law, the proceeding shall be undertaken by other specific courts apart from the general territorial jurisdiction court.

Article 38

- 38.1. The claim may be filed with the court of general territorial jurisdiction within whose territory the defendant has a permanent residence.

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- 38.2. If the defendant has no permanent residence, the general territorial jurisdiction is vested in the court within whose territory the defendant has a temporary residence.
- 38.3. If the defendant apart from his or her permanent residence has a temporary residence in some other place and it is considered that due to circumstances he or she will stay for a longer period, the general territorial jurisdiction is also vested in the court within whose the defendant has a temporary residence.

Article 39

- 39.1. In the adjudication of disputes against Kosovo, a self-governing unit or any other territorial organization, the general territorial jurisdiction is vested in the court within whose territory is the headquarters of its assembly.
- 39.2. In the adjudication of the disputes against other legal persons, the general territorial jurisdiction is vested in the court within whose territory their headquarters is registered.

Article 40

The court within whose territory the citizen of Kosovo with a overseas permanent residence has his or her last residence in Kosovo has the general territorial jurisdiction to adjudicate the disputes against such a person.

a) The special territorial jurisdiction **b.1. Exclusive territorial jurisdiction** **Jurisdiction over the immovable property disputes**

Article 41

- 41.1. The court within whose territory is located the immovable property is exclusively competent to adjudicate the disputes that are related to the property and other property rights, disputes over obstruction to possession of immovable item, disputes over the lease of the immovable property or contracts for use of residence and working premises.
- 41.2. If the immovable property is located in the territory of several courts, each of these courts is competent to proceed with the matter.

Competency in the disputes related to an aircraft

Article 42

- 42.1. If the right to conduct proceedings of property or other material rights dispute over aircraft and the disputes resulting from lease agreement for the aircraft is with the court in Kosovo, the court within whose territory the aircraft is registered has the exclusive territorial jurisdiction.

42.2. If according to the paragraph 1 of this article the court in Kosovo is competent for the dispute that results from obstruction to possession of an aircraft, the territorial jurisdiction is with the court in whose territory the aircraft is registered but also with the court in whose territory the obstruction has occurred.

Jurisdiction for closing and bankruptcy disputes

Article 43

The proceeding of the disputes that arise during and related to procedure of the finalization of judicial and administrative proceeding or during and related to procedure of bankruptcy, the territorial jurisdiction is with court in whose territory the bankruptcy procedure or the administrative finalization is taking place.

b.2. Selected territorial jurisdiction Jurisdiction on matrimonial disputes

Article 44

Apart from the court with general territorial jurisdiction, the court in whose territory spouses had their joint residence is competent to adjudicate disputes about existence or inexistence of marriage, nullification or its resolution.

Competencies over disputes for confirmation or denial of paternity or maternity

Article 45

In the cases of disputes related to confirmation or denial of paternity or maternity, the child may file the suit either in the court with general territorial jurisdiction or in the court in whose territory he or she has a permanent or temporary residence.

Competencies over disputes for legal nutrition

Article 46

In the settlement of disputes related to alimentation, if the claimant is the person demanding alimentation, the competency is with the court of general territorial jurisdiction, and the court in whose territory the claimant has a permanent or temporary residence

Competencies over disputes for re-compensation of damage

Article 47

47.1. In the adjudication of disputes related to non-contractual responsibility for the damage, the competency, apart from the court with general territorial

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jurisdiction, is also with the court in whose territory it was committed the act of damage or the court in whose territory the consequence from the damage has appeared.

- 47.2. If the damage is caused due to death or severe body injury, the competency, apart from the court from the paragraph 1 of this article, is also with the court in whose territory the claimant has a permanent or temporary residence.
- 47.3. The provisions from paragraph 1 and 2 of this article may be applied also in the law-suits against insurance associations for compensation of damage to third persons according to provision on their direct responsibility while paragraph 1 of this article also applies for the disputes over compensation with the debtors of compensation.

Competencies in the disputes related to protection of the rights from the producers warranty

Article 48

In the adjudication of disputes related to protection of the rights that are based on the warranty issued by the producer, apart from the court with general territorial jurisdiction for the defendant, it is also competent the court with general territorial jurisdiction for the seller, who, when selling the product has also provided the buyer with the warranty from the producer.

Competencies in labour relationship disputes

Article 49

If the employee is the claimant on the labour relations dispute, apart from the court with general jurisdiction over the defendant, it is also competent the court in whose territory the labour has or should have taken place, and the court in whose territory is established the labour relationship.

Competency according to the place of payment

Article 50

In the adjudication of the disputes of the possessor of the bill of exchange or cheque, apart from the court with general territorial jurisdiction is also competent the court in whose territory the payment has taken place.

Competency according to location of the legal persons unit

Article 51

In the adjudication of the matter of dispute against a legal person whose unit is not within the territory of its headquarter, and if the dispute results from the legal

relationship of the unit of the legal person, apart from the court with general territorial jurisdiction, it is also competent the court in whose territory the unit of the legal person is located.

**Competencies over disputes related to obstruction to possession
of a movable property**

Article 52

Apart from the court with general territorial jurisdiction, also the court in which obstruction has taken place is competent for settlement of disputes resulting from obstruction to possession of moveable property.

Competency in the disputes from contracting relationship

Article 53

In the disputes whose settlement requires verification of existence or inexistence of the contract, meeting the requirements or resolution of the contract, and in the disputes for compensation of the damage caused by not meeting the requirements of the contract, apart from the court with a general territorial jurisdiction is also competent the court in whose territory the defendant is obliged to meet the requirements of the contract.

**Competencies in the disputes related to relations resulting
from inheritance by law**

Article 54

Until there is no effective decision on the succession procedure, for the adjudication of the disputes related to relations resulting from inheritance by law, and the settlement of claims of the creditors towards the testator, apart from the court of the general territorial jurisdiction, is also competent the court in whose territory is located the court which is settling the succession procedure.

**c). Accessory territorial competence
Jurisdiction over litigants**

Article 55

If on law-suit is filed against several persons (Article 265. paragraph 1), and there is more than one territorial jurisdiction, it is competent the court with territorial jurisdiction over one of the defendants, and if there is principle and accessory defendant, then it is competent one of the court with jurisdiction over one of the principle defendants.

Competencies in matrimonial disputes

Article 56

If the court of our country is competent for matrimonial disputes due to the fact that the last joint residence of spouses was in Kosovo, or the defendant has a residence in Kosovo, the court in whose territory spouses had their last joint residence is competent, or the court in whose territory is the residence of the defendant.

Competencies in legal estate relationship of spouses

Article 57

If the court of our country is competent for the disputes related to legal estate relationship of spouses due to the fact that the last joint residence of spouses is in Kosovo or because the claimant has a permanent or temporary residence in Kosovo at the time when the claim is filed, the court in whose territory the claimant has a permanent or temporary residence has the territorial competence.

Competencies in the disputes related to verification or denial of maternity or paternity

Article 58

If the court of our country is competent for verification of maternity or paternity due to the fact that the claimant has a residence in Kosovo, the court in whose territory the claimant has a residence has the territorial competence.

Competencies in disputes related to legal nutrition

Article 59

- 59.1. If in international disputes related to legal nutrition, the court of our country is competent due to the fact that the claimant has a residence in Kosovo, the court in whose territory the claimant has the residence has the territorial competence.
- 59.2. If the competence of the court of our country is established due to the fact that the claimant has assets through which can be realized the legal nutrition, the court in whose territory are situated the assets of the defendant has the territorial competence.

Competencies over persons for whom there is no court with territorial competence in Kosovo

Article 60

- 60.1. The legal estate claim against the person for whom there is no court with territorial competence in our country may be filed to each court in whose territory is situated any estate or asset that is claimed.
- 60.2. If a court of our country has a competence due to the fact that the obligation is created during the time of residence in Kosovo of the defendant, the court in whose territory is created obligation that is claimed has the territorial competence.
- 60.3. In the claim against the person for whom there is no court with territorial competence in Kosovo is on obligations which need to be met in our country, the claim shall be filed in the territory where such obligation needs to be fulfilled.

Competency according to the location of the representation office of the foreign person in Kosovo

Article 61

The disputes with the physical or legal person with a residence or headquarters out of our country regarding the obligations created in Kosovo or that need to be fulfilled in Kosovo, the claim may be filed at the court in whose territory is situated his or her permanent representative office for Kosovo or the headquarters of the body trusted to execute such duties.

6. Determination of the territorial competence for the claims against foreign citizens

Article 62

If in the foreign country can be filed a suit against our person in the court which according to the provisions of this law lacks territorial competence, then for the same civil and legal matters the same competence is valid for the citizen of such state in our courts.

7. Determination of the territorial competence by the court of a higher level

Article 63

If the competent court can not proceed due to disqualification of judges or any other reason, then it will inform the court of a higher level to designate one of the courts with subject matter jurisdiction to conduct proceedings.

Article 64

The Supreme Court may, by the proposal from the competent party or court, designate one of the courts with subject matter jurisdiction to act on the matter if it is certain that this helps the procedure or for other important reasons.

Article 65

If a court of our country is competent to settle the matter but provisions of this law can not determine the court with territorial jurisdiction, then the Supreme Court shall, according to the proposal by the party that intends to file the claim, determine the court with territorial jurisdiction.

8. Agreement on territorial jurisdiction

Article 66

- 66.1. If the law does not determine the exclusive territorial jurisdiction of the court on the subject matter, parties may agree for the court with lack of territorial jurisdiction to proceed with first instance adjudication subject to courts jurisdiction on the subject matter.
- 66.2. If the law determines that two or more courts have territorial jurisdiction for settlement of subject matter, parties may agree for one of the courts with jurisdiction on subject matter to proceed with adjudication of first instance.
- 66.3. The agreement from paragraph 2 of this article is valid only if put into written and signed by both parties and if it applies to the actual dispute or to several disputes that are related to a same legal and material relation.
- 66.4. The claimant shall attach the agreement document to the claim.
- 66.5. If the claim is not submitted to the agreed court, the defendant may ask for the claim to be sent to the contracted court.
- 66.6. The request from paragraph 5 of this article may be submitted by the defendant as a response to the claim and by attaching to it the document that contains the agreement on territorial jurisdiction.

CHAPTER III EXCLUSION OF THE JUDGE FROM THE CASE

Article 67

- 67.1. A judge may be excluded from the legal matter:
 - a) if he or she is itself a party, a legal representative or authorized representative or is a co-creditor or co-debtor or obliged for repay or if in the same issue he or she has been examined as a witness or as an expert;
 - b) if he or she is the spouse, the extramarital partner, a relation by blood in a direct line to any degree or in a collateral line to the fourth degree or a

- relation by marriage to the second degree to the defendant, or his or her legal representative or authorized representative;
- c) if he or she is a legal guardian, ward, adopted child, adoptive parent, foster parent or foster child of the defendant, or his or her legal representative or authorized representative;
 - d) if in the same case he or she has taken part in rendering a decision of a lower court or any other body or has taken part in mediation procedure;
 - e) if he or she has taken part in a matter for which was made a judicial settlement, and the claim that has been filed requests annulment of such a settlement;
 - f) if he or she is a shareholder or a member of the commercial association which is a party in the initiated procedure;
 - g) if there are other circumstances that challenge his or her impartiality.

Article 68

- 68.1. A party shall be bound to request disqualification of a judge as soon as he or she learns of the existence of grounds for disqualification and no later than before the conclusion of the main procedure and if there was no procedure until the moment the appropriate decision is made.
- 68.2. The party in the appeal procedure may determine the judge that can not take part in the decision due to circumstances of the article 67 of this law.
- 68.3. A party may seek disqualification only of a judge who acts in a case or of the president of the court who is to decide on the request for disqualification of the judge, if he or she is identified by name.
- 68.4. The party shall be bound to state in the appeal the circumstances supporting his or her allegation that there are legal grounds for disqualification of a judge.

Article 69

- 69.1. The request for exclusion of a judge is not approved:
 - a) if it is requested exclusion of all of the court judges that may adjudicate a certain dispute;
 - b) if there was already a decision on the request made earlier;
 - c) if there are not stated grounds on which the exclusion is requested.
- 69.2. The request from the paragraph 1 is turned down by the judge that is proceeding with the matter.
- 69.3. The decision from paragraph 2 can not be appealed by a special appeal.

Article 70

- 70.1. The president of the court shall decide on petition for disqualification of the judge.
- 70.2. If the party requests disqualification of the president of the court from rendering the decision on his or her petition, the decision on exclusion is rendered by the president of a superior court.

Civil laws

- 70.3. The general session of the Supreme Court of Kosovo shall decide on a petition for the disqualification of the president of the Supreme Court of Kosovo.
- 70.4. Before rendering a ruling on disqualification, the judge, the judge shall make a statement, and shall be made also other examinations if deemed necessary.
- 70.5. Against the decision which the request on exclusion of judge is approved, plaint is not allowed, whereas against the decision which such request is refused, is not allowed special complaint.

Article 71

- 71.1. When a judge learns that a petition has been filed for his or her disqualification, or as soon as has learned that any of the conditions for disqualification according to the article 67 exist, he or she shall be obliged to suspend with the proceeding and must immediately inform the president of the court
- 71.2. Exclusion from paragraph 1 of this Article, when the petition for exclusion is based in Article 67 point g, the judge notifies the president of the court and may continue with the proceeding of the petition on the exclusion, only on such mattered that are endangered of postponement.
- 71.3. The president of the court, if his exclusion is required, then he or she appoints his or her replacement from the rank of the judges of the subject matter, and if this is not possible, then he or she acts according to the article 63 of this law.

Article 72

- 72.1. Provisions of this law on exclusion of judges may be applied appropriately also for the court clerks.
- 72.2. The judge of the matter renders the decision for exclusion of the court clerk.

CHAPTER IV PARTIES AND THEIR REPRESENTATIVES

Article 73

- 73.1. A party in the procedure may be any physical or legal person.
- 73.2. The special provisions determine who may, apart from physical and legal persons, be a party in the procedure.
- 73.3. The court may, exclusively, by a legal effect on the subject matter, recognize also those unions which do not have the capacity to be a party according to the paragraph 1 and 2 of this article, but if it is proved that taking into consideration the disputed facility in essence meet the essential conditions to gain the capacity of a party and especially if it is available to them the property on which the procedure can be executed.
- 73.4. No appeal shall be permitted against the ruling from the paragraph 3 of the present article by which is recognized the capacity of the party in the subject matter.

Article 74

- 74.1. The party who is able to act on its own may act without assistance from the authorized representative.
- 74.2. The adult with limited capabilities to act has procedural capacities within limits of its capability to act.
- 74.3. The minor who has not gained the complete capability to act has procedural capacities within the limits of his or her capability to act.

Article 75

- 75.1. The party who does not have the procedural capacity to act is represented by his or her legal representative.
- 75.2. The legal representative is determined by law or the act of the competent state body, as set by this law.
- 75.3. The representative of the legal person is determined by law or by the general act of the legal person.

Article 76

The court shall at all stages of the proceeding, by official duty, review whether the person that is presented as a party may be a party in the procedure and whether it has the procedural capabilities, and if the party that lacks procedural capabilities is represented by his or her legal representative as well as if the legal representative has the special authorization, when necessary.

Article 77

- 77.1. The legal representative may, on behalf of the party, conduct all the actions in the procedure but if the submission of the claim or its withdrawal or rendering of the judicial settlement or other actions according to the special provisions require a special authorization, he or she may conduct these actions only if he or she has the special authorization.
- 77.2. The person that presents himself or herself as a legal representative is bound, by the request from the court, to prove that he or she is a legal representative of the party. If certain procedural actions require special authorization, the legal representative is bound to prove such authorization.
- 77.3. The custodial body shall be informed when the court determines that the legal representative of the person under custody is not performing properly. If due to carelessness of the legal representative may be caused a damage to the person under custody, the court will stop with the proceedings and propose appointment of a new legal representative.

Article 78

- 78.1. If the court determines that the person presented as a party may not be a party in the procedure and this gap may be avoided, it will invite the claimant to make necessary correction to the claim or undertake other measures which enable continuation of the procedure with the person who may be a party in the procedure.
- 78.2. If the court determines that the party has no legal representative or the legal representative does not have the special authorization, if such is needed, it shall require from the competent custody body to appoint a custodian to the person who lacks procedural capabilities, and shall invite the legal representative to acquire the special authorization or may undertake other measures which enable a fair representation of the party who lacks procedural capabilities.
- 78.3. The court shall set a deadline to the party who needs to fulfill the deficiencies from paragraph 1 and 2 of the present article. Until the fulfillment takes place, it will be preceded only with those actions which delay may cause damage to the party.
- 78.4. If the deficiencies are not removable or the deadline set by the court is not met, the court renders a decision by which it abrogates the completed actions and turns down the claim if the deficiencies are of the nature that may hinder further proceeding of the matter.
- 78.5. No appealing shall be permitted against a ruling which orders measures for removal of deficiencies.

Article 79

- 79.1. If it is deemed that the regular procedure of the first instance requires too much time for appointment of the legal representative for the defendant, and that this may cause damaging consequences to one or both parties, the court shall appoint a temporary representative to the defendant.
- 79.2. Under the conditions of the paragraph 1 of the present article, the court shall appoint the temporary representative, especially for the following cases:
 - a) if the defendant does not have the procedural capability and has no legal representative;
 - b) if the claimant and his or her legal representative have opposite interests;
 - c) if both litigants have a same legal representative.
- 79.3. The court may appoint a temporary representative for the defendant also in the following circumstances:
 - a) if the residence of the defendant is unknown or the defendant has no authorized representative;
 - b) if the defendant or his or her legal representative that do not have an authorized representative are out of country and it was not able for the materials to be sent.
- 79.4. The court will inform, without delay, the custody body on the appointment of the temporary representative as well as the party when this is possible.

Article 80

The court may appoint the temporary representative also the legal person by applying adequately provision of article 79 of this law.

Article 81

- 81.1. The court appoints the temporary representative from the ranks of lawyers or other professional persons.
- 81.2. In the circumstances of paragraph 2 of the article 79 of this law, the defendant is bound to pay the expenditure of the temporary representative while in the cases of paragraph 3 the expenses are covered by the claimant.

Article 82

- 82.1. The temporary representative has all the rights and responsibilities of the legal representative in the procedure.
- 82.2. The temporary representative exercises stated rights and responsibilities until the defendant or his or her authorized representative show in front the court, or when the custody body informs the court on the appointment of the custodian, respectively.

Article 83

If the temporary representative is appointed for the reasons stated in article 79, paragraph 3 point a) and b) of this law, the court within seven days will make announcement in the official gazette and bill it in the table of the subject court, or according to the need also in other appropriate ways.

Article 84

The procedural capability of the litigants is determined in our courts according to the legal provisions of our country.

**CHAPTER V
AUTHORIZED REPRESENTATIVES**

Article 85

- 85.1. Parties may conduct actions of the procedure either in person or through the authorized representative but the court may invite the party that has his or her representative at the court to make a statement in person on the facts that are to be verified.
- 85.2. The represented party may come to court at any time and make statements apart from his or her representative but only the representative shall examine the opposite party, witnesses and experts, if he or she is present at the court session.

Article 86

- 86.1. Authorized representative may be any person that has full capabilities to act.
- 86.2. Actions in procedure conducted by the representative of the party have the same legal effect with the action conducted by the party itself.

Article 87

- 87.1. The party may change or withdraw the statement of the representative during the session in which such statement is made.
- 87.2. If representative of the party has made a statement or submitted in written any fact in the session in which the party was absent, and the party amends or withdraws such statement, the court considers both statements in accordance with this law.

Article 88

- 88.1. If the representative of the party is not a lawyer and the court determines that is not capable to perform the duty, then it will inform the party on the damaging consequences from such representation.
- 88.2. If the representative of the party is a lawyer and the court determines that the lawyer is not performing according to the Law on Solicitors, the court will inform the competent bar association for such a circumstance.

Article 89

The party may authorize the representative to conduct only certain actions or all the actions in one proceeding.

Article 90

- 90.1. The party determines the amount of authorizations to the representative.
- 90.2. If the party has authorized a lawyer to represent him or her to the court but did not specify in detail his or her authorizations, such authorized lawyer is authorized to the following:
 - a) conduct all the actions in the procedure and especially to file the claim, withdraw the claim, submit the reply, confirm the claim or withdraw the claim, reach a court settlement, submit or withdraw the appeal but also to propose temporary measures for fulfillment of the demand;
 - b) submit the request for execution or insurance and conduct actions that are related to such a request;
 - c) accept from the opposite party the procedural expenditure from the court;
 - d) issue a written authorization to another lawyer to conduct certain procedural actions but not to act in the principal session of the subject matter.

- 90.3. The lawyer shall have a special authorization to propose the retry of the procedure if the time since effective decision has been made is more than six months.
- 90.4. The lawyer may be replaced by the practitioner working with him but only at the first instance court.

Article 91

- 91.1. If the party has not specified the authorizations of the representative in detail, a representative who is not a lawyer may, based on such authorization, conduct all procedural actions but shall always need an expressive authorization to withdraw the claim, confirm or waive the claim, reach a judicial compromise, waive the right to appeal the decision or to withdraw the appeal, transfer authorization to the other person and submit special measures of appeal.
- 91.2. The authorized representative of the party may, even if it is not a lawyer, conduct all the actions from paragraph 1 without needing expressive authorization.

Article 92

- 92.1. The party authorizes the representative in written form or verbally in the minutes of the proceeding.
- 92.2. If the party does not know to write it shall place the print of the index finger in the written authorization. If the authorized person is not a lawyer, two witnesses shall need to sign the authorization.
- 92.3. If there is suspicion of truthfulness of the authorization, the court may decide to require the verified authorization. The petition may not be filed against such decision.

Article 93

- 93.1. The authorized representative is bound to present the authorization at the very first action in the procedure.
- 93.2. The court may allow temporary conduction of actions for the party in the procedure by the person that did not present the authorization but at the same time shall order him or her to present authorization or the consent of the party for the conducted actions within a specified period of time.
- 93.3. The court will delay rendering of the final decision until the deadline for presentation of the authorization has passed. If the deadline has passed unsuccessfully, the court will annul all the actions conducted by the unauthorized person and shall continue to proceed by disregarding the actions conducted by him.
- 93.4. The court is bound to verify during the entire proceeding the authorization for representation. If the court determines that the person that claimed authorization is not authorized by the party for such an action, it shall annul of the procedural actions conducted by such person if the party did not accept such actions at a later stage.

Article 94

- 94.1. The party may revoke the authorization at any time while the representative may denounce the party also at any time.
- 94.2. Revocation or denouncement of the authorization, respectively, may be court that is conducting with the proceeding in written or verbally in the minutes.
- 94.3. Revocation or denunciation, respectively, applies to the contesting party from the moment that is communicated to him or her.
- 94.4. After the denunciation of the authorization, the representative is bound to conduct the proceeding actions for the party that made the authorization for another 15 days if there is need to avoid the damage that can be caused during this period.

Article 95

- 95.1. The death of the physical person or suppression of the legal person terminates the authorization issued by him or her.
- 95.2. In case of bankruptcy, the authorization of the bankrupt debtor ceases at the moment when the legal condition to initiate the bankruptcy procedure is created.

CHAPTER VI THE LANGUAGE IN THE PROCEDURE

Article 96

- 96.1. The party and other participants in the procedure have the right to speak in front of the court their own language or the language they understand.
- 96.2. If the procedure is not conducted in the language of the party or other participants in the procedure, upon their request shall be provided verbal interpretation into their language or language they understand of all submissions and evidences and of all that is submitted in the court session.
- 96.3. The parties and other participants in the procedure shall be informed about the right to follow the verbal proceeding in their language through the interpreter. They may waive from the right to interpreter if they declare that understand the language in which is proceeded. The minutes will record that they were instructed about the right to use their language and the statements of parties and other participants about the instructions provided by the court.
- 96.4. Interpretation is conducted through the interpreter.
- 96.5. The cost of interpretation is at the expense of the court budget.

Article 97

Calling letters, decisions and other court documents are sent to parties in the official language of the court.

Article 98

The parties and other participants in the procedure shall send claims, appeals and submissions in the official language of the court.

**CHAPTER VII
SUBMISSIONS**

Article 99

- 97.1. The claim, reply to the claim, appeals and other statements, proposals and notices that are made out of court are submitted in written (submissions). The condition of the written form is also met by the submissions sent through telegraph, fax or electronic mail. Such submissions are considered as signed if the sender is indicated.
- 97.2. Submission must be comprehensible and must contain everything necessary for it to be acted upon. In particular, it should contain the following: the name of the court, the first name and the family name (the name of the legal person), the permanent or temporary residence (headquarters of the legal person) of the parties, their legal representatives and authorized representatives, if the parties have them, the disputed facility, the content of the statement and the signature of the claimant.
- 97.3. If the statement contains a request, the party shall include in the submission the facts on which the request is grounded as well as the evidence, if needed.
- 97.4. Submissions sent by electronic mail shall be confirmed by the qualified electronic signature.

Article 100

A submission and other documents attached to it which is given to the opposing party in the proceedings shall be served on the court in a sufficient number of copies for the court and the other party.

Article 101

- 101.1. Documents attached to the submission are submitted in original, described or photocopied.
- 101.2. If the party attaches the original document to submission, the court shall keep this document in the subject file, and allow examination by the opponent party. After the need for the original to be kept by the court ceases, it will be returned to the submitter upon his request but the court may also require from the person making the submission for description or the copy to be attached to the subject file.
- 101.3. If the copy or description of the document is attached to submission, the court, upon request of the contesting party, shall summon the person making the submission to present the original document to the court and allow examination

by the contesting party. When such is needed, the court will specify the period of time within which shall be submitted the document and examined, respectively.

101.4. The petition may not be filed against decisions rendered upon the above paragraphs.

Article 102

102.1. When a submission has been filed which is incomprehensible and incomplete, as requested in paragraph 2 of Article 99, the court shall summon the person making the submission to correct or supplement the submission. In such a circumstance, the court instructs the party on corrections or supplements that shall take place and sets a three day period for correction or supplement of submission.

102.2. If the submission is corrected or supplemented within the specified period of time, it is considered to have been submitted to the court on the day when it was originally presented.

102.3. It will be considered that the submission is withdrawn if not returned to the court within the specified period. If returned uncorrected or not supplemented, the submission shall be rejected.

102.4. If the submission or documents attached to it are not submitted in sufficient number of copies, the court shall summon the person making the submission to provide the sufficient number of copies. If the person making the submission does not act according to this order, the court shall reject his submission.

CHAPTER VIII SERVICE OF DOCUMENTS The ways of service

Article 103

103.1. The documents are served by mail. Service may also be effected through an official of the court or through a registered and authorized legal person for conducting of communication services. The documents shall be served directly to the addressee in the court or through any other form that is determined by the law.

103.2. Submission can be done through electronical mail. In such a case it is considered that the submission is submitted at the moment when it is sent by electronical mail.

Article 104

104.1. Document to be served to a state body and legal person is served to authorized person or the employee in the office or working facility.

104.2. The service may be done also at the unit of the legal person if the dispute is caused due to its legal and civil relation.

- 104.3. The service of documents according to paragraph 1 and 2 of this article may also be presented to the authorized employees of the party that is an employee of theirs
- 104.4. The calling letter to the military persons, police service employees and employees in ground and air traffic may be presented to their command or their direct superior, and as needed, may also be served other documents.

Article 105

- 105.1. If documents are to be served to foreign persons or institutions or foreigners who enjoy immunity, the service is presented through diplomatic routes unless the international contract or this law does not determine a different form of communication.
- 105.2. The service to a legal person with the headquarters in a foreign country may be presented also through its representational office in Kosovo.

Article 106

The service to imprisoned persons is presented through the prison management or through the institutions that are charged with execution of criminal and delinquency sanctions.

Article 107

- 107.1. If the party is represented by his legal representative or authorized representative, the document is served to the legal representative or authorized representative.
- 107.2. If the party has more than one legal or authorized representative, it is sufficient for the document to be served to one of them.

Article 108

- 108.1. The service may be presented also to the employee of the office of the party's legal representative.
- 108.2. If the lawyer is practicing in his own residence, the provisions of the article 111 of this law apply.

Article 109

- 109.1. The documents are served every day from 7,00 – 20,00 at the residence or the workplace of the receiving person or at the court premises when the person is present in the court premises.
- 109.2. If the service of the document may not be presented at the address and time mentioned in the above paragraph then it may be presented at any other time and place.

Article 110

- 110.1. The claim, reply to the claim, calling letter to the session, payment order, court decision, against which may be filed special petition, the remedy for appeal is presented to the party in person or to his or her legal or authorized representative. Other documents are presented to the addressee in person when such is expressly determined by this law or when the court concludes that because original documents are attached to the document or for any other reason additional precautionary measures are required.
- 110.2. If the person on whom the document must be personally served is not found where the service is to be effected, the person effecting the service shall find out when and where that person may be found and shall leave with one of the persons referred to in Article 111, paragraph 1 and 2 of this law a written notice directing the addressee of the document to be in his or her dwelling or workplace on a particular day and hour in order to receive the document.
- 110.3. If even after this the submitter of the motion does not find the person to whom must the motion be delivered, then he must act in accordance with the provisions of section 111 of this law, and so the submission is considered completed

Article 111

- 111.1. If the addressee is not found at home such document may be given to any adult member of his or her household, who must accept the document. If they are not found at home, the document shall be left with a neighbor, if he or she consents to accept it. It shall be assumed that the service has thereby been effected.
- 111.2. If service is effected at the workplace of a person on whom a document is to be served and that person is not found there, it may be served on a person employed at that same workplace, if he or she consents to accept the document.
- 111.3. It shall not be served to the person that is taking part in the procedure as opponent to the addressee.
- 111.4. Persons to whom were served documents instead to addressee according to the above paragraphs are obliged to present the document to the latter.

Article 112

If the addressee, the adult member of his family, authorized person, the employee of the state body or legal person, refuses to accept the document without any legal justification, the person effecting the service shall leave the document at home or workplace of the addressee or attach it on the door of the home or workplace. The person effecting the service shall note on the receipt the date, hour and reason for refusal and the place where the document is left. Service is thereby effected.

Article 113

If it is ascertained that the person on whom a document is to be served is absent and that the persons referred to in article 111, paragraph 1 and 2 of this law, may not

therefore present the document to him or her on time, the document shall be returned with an indication of where the absent person is located.

Article 114

If the service to the registered subject in the public registry may not be effected at the address presented in the registry, communication is effected by attaching the document in the court's announcements table. Communication is assumed to have been effected after seven days from the day of presentation at the court's announcements table.

Article 115

- 115.1. If a document cannot be served on persons under provisions of articles 110 and 113, the person effecting the service shall return the document to the court that has ordered the service. If the communication is taking place through the post office, the document is returned to the post office in the addressee's dwelling. At the door or at the mail box of the addressee's dwelling a note shall be left with an indication of the place at which the document can be collected, the (15) fifteen day time limit within which it may be collected, the day when the notice is presented to the person to whom the note is served and signature of the person effecting the service. In the returned document is presented the name of the person effecting the service, the reason for such action and the day when the notice is left to the person that received the notice.
- 115.2. Communication is assumed to have been effected if the addressee does not receive the document within (15) fifteen days from the day when the notice is left at the door or the mailbox.
- 115.3. The court which ordered the service of the document shall be notified if communication is effected as determined in this article.

Change of Address

Article 116

- 116.1. If the party or his or her representative during the proceeding or before completion of six months period following completion of procedure by adjudicative decision changes the address where the documents shall be served it shall immediately notify the court.
- 116.2. If the revision against the adjudicated decision takes place within the time period given in paragraph 1 of this article, such deadline is extended until are completed six months from issuance of revised decision by which the revision is refused or decision changed according the appeal on revision.
- 116.3. If proposal for retry of proceedings is submitted before completion of the time period given in paragraph 1 of this article, the deadline is extended until completion of the six months period from the date of decision in the retried procedure which was appealed or the day in which the party received the decision of second instance.

- 116.4. If the appealed procedure annuls the adjudicated decision and the matter is returned for retrial, the time period from paragraph 1 is considered to have not started.
- 116.5. If the party or his representative does not promptly inform the court on the change of address, the court shall order further service to take place in the court's announcements table. This service shall be effected until the party or his representative informs the court about the new address.
- 116.6. The service from the paragraph 5 of this article is assumed effected after the seven days period of announcement of the documents in the announcement table of the court has exceeded.
- 116.7. If the representative authorized to receive the documents changes the address before completion of periods from paragraph 1-3 of the present article but does not inform the court on such action, then the court, on expense of the party, appoints the representative for reception of documents for the party until the party informs the court about the new authorized representative.

Article 117

The competent body is bound to communicate the address of the receiver of documents to the party with legal interest. Legal interest is proved through the certificate of the court on the filed claim or existence of litispence.

The representative for reception of documents

Article 118

- 118.1. If the claimant or his representative are abroad and do not have a representative in Kosovo, upon filing of the claim to the court they are bound to appoint the representative that will receive the documents. If they do not act in this manner, the court on expense of the claimant appoints the representative for reception of documents and through him the court summons the claimant or his representative to appoint the representative for reception of documents within the given time period. If the party or his representative does not appoint a representative for reception of documents, the court refuses the claim by the decision that is sent to the claimant or his representative through the representative for reception of documents appointed by the court.
- 118.2. The court shall summon the claimant or his legal representative, that is placed abroad but does not have a representative in Kosovo, through the first document that is send, to appoint the representative for reception of documents in Kosovo within a specified time period by threatening that if this does not take place, the court on his expense, shall appoint the representative to receive the documents through whom shall the claimant or his representative be informed about such appointment.
- 118.3. If a party revokes the representative for reception of documents without appointing a new one, the court shall serve the documents in the announcement

table of the court until the party appoints a new representative for reception of documents.

- 118.4. If the representative for reception of documents withdraws from authorization and the party does not appoint a new representative within thirty (30) days time period from the day the court was informed about withdrawal, the court shall appoint to the party, on the expense of the latter, a representative for reception of documents through whom shall be sent all the documents until the court is informed on the engagement of the new representative.
- 118.5. The cost of the appointed representative for reception of documents of the claimant or defendant shall be covered by the claimant. If the claimant fails to make the deposit, the claim shall be rejected.
- 118.6. Provisions on appointment of the representative for reception of documents by the defendant are appropriately applied also to the third person that shall be informed on the initiation of procedure as well as for the appointment of the legal predecessor.

Article 119

- 119.1. If there are more persons jointly filing the claim but do not have a same legal representative or authorized legal representative, the court may summon them to appoint a joint representative for reception of documents. At the same time, the court shall inform the claimants on who of them shall be considered by the court as the joint representative for reception of documents if they fail to appoint such representative.
- 119.2. The provisions of paragraph 1 of this article apply also when there are several defendants as joint litigants.

Sending of documents by the parties

Article 120

- 120.1. Sending of documents to the opponent party, apart from the documents that shall be effected in person, shall be served, with the court consent, also by the party.
- 120.2. In the case from paragraph 1 of the present article, the party serves a copy to the opponent party according to the law on service and the other copy is served to the court with the note that the opponent party has already been served.
- 120.3. The service according to the paragraph 2 of this article is considered a regular form of service.

The notice

Article 121

- 121.1. The certificate of service of the document is signed by the recipient and the person effecting the service. The recipient shall print in the receipt with letters the date of reception of the document.

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- 121.2. If the receiver does not know to write or is not capable to print the signature, the sender will print the recipients name and family name and the day of service and will note the reason for which recipient was not able to sign the note of service.
- 121.3. If the receiver rejects to sign the service note, the person effecting the service shall indicate that in the service note and write the date of service, and by this the service is considered as regularly effected.
- 121.4. If service has taken place according to the article 110, paragraph 2, of this law, the service note shall include apart from confirmation of reception of the document also that the written information has been serviced in advance.
- 121.5. If according to the provisions of this law the document has been sent to the other person and not to the addressee, the service note shall include the relation between these two persons.
- 121.6. If in the communication notice it is written wrongly the date of submission, it will be considered that the real date of service is the date when the service is carried.
- 121.7. If the service note is lost, the fact of service may be also proved by other ways.

Examination and description of documents of the subject file

Article 122

- 122.1. Parties shall have the right to examine and describe the documents of the procedure in which they are taking part.
- 122.2. Other persons with a justified reason may be allowed to examine and describe the documents of the subject.
- 122.3. During the proceeding, the permission for examination and description is issued by the judge of the matter. If the procedure is completed, permission for examination and description is issued by the president of the court or court officer that he has assigned.

CHAPTER IX PROCEEDINGS AND PRESCRIBED PERIODS OF TIME PROCEEDING

Article 123

- 123.1. The proceeding is initiated by the court whenever is determined by the law or required by the procedure.
- 123.2. The court invites to proceeding parties and other persons whose presence is deemed necessary.
- 123.3. The submission which was the cause for initiation of the procedure is attached to the summons which includes the place, the room and the time of the proceeding. If the submission is not attached, the summons includes the litigant parties, the object of dispute and the activity to be undertaken in the proceeding.
- 123.4. The court through the summons informs the parties and other participants on the legal consequences from failing to take part in the procedure.

- 123.5. The party that joined the proceeding after its start may not request for the procedural actions completed in his or her absence be repeated.

Article 124

- 124.1. The proceeding generally takes place in the court building.
124.2. The court may decide for the proceeding to take part in different location from the court building if it is deemed necessary or that this saves time, facilitates the approach to any party, efforts or procedural expenditure.
124.3. No appeal shall be permitted against the decision for the proceeding to take place in a location different from the court building.

Prescribed periods of time

Article 125

- 125.1. If the periods of time are not determined by law, they are prescribed by the court by taking into account the circumstances of the concrete case.
125.2. The period of time prescribed by the court may be extended with the proposal of the person asking for extension for appropriate reasons.
125.3. Proposal for extension of the period of time may be presented before expiration of the period.
125.4. No appeal shall be permitted against the decision which accepts or refuses the proposal for extension of the prescribed period of time.

Article 126

- 126.1. A prescribed period of time shall be calculated in hours, days, months and year.
126.2. If the period of time is prescribed in days, the day when an event occurred, which serves as the commencement of a prescribed period of time, shall not be included in the prescribed period of time, but the next day shall be taken as commencement of the prescribed period of time.
126.3. A prescribed period of time set in months or years shall expire on the last month or year at the end of the same day of the month on which the prescribed period of time began.
126.4. If there is no such day in the last month, the prescribed period of time shall expire on the last day of that month.
126.5. If the last day of the prescribed period of time falls on an official holiday, on Saturday or Sunday or on any other day when the competent body does not work, the prescribed period of time shall expire at the end of the next working day.

Article 127

- 127.1. When a submission must be given within a prescribed period of time, it shall be deemed to have been made in due time if it has been served to the court before the lapse of the prescribed period of time.

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- 127.2. When a submission is sent by post, registered mail or telegram, the date of mailing or sending it shall be considered as the date of the service on the court to which it has been sent. When a submission is sent by fax, the day when it was faxed shall be considered as the day of service on the court.
- 127.3. When a submission is sent by telegraph but it does not contain all the necessary elements for undertaking an action, it is considered to have been served within the prescribed period if the submission is served directly to the court through the registered letter within three days from the day the telegram was sent.
- 127.4. When a submission is sent by electronic mail, it is considered to have been served on the day that is shown by verification of the qualified electronic signature.
- 127.5. When a person is doing the compulsory military service, the day when the submission is served to the military unit or military institution is considered as the day of service on the court. This applies also to other persons in the military units or institutions who are serving in places where regular mail service is not available.
- 127.6. When a person is imprisoned, the day when the submission is serviced to the prison administration is considered the day of service on the court.

Article 128

- 128.1. When a submission that is bounded to a prescribed period of time is served to the incompetent court within the prescribed period of time while to the competent after the due date, it shall be considered for the prescribed period of time to have been respected if it is served to the incompetent court due to lack of knowledge by the person serving the submission.
- 128.2. Provisions in the article 127 are applied also for the prescribed period of time within which, according to the special provisions, shall be filed the claim as well as regarding the obsolescence of loans or any other rights.

RETURN TO PREVIOUS SITUATION

Article 129

- 129.1. when the party does not take part in the proceeding or misses the due date for completion of any procedural action and due to this it loses the right to complete the procedural action bound to the prescribed period of time, the court may permit this party to complete this action with delay if there are reasonable circumstances which can not be determined or avoided.
- 129.2. If the return to previous situation is permitted, the contentious procedure returns to the situation in which was before failure to act and all the decisions rendered to the court due to failure to act are cancelled.

Article 130

- 130.1. Proposal for return to previous situation is submitted to the court in which the failed action should have taken place.

- 130.2. Proposal shall be submitted within seven (7) day period from the day the cause of failure to act has ceased, and if party has found out about failure to act at a later stage, the period of time is calculated from the day when the failure to act was recognized.
- 130.3. When more than sixty (60) days have passed from the day of failure to act, the return to previous situation may not be requested.
- 130.4. If the return to previous situation is requested due to failure to complete the procedural action within the prescribed period of time, the requestor is bound to attach the written action which failed to be completed on time.

Article 131

The return to previous situation shall not be permitted if the period for submission of proposals for return to previous situation is not met or the party did not show himself at the proceeding for review of the proposal for return to previous situation.

Article 132

- 132.1. Proposal for return to previous situation, in general, shall not influence the proceeding but the court may order to halt the proceeding until the decision on proposal is rendered.
- 132.2. If the proposal for return to previous situation is presented during the proceeding of the second instance, the court of first instance shall inform the court of second instance on the proposal.

Article 133

- 133.1. The court rejects by rendering a decision the proposal that is submitted after the prescribed period of time or the non-permitted proposal for return to previous situation.
- 133.2. The court initiates the proceeding only when the party expressively proposes return to previous situation. The court shall not initiate a proceeding if the facts of the proposal are widely known. The court acts in the same way also when the proposal is based on clearly unfounded facts or when the court has sufficient evidence in the file of the subject to render the decision for return to previous situation.
- 133.3. The appeal against the decision which allows return to previous situation shall not be permitted.
- 133.4. The appeal against the decision for rejection of proposal for return to previous situation shall not be permitted unless the decision is rendered due to absence of the defendant in the proceeding.

CHAPTER X RECORDS

Article 134

- 134.1. A record shall be kept of each action undertaken in the course of court proceeding.
- 134.2. A record shall be kept also on important statements and notices that are made by the parties or other participants out of the course of court proceeding. The record shall not be kept for less important statements and notices for which shall be kept an official note in the file.
- 134.3. The record shall be written by the recording clerk.

Article 135

- 135.1. The entry in the record shall include: the name of the court, the place where the action is being undertaken, the day and the hour when the action began and ended, the object of dispute, the names and surnames of the parties and other persons present, and the names of legal representatives or authorized representatives.
- 135.2. The record should contain the essential information about the content of the action undertaken. The record of the main proceeding of the matter shall include especially whether the proceeding was undertaken behind open or closed doors, the content of the statements made by the parties, their proposals, the evidence provided, the evidence used, the statements of witnesses and experts, decisions rendered by the court while proceeding but also the decision rendered after completion of the main proceedings of the matter.

Article 136

The record must be kept up to date, nothing in it may be deleted, added or amended. The sections which have been crossed out must remain legible.

Article 137

- 137.1. When the record is written by the recording clerk, the judge shall tell the recording clerk orally what shall be entered in the record. With the permission from the judge, participants in the proceeding shall be allowed to state his or her answers for the record in his or her own words.
- 137.2. The parties have the right to read the record or to request that it be read to them as well submit objections about the content of the record. This applies also to other persons whose statements are included in the records but only for the part of the record that contains their statement.
- 137.3. All changes, corrections, and additions of the parties or other persons in the content of the minutes, or with the initiative of the judge shall be noted at the end of the minutes. By request of the above mentioned entities there are written in the minutes also their objections which are not approved by the judge.

Article 138

- 138.1. The judge may order that the proceedings be taken down in shorthand or on a stenographic machine.
- 138.2. If there are objections to content of the record taken down according to paragraph 1 of this article, the provision of the article 137, paragraph 2 and 3 of this law, shall be appropriately applied.
- 138.3. If the record is not kept in written it shall be transcribed within three days.
- 138.4. Parties have the right to examine and copy the written record and make objections to irregularities within the next three days.
- 138.5. The judge renders a decision on the objections from paragraph 3 of this Article outside court proceedings.
- 138.6. The tape may be deleted following expiration of the objection period of time, and if the party is objecting the accuracy of the record, after the effective decision on the main matter is rendered.

Article 139

- 139.1. The record shall be signed by the judge, recording clerk, parties or their legal representative or authorized representative and the interpreter.
- 139.2. The witness and the expert sign their statement in the records only when their hearing was ordered.
- 139.3. Any person who does not know how to write shall place the print of the index finger of his or her right hand in place of a signature and the recording clerk shall enter his or her first and last name underneath the fingerprint.
- 139.4. If the party, his or her legal representative or authorized representative, witness or expert person refuses to sign the record, this shall be noted in the record along with the reason for the refusal.

Article 140

- 140.1. A special record on the counseling and voting is kept if the decision is rendered by a trial panel of judges. If the court of higher instance that decides on the appeal decides unanimously, shall no record be kept and a note on the counseling and voting shall be added to the decision.
- 140.2. The record on the counseling and voting shall contain the developments related to voting and the decision. The record is signed by the members of the trial panel and the record clerk.
- 140.3. The record on the counseling and voting is kept in a special envelope.
- 140.4. The record may be examined by the higher instance court when rendering a decision on the appeal. After that, the record shall be again kept in a special chapter which will note that the record has been examined.

CHAPTER XI THE COURT DECISION

Article 141

- 141.1. If the European Court on Human Rights ascertains that it was violated a basic right or freedom foreseen in European Convention for protection of Human Rights and Freedoms and in supplemented protocol of convention, the party within term of thirty (30) days from the day of verdict by European Court on Human Rights may file a petition for amendment of a verdict by which it was violated.
- 141.2. The petition is filed in Court of Kosovo that has acted on first level, in the procedure where the decision was taken by which it was violated the basic human right or freedom.
- 141.3. In the procedure on the petition for amending the decision by which it was violated human right or freedom, the provisions of this law are applied to suit the repeated procedure.
- 141.4. In the repeated procedure the court is obliged to take into consideration the attitudes of a final decision of the European Court on Human Rights by which it is ascertained the violation of basic human rights and freedoms.

Article 142

- 142.1. The court renders decisions within and outside court proceedings.
- 142.2. Decisions are rendered in the form of judgment or ruling.
- 142.3. The court decides on the claim by judgment while on the contentious procedure on obstruction to possession by a ruling.
- 142.4. In the procedure for issuance of order payment the ruling is issued in the form of order payment.
- 142.5. The decision rendered by the court on all other issues is in the form of ruling.
- 142.6. The decision on the procedural expenses that is included in the judgment is considered a ruling.

JUDGEMENT

Article 143

- 143.1. The court decides on the main matter and additional claims by judgment.
- 143.2. If one claim included several claims, the court generally decides by a single judgment.
- 143.3. If the court has brought together several proceedings in order to undertake a joint examination of matters, and only one proceeding is mature for decision, the judgment is issued solely for that matter.

Article 144

- 144.1. The court may order the defendant to fulfill the proposal if the claim may be realized before completion of the proceeding of the main matter.
- 144.2. If the court approves the claim on legal nutrition or compensation of damage through payment of rent due to the lost profits or other income from labour, the defendant may be bound also to proposals which may not be realized yet.
- 144.3. If proposal which is part of the claim is not required to be accomplished until completion of the main proceeding, the court turns down the claim as premature.

Article 145

If the claimant has requested in the claim a certain item from the defendant by stating in the claim or during the proceeding of the main matter that it may accept payment in cash instead of the claimed item, then the court, if it approves the claim, may conclude in the judgment that the defendant if it pays the requested amount is released from delivering the claimed item.

Article 146

- 146.1. If the party is ordered to fulfill a proposal, it shall be described the period of time within which the fulfillment shall take place.
- 146.2. If special provision do not foresee differently, the period of time for fulfillment of proposal is fifteen (15) days but the court may extend the prescribed period of time for obligations of monetary nature. The disputes related to bill of exchange or cheque, the period of time for fulfillment of obligation is seven (7) days.
- 146.3. The period of time for fulfillment of proposal is counted from the day of service of judgment to the party that needs to fulfill the proposal.

a) Partial judgment

Article 147

- 147.1. If out of several claims, due to confirmation or based on sufficient proceeding, one or several of them are mature for final and meritorious decision, the court may, based on the completed proceeding, finalize the proceeding and render the judgment (partial judgment).
- 147.2. The partial judgment may be rendered also when the defendant has filed a cross-action and the decision is completed only regarding the claim or the cross-action.
- 147.3. When considering to render the partial judgment, the court takes into consideration the volume of the claim or the part of the claim that is ready for decision.
- 147.4. When the trial includes several claims upon which, due to the nature of dispute, may be decided only by one judgment, it is not permitted rendering of a partial judgment.
- 147.5. The partial judgment is considered an independent judgment regarding appeal and finalization.

b) judgment based on confirmation

Article 148

- 148.1. If the defendant during the proceeding of the main matter partially or completely confirms the claim, the court renders, without further proceeding, the judgment which approves the part or complete claim (judgment based on confirmation).
- 148.2. The court may not issue the judgment based on confirmation, even if the required conditions are met, if it determines that the object of claim is not freely available to parties (paragraph 3 of article 3).
- 148.3. The rendering of judgment based on confirmation is delayed if it is necessary to collect information on the circumstances of paragraph 2 of this Article.
- 148.4. The statement on confirmation of the claim may be revoked verbally during the proceeding or by submission outside from proceeding, even without the consent of the claimant, until the moment the judgment is rendered.

c) judgment based on withdrawal from the claim

Article 149

- 149.1. If the claimant, until completion of the main proceeding of the matter, withdraws from a part or complete claim, the court without further proceeding renders a judgment which refuses the claim from which the claimant has withdrawn partially or in complete (judgment based on withdrawal).
- 149.2. The defendant's consent shall not be needed for withdrawal from the claim.
- 149.3. The court may not issue the judgment based on withdrawal from the claim, even if the required conditions are met, if it determines that the object of claim is not freely available to parties (paragraph 3 of article 3).
- 149.4. The rendering of judgment based on withdrawal from the claim is delayed if it is necessary to collect information on the circumstances of paragraph 3.
- 149.5. The statement on withdrawal of the claim may be revoked verbally during the proceeding or by submission outside from proceeding, even without the consent of the defendant, until the moment the judgment is rendered.

d) judgment based on disobedience/non-compliance

Article 150

- 150.1. If the defendant, within the time period prescribed by this law, does not submit the reply to the claim, the court renders the judgment that approves the claim (judgment based on non-compliance), if the following conditions are met:
 - a) if the claim and summons to reply to claim has been appropriately served to the defendant;
 - b) if the claim is founded on the evidence provided in the claim;
 - c) if the facts that support the claim are not in contradiction with the evidence from the claimant or widely known evidence.

- 150.2. If the court determines that the claim is not freely available to parties, the judgment due to non-compliance of conditions from paragraph 1 of this Article, if the court ascertains that it is the petition by which the parties shall not be rendered (paragraph 3 of article 3).
- 150.3. The rendering of the contumacious decision shall be delayed if appropriate information about the circumstances from paragraph 2 are needed.
- 150.4. If the claim based on the facts presented is considered unfounded, the court will initiate a preparatory hearing and if during that proceeding the claimant does not change the claim, the court renders a decision by which the claim is refused.
- 150.5. The appeal against decision of the court which rejects the proposal of the claimant for contumacious decision shall not be permitted.
- 150.6. In the cases from paragraph 3 of the present article, the contumacious decision may be rendered without hearing the parties.

e) Judgement due to absence

Article 151

- 151.1. When the charge is not sent for answer, but it is sent only together with the invitation for the preparation session, and he doesn't come for the session until it's finished, or in the first session for the main elaboration, if the timing for the preliminary session was not determined, the court with proposal from the plaintiff or in accordance with the official task issues a decision by which it approves the claim charge (decision due to the absence) if these conditions are met;
 - a) if the accused was invited regularly to the session;
 - b) if the accused never contested the request for charges through a preliminary pre-note if the charged party didn't oppose it;
 - c) if the depth of the request for charges is based on the facts shown in the charge;
 - d) if the facts on which the charges are based are not contradictory to the existing proofs presented by the plaintiff or other facts known worldwide;
 - e) if there are no circumstantial notes from which it can be determined that the charged party was stopped due to justified reasons not to attend the session.
- 151.2. The court may not issue a decision due to absentee even if the conditions from the paragraph 1 of this article are met, if it ascertains that the request is related to the issue that can not be at parties disposable (paragraph 3, article 3).
- 151.3. Issuing a decision due to the absence will be postponed if necessary once the needed info are present in accordance to the circumstances in the paragraph 2 of this article.
- 151.4. If the facts shown in the claim charge do not give basis for the charge, while the plaintiff in the court session don't change the charge, the court will issue the decision by which the claim charge is rejected as without basis.
- 151.5. The verdict which refuses the proposal of the plaintiff for issuing a decision based on absence can not be appealed, the complaint is not allowed.
- 151.6. In the cases of the paragraph 3 of this article the decision due to the absence can be issued without hearing of the parties.

f) Decision without a hearing of the case

Article 152

If the charged party through a reply to the charge has confessed decisive facts, though it contests the claim charge, the court can issue a decision without setting a court hearing (article 143 and 147), if there are no other objection to the issuance of this decision.

ISSUANCE, DRAFTING AND SENDING THE CHARGESHEET

Article 153

- 153.1. The court issues the verdict at the latest within fifteen (15) days from the closure of final evaluation. Time of issuance of the verdict is the day in which it is drafted.
- 153.2. If the judge exceeds the timeframe from paragraph 1 of this article, he is obliged to inform the president of the court in written for reasons of passing the deadline.

Article 154

- 154.1. After the final evaluation, the court informs the present parties for the date of issuing the verdict. If one of the parties didn't attend the last session of the case evaluation, the court will inform the party in written about the day for the verdict issuance.
- 154.2. If the parties are informed regularly on the day of issuing the verdict, the deadline for complaint against the verdict starts the day after the verdict was issued.

Article 155

- 155.1. In extraordinary cases, the court may decide to send the verdict in a more convenient way, but not contradictory to the provisions of this law.
- 155.2. The party which was not informed regularly for the day of verdict issuance, the court will send the verdict in accordance with provisions of this law for sending requisitions.

Article 156

Contumacy verdict, a verdict due to the lack of evidence and the verdict of the second level court issued without an evaluation session of judicial issues is sent to the parties in accordance to the provisions of this law for sending requisitions.

Article 157

In the case of article 153, paragraph 2 of this law, once the court establishes that the day to issue the verdict will be postponed; both parties in the case will be informed on the matter, while the verdict issued will be sent in accordance to the provisions of this law for sending requisitions.

Article 158

In the cases of the articles 155, 156 and 157 of this law, the deadline for presenting the hitting tool (evidence) used, counts down from the day the verdict was issued to the party.

Article 159

The principle verdict is signed by the judge.

Article 160

- 160.1. A verdict compiled in written should have: summary, disposition, justification and guide on the right to file a complaint against the verdict.
- 160.2. The summary of the verdict should have: the name of the court, the name of the judge, the names of the parties and their address, the names of their legal representatives, brief narrative of the contesting issue and the amount, the ending day of the main hearing, the narrative of the parties and their legal representatives and with proxy that were present in the session of the kind as well as the day when the verdict was issued.
- 160.3. The verdict disposition consists of: decision which approves or rejects special requests dealing with issue at stake and accessing requests, decision for existence or non-existence of the proposed requests to compensate it with statement of claim as well as the decision on procedural expenses.
- 160.4. Justification of the verdict consists of: requests of parties, facts submitted and proposed proofs, which of the facts are validated, why and how they were validated, if they were validated according to the proof which proofs were used and how they were validated.
- 160.5. The court specifically should show which provisions of the material right are applied in the case of deciding upon the requests from the parties. If necessary, the court will pronounce on the standing of the parties regarding the judicial basis for the contests, as well as for their proposals and turndowns, for which the court hasn't justified decisions issued earlier in the process.
- 160.6. In the contumacy verdict, verdict on the basis of pleading guilty, verdict on the basis of withdrawing the charges, or the verdict due to the lack of attendance, the justification consists of only the reasons for issuing the verdict of the kind.

Article 161

If the parties have withdrawn from their right to complain after the verdict was issued, or they haven't requested that the verdict sent has the justification part, the court will

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not justify it especially the verdict issued but the court will show that the parties have withdrawn from complaint therefore the verdict isn't justified.

Supplemental Verdict

Article 162

- 162.1. If the court hasn't decided over all requests that should have been included in the verdict, or when only one part of the requests was not included than the party can suggest its supplementation through a proposal in a period of fifteen (15) days since the day of the verdict was issued.
- 162.2. If the party doesn't propose its appending it will be considered that the charges were withdrawn for the part which was not included in the decision issued.
- 162.3. A proposal coming later or with no basis for supplementing the decision will be dropped, respectively rejected by the court without setting a hearing.

Article 163

- 163.1. When the court ascertains that proposal to supplement the decision has grounds, it sets a session for main hearing of the case, aiming at issuing a decision for the part of the request that hasn't been resolved (a supplemental decision).
- 163.2. Supplemental decision can be issued without reopening of the main hearing, if this decision is issued by the same judge who issued the first decision but only after it is ascertained that the request proposing the supplement is examined enough.
- 163.3. If the proposal for supplementing the decision is related to the expenditures of the procedure, the verdict over the proposal is issued by the court without setting a court session.

Article 164

- 164.1. In cases where except proposal for supplementing the decision there is an appeal against it, the appeal is not sent to the court of the second instance until there is a decision on the supplement proposal and until the deadline for addressing it isn't due.
- 164.2. If there is a complaint against the verdict for supplementing a decision, this complaint together with first decision will be sent to the court of second instance.
- 164.3. In case the decision is attacked by a complaint only because the court hasn't used it for all requests of parties that are subject of the court process, the complaint will be regarded as a proposal for issuing a supplemental decision.

Correction of the decision

Article 165

- 165.1. Mistakes on the names and numbers as well as other written and calculating mistakes, absence in a aspect of ways of decision and discrepancies of copies with the original are corrected by the court in every time.
- 165.2. The correction of mistakes is dome through a special verdict written in the form of the original verdict while the parties receive copies of such verdict.
- 165.3. If there are discrepancies between original and the copy of a restrained verdict in a sense of decision per request, the parties receive the corrected copy of the decision by showing that this copy replaces the previous copy of the decision. In this case the deadline for complaint against the corrected part of the decision starts from the moment of issuance of the corrected copy of the decision.
- 165.4. The correction of the decision is decided by the court without hearing of parties.

The decision of the absolute decree

Article 166

- 166.1. The decision that can be attacked through a complaint becomes an absolute decree one for as much it is decided over the claim charge or against claim charge.
- 166.2. The court, in accordance to its official task during the proceedings looks into the possibility of the same issue being examined before, f it ascertains that the procedure was initiated for the request for which a verdict of absolute decree exists, the charges will be dropped as not allowed ones.
- 166.3. If in the process was decided over the request for which the charged party has submitted through a turndown aiming at compensation through a request charge, than the decision for existing or non-existence of this request of the charged will be issued as an absolute.

Article 167

- 167.1. The decision of absolute decree produces judicial effects only through the litigant party, except when due to the nature of the contesting relationship or based on the order it produces effect against third parties.
- 167.2. The decision of absolute decree is related to the state of the judicial relations at the time of the closure of main hearing.

Article 168

In case of the later trial based on the charges raised against the intermediate who together has participated the previous procedure, the court can not decide against the previous decision except when the turn down is approved for following the issue at the court with disrespect.

Article 169

169.1. The court is bound to its decision from the moment of issuing it.

169.2. The decision is active toward both parties from the day it is issued, while in the cases 155, 156, and 157 of this law from the day it is handed.

**CHAPTER XII
V E R D I C T**

Article 170

170.1. All verdicts issued at the court session are announced by the judge.

170.2. The verdict announced in the court session are sent to the parties as verified copies only if they are can be attacked with a special complaint, or based on the verdict can be asked for an immediate turndown or if something of the kind is asked by the proceedings.

Article 171

171.1. The court is linked to its verdicts if they do not belong to its process or if this law doesn't determine it differently.

171.2. In the cases where the verdict is sent to the parties, the verdict is effective as soon as it is announced.

Article 172

172.1. The decisions issued by the court outside of the court session are communicated to the parties by sending a verified copy of the verdict.

172.2. If through the verdict the proposal of one of the parties is refused without a preliminary hearing of the opposite party than the verdict is not sent to the second party.

Article 173

The verdict should have a justification in case there is a special complaint, the verdict could have a justification in other cases when the court declares that it is necessary/

Article 174

Absolute decrees and fines issued through the provisions of this law are implemented in accordance to the official task.

Article 175

Provisions of articles 146, 153, 160 and 169, paragraph 2, of this law is applied accordingly when it is dealt with verdicts.

PROCEDURE ACCORDING TO THE MEANS OF ATTACK

**CHAPTER XIII
USUAL MEANS OF ATTACK**

**COMPLAINT AGAINST THE ADJUGMENT
The right to complain**

Article 176

- 176.1. The complaint of parties against the decision of the 1st level court can take place within fifteen (15) days starting from the day a copy of the verdict is handed, unless there is no other schedule set by this law. In the disputes coming from the relationships in which the verdict was issued, through a bill of exchange or cheque, the deadline for complaint is seven (7) days.
- 176.2. The complaint processed during the period set by law prevents the verdict to be issued as an absolute decree with reference to the part affected by the complaint.
- 176.3. On the complaint against the verdict is decided by the court of level two.

Article 177

- 177.1. The party can withdraw from the right of complaint from the moment when the verdict is handed to him/her.
- 177.2. The party can withdraw the complaint up to the moment when the second level court issues the decision.
- 177.3. Statement for withdrawing from complaint or withdrawal of the complaint can not be revoked.

Content of the complaint

Article 178

- 178.1. Complaint should consist of:
- a) narrative of the verdict against which the complaint is done;
 - b) statement that the verdict is opposed in complete or in specific parts;
 - c) reasons for complaint and justification;
 - d) signature of the party raising the complaint.

Article 179

- 179.1. If the complaint doesn't include elements from the article 178 of this law (incomplete complaint), the first instance court through a verdict that prevents complaints calls upon the appealing party to fulfill the proposed complaint within seven days.
- 179.2. If the complaining party doesn't act within the period outlined by parag.1 of this article, as requested by the judge, the court through a verdict rejects the complaint as insufficient.

Article 180

- 180.1. New facts cannot be presented through the complaint, or new proof, except when the complainer presents new proofs which couldn't be presented by no fault of the complainer, specifically they should be presented until the main hearing of the first level court.
- 180.2. By presenting new facts, the complainer should mention proofs through which such facts could be verified, while by presenting new proof, the complainer should mention facts which could be verified through those proofs.
- 180.3. Rejection of the prescription and rejection with aim of compensation which are not presented in the court of first level can not be presented through a complaint.
- 180.4. If by presenting new facts, and by proposing new proof there are procedure expenses made during the complaint procedure that those expenses will be charged to the party which presented new fact respectively the party which presented new proofs.

Reasons on which the verdict could be strike

Article 181

- 181.1. The verdict can strike:
 - a) due to the violation of provisions of contestation procedures;
 - b) due to a wrong ascertainment or partial ascertainment of the factual state;
 - c) due to the wrong application of the material rights.
- 181.2. Decision based on confession and decision based on withdrawal from the charges can take place due to the violation of provisions of contestation procedures, or due to the confession statement, respectively withdrawal from statement of claim made by mistake or under violent impact or seduction.

Article 182

- 182.1. Basic violation of provisions of contested procedures exists in case when the court during the procedure didn't apply or wrong application of any of the provisions of this law, while this has or will impact a rightful legal decision.
- 182.2. Basic violation of provisions of contested procedures exists always;
 - a) when the court is not made based on provisions or when during the issuance of the verdict was done by the judge who didn't participate in the main hearing;
 - b) when it is decided on a request which isn't a part of the legal jurisdiction;
 - c) when the in the issuance of the decision participated the judge who according to the law should be dismissed, respectively the judge was already dismissed by a court decision or in the cases when a person not qualifies as a judge participated in the issuance of the verdict;
 - d) in cases when the court based on rejection of parties has wrongly decided that it belonged to subject competencies;

- e) if it was decided for the request based on the charges raised after the time period previously set by the law;
- f) if the court has decided for the claim for which is subject of the highest court of the kind, a court of different kind;
- g) if it's contrary to the provisions of this law, the court has based its decision on illegal possession of parties, (article 3. paragraph 3);
- h) if it's contrary to the provisions of this law, the court has issued a decision based on confession of the party, disobedience, absence, withdrawal from the claim or without holding of the main hearing;
- i) if any of the parties through illegal activity, especially by not offering the opportunity for a hearing in the court;
- j) if in opposition with provisions of this law the court has refused the request of the party that in the procedure use its own language and writing, and follow the procedure in ones own language, and for this reason complaints;
- k) if in the procedure as a plaintiff or as the accused has participated a person who couldn't be part of the procedure; when the party which is a legal entity was not represented by the authorized person; when the party with lack of procedural knowledge wasn't represented by a legal representative; when the legal representative, respectively the representative with proxy of the party had no necessary authorization for conducting a procedure, respectively performing specific actions in the procedure if the conducting the proceeding, respectively exercising of special actions in proceeding is not allowed;
- l) if it was decided for the request for which the procedure is ongoing or for which earlier an absolute decree was reached; or for which the plaintiff once has withdrawn; or for which a court agreement was reached;
- m) if in opposition with law the audience was expelled from the main hearing;
- n) if the decision has leaks due to which it' can't be examined, especially if the disposition of the decision is not understandable or contradictory in itself with the reasoning of the verdict, or when the verdict has no reason or which gives no justification for the final facts, or which reasoning are unclear, contradictory, or if in the final facts there are contradictions between what is said in the verdict, the main document or the procedural records and of the document or the minutes of proceeding;
- o) if the verdict overpass the claim for charges.

Article 183

183.1. There is a wrong ascertainment or incomplete one regarding the factual state when the court wrongly has verified a crucial fact, respectively when the fact of the kind wasn't verified.

183.2. There is an incomplete ascertainment of the factual state and this is shown by new facts or new proofs.

Article 184

Wrong application of the material rights exists when the court didn't apply the material right provisions which should been applied, or when such provisions was not applied rightfully.

Procedure according to the complaint

Article 185

The complaint will be presented to the court that issued the decision of the first degree in a satisfactory number for the court and opposing party.

Article 186

- 186.1. The complaint presented after the deadline foreseeable by the court, the incomplete one, or the illegal one the court can reject with a decision of the first degree without setting a court session.
- 186.2. The complaint has no value if presented after the deadline determined by the law for presenting it.
- 186.3. The complaint is illegal if it is presented by the person who is not authorized for presenting, or the people who withdraw from the right to complain or who withdrew the complaint, or of the person who presented the complaint has no judicial interest to present a complaint.

Article 187

- 187.1. A sample of the complaint presented timely, legally and complete, is sent within seven days to the opposing party by the court of the first degree complain, that can be replied with presentation of a complaint within seven days.
- 187.2. A sample of the reply with complaint the first degree court sends to the complainer immediately or at the latest within the period of seven days from its arrival to the court.
- 187.3. A reply to the complaint presented after the deadline will be dealt by the second degree court.
- 187.4. Statements arriving at the court after the arrival of the reply to the complaint or after the deadline for replying to the complaint will not be considered, except when the party demand additional declarations from the court.

Article 188

- 188.1. After receiving the reply to the complaint, or after the deadline for replying to the complaint, the court of the first degree will forward the subject will following documentation to the court of the second degree the complaint and the reply presented within a period of seven days at most.
- 188.2. If the complainer asses that during the first degree procedure the provisions of contestation procedures are violated, the court of the first degree can issue explanation regarding the subject of the complain relating to the violations of the kind, and according to the need it can conduct investigations aiming at verification of the correctness of the subject in the complaint.

Article 189

- 189.1. After the file of the subjects reaches the second degree court, the relevant judge prepares the report for the exploration of the case at the complaint court, which will judge with the court body consisting of three judges.
- 189.2. If necessary, the relevant judge from the court of the first instance will require a report on the violation of the procedural provisions and other missing facts mentioned at the complaint, also the judge may require necessary investigations to determine the violations mentioned or missing facts.

Article 190

- 190.1. The court of second instance will decide about the complaint in a session of the court body or based on the examination of the subject in a court session.
- 190.2. The court of the second instance determines the examination of the case, when it considers the factual state, exactly and completely by verifying new facts and receiving new proofs under the conditions set by article 180, paragraph.1 and 2 of this law.
- 190.3. For discussion, the court of second instance will determine a direct examination for the case even if the verdict of the first instance court was twice annulled, and in the case when the college session evaluates that the verdict against which a complaint is raised was based on essential violation of provisions of contestation procedure, or when the factual state was evaluated wrongly or incompletely.
- 190.4. The court of second instance can determine evaluation of the case when it estimates that for a rightful factual state is to be determined and all or partial proofs administered in the court of first instance should be considered.

Article 191

- 191.1. For the hearing session of the case, parties should be invited directly, respectively their legal representative or by proxy, as well as other witnesses and experts, whose hearing was determined necessary by the complaint court.
- 191.2. If the complainer is missing from the court, the hearing doesn't take place, while the decision will be brought based on the sayings of the complaint and the ones that respond to the complaint.
- 191.3. If the non-complaining side of the case doesn't attend the hearing, the court acts upon it by issuing the necessary decision.
- 191.4. The writ for the session informs about the procedural consequences for not attending the case evaluation.

Article 192

- 192.1. The case examination in front of the Court of second instance starts with detailed explanation of the relater about the case but without his/her opinion regarding the basis of the complaint.

Civil laws

192.2. After this, the verdict is read or just the part involving the complaint and when needed the procès-verbal on the final hearing in front of the court of first instance is read. Then, complainer justifies its complaint, while the opposing party responds to the complaint.

192.3. If there is a proof that can't be used directly, the complaining court decides to read the procès-verbal covering the part of that specific proof.

Article 193

Everything determined by this law regarding to the first instance procedure adequately can be implemented in the procedures of the second instance court.

Boundaries of the examining a court case in the first instance

Article 194

The complaint court examines the court case of the first instances in the part that complaint refers to, and that is done within the boundaries of causes shown in the complaint, considering them in accordance to the official tasks for applying the material right and violation of provisions for contested procedure from the article 182 paragraph 2, point. b), g), j), k) and m) of this law.

Decisions of the second instance court over complaint

Article 195

195.1. The complaint court in the college session or based on the case evaluation done directly in front of it can:

- a) disregard the complaint that arrives after the deadline, it's incomplete or illegal;
- b) disregard the case and reject the claim;
- c) can disregard the decision and return the case for re-trial in the court of the first instance;
- d) reject the complaint as an un-based one and verify the decision reached;
- e) change the decision of the first instance.

195.2. The court of the second instance is not linked to the proposal submitted in the complaint.

Article 196

The complaint that is late, incomplete or not allowed can be dismissed by the second instance court with a verdict, if it wasn't done initially by the court of the first instance (article 186).

Article 197

197.1. The court of second instance in the college session, or based on the evaluation of the case done with a verdict can revoke the decision of the first instance court

and the case is returned for a retrial to the court of the first instance, if it is considered that there is one of these causes mentioned in the complaint:

- a) if in opposition with provisions of this law, the court has issued a decision based on confession or the decision was issued based on withdrawal from the request for charge;
- b) if any of the opposing parties with an illegal act, especially for an irregular invitation the party was not given the opportunity to attend the hearing and this act had influenced issuance of legal and rightful decision;
- c) if the court has brought a decision without conducting a key hearing of the judicial issue;
- d) if a judge who according to the law should be discharged from the trial participated in bringing the decision.

Article 198

- 198.1. If the second instance court considers that the first instance court has decided about a request which doesn't fall under judicial competencies, a request for which a litispentence exists in a different trial, or for which there is a court ruling of decree absolute, or for which the party that raised charges withdrew, or for which there is a court consent than this court can revoke the decision of the first instance and reject the charge.
- 198.2. If the second instance court considers that during the procedure of the first instance there was a presence of the person that can not act as an intermediate party, when a legal entity was represented by a person not authorized as their legal representative, or if the party with no legal background wasn't represented by their legal representative or when the legal representative, the one with proxy or the one for conducting specific procedural acts wasn't authorized respectively the act weren't approved by their client, the court can revoke the decision of the first instance and reject the charge.
- 198.3. When the second instance court revokes the decision of the first instance court and the case is sent to the same for retrial, the court can decide that another judge resides over the case.
- 198.4. The justification part of the verdict, which revokes the decision of the first instance, should show which provision of the contested procedure are violated and what consists that violation.

Article 199

Immediately upon arrival of the case from the second instance, the court of the case should set a preliminary session or trial session for the main hearing, which should take place within thirty (30) days of the decision arriving from the second instance court, the court should also conduct all procedural actions, reexamine all contesting issues offered by the court of the second instance in their verdict.

Article 200

The court of the second instance through a decision will reject the complaint as un-based one, thus verifies the decision of the first instance court if it decides that there are no causes that affect the decision, nor causes for which it's is entitled to deal according to the official task.

Article 201

201.1. The second instance court can change the decision of the first instance court in the college session, or on the basis of examination of the main issue directly through a decision, if it decides that one of the under mentioned causes are presenting the complaint:

- a) if it considers that there is a violation of the provisions of the contestation procedures expect the ones mentioned in the article 197 of this law;
- b) if in the college session through a different evaluation of the writ and proofs received indirectly, it ascertains different factual circumstances from the ones in the decision of the first instance court;
- c) after direct examination of the case, based on new proofs, or based on newly possessed proofs administered by the first instance court, it ascertains different factual circumstances from the ones in the decision of the first instance court;
- d) if it considers that the factual state in decision of the first instance court has over passed the charge claim through which it accepted more than requested by the charge;
- e) if it has found that with the judgment of the first instance it is overrun the claim so that it is accepted more than what has been requested by the claim.

Article 202

If the court of complaint in the college session ascertains that through the first degree decision it over passed the claim for charges thus it was decided for something different than requested by the charge, therefore through a verdict the second instance court revokes the decision for the first instance and sends the case for new procedure.

Article 203

Second instance court can change the decision of the first instance court to the prejudice of the complaining party if only it complained and not the opposing party.

Article 204

In the justification of the decision, respectively the verdict, the second instance court should asses the content of the complaint which is of decision-making importance for issuing the verdict.

Article 205

The second instance court returns all writs related to the case to the first instance court with a considerable amount of samples of its decisions to be sent to the court-parties and other interested parties, as well as a sample for the first instance court. The court of second instance will do this in a period of thirty (30) days from the day the verdict was issued.

COMPLAINT AGAINST THE VERDICT

Article 206

- 206.1. Against verdict of the first instance court, the appeal is possible, in case this law doesn't forbid the appeal.
- 206.2. If this law foresees that a specific complaint isn't allowed, the verdict of the first instance can be struck through a specific complaint presented against the verdict which finalizes the processing of the case in the first instance court.

Article 207

- 207.1. The complaint presented within the legal deadline will restrain the verdict, if the law doesn't foresee it differently.
- 207.2. The verdict against which a special complaint is not allowed can be finalized immediately.

The procedure according to the complaint and the verdict of the second instance court

Article 208

In the procedure of the special appeal presented against the verdict, the provisions of this law that apply to the complaint against the verdict will be applied accordingly, except the provisions which foresee the opportunity for examining the case directly by the court of the second instance.

Article 209

- 209.1. In deciding on the special appeal, the court of the second instance can
 - a) eject the appeal as timeless, incomplete and not allowed;
 - b) reject the appeal as in no basis for appeal and verify it as a verdict of the court of first instance;
 - c) approve the appeal and change the verdict struck;
 - d) approve the appeal and annul the verdict brought and when needed to return the case for re-procedure.

Article 210

In the procedure of the second instance according to the special appeal, the cause for change of the verdict serves as a cause for attacking the final verdict. When the court of the second instance ascertains that there exist irregularities related to the attacked verdict, the court can act with a no special appeal upon means determined by the article 195 of this law.

CHAPTER XIV EXTRAORDINARY MEANS OF STRIKE (ADDRESSING)

REVISION

Article 211

- 211.1. Against the decision of the court of second instance, sides can present a revision within a period of thirty (30) days from the day the decision was brought.
- 211.2. Revision is not permitted in the property-judicial contests, in which the charge request involves money requests, handing items or fulfillment of a proposal if the value of the object of contest in the attacked part of the decision does not exceed 3,000 €.
- 211.3. Revision is not permitted in the property-judicial contests, in which the charge request doesn't involve money requests, handing items or fulfillment of other proposal, if the value of the object of contest shown in the charge doesn't exceed 3,000 €.
- 211.4. Excluding, when dealt with the charge claim from the paragraph 2 and 3 of this article, the revision is always permitted:
 - a) food contests;
 - b) contests for damage claim for food lost due to the death of the donator of food;
 - c) contests in work relations initiated by the employee against the decision for break of work contract.

Article 212

For revisions is decided by the Supreme Court of Kosovo.

Article 213

Presented revision is not an obstacle for issuance of the decision of absolute decree.

Article 214

- 214.1. Revision can be presented:
 - a) for violation of provisions of contested procedures from the article 188 of this law done by the procedure of the court of second instance;

- b) due to wrongful application of material right;
 - c) due to over passing claim charge, if the irregularities were done in the procedure developed in the court of second instance.
- 214.2. Revision can be presented due to wrong ascertainment of incomplete of the factual state.
- 214.3. Against the decision issued in the procedures of the second instance, which verifies the decisions based on confession, the revision can be presented only by the causes mentioned in the paragraph 1, point. a) and b) of the paragraph 2 of this article.
- 214.4. Against the decisions of the second instance which verifies the decision of the first instance, the revision is not permitted due to the violation of the provisions of the contested procedures from the paragraph 1, pt. 1, of this article, unless their existence is not mentioned in the appeal, except when it is dealt with the violation which are under the official task of the second instance court and the one of the revision.

Article 215

The revision court examines the decision attacked only in the part that is attacked through revision and only within the boundaries of the causes shown by the revision, but taking care accordingly to the official obligation for rightful application of material goods right and for the violation of the provisions of the contested procedure, which deal with the ability to be a party and regular representation.

Article 216

Parties can present new facts with revision and propose new proofs only if they are not dealing with the violation of the provisions for contested procedures conducted in the procedure of the second instance court.

Article 217

Revision is presented by a considerable number of copies for the court and the opposing side to the judge of the first instance court, which issued the decision of the first instance.

Article 218

The revision presented after the legal time period, is incomplete and not allowed can be rejected by the first instance court without holding a courts session.

Article 219

219.1. A sample of a timely presented revision, a complete revision and allowed will be sent within period of seven days to the opposing party by the court of first instance.

Civil laws

- 219.2. The opposing party owns the right that within seven days starting from the day receiving the revision, answer the revision by presenting the answer to the court of first instance.
- 219.3. When the answer to revision was presented, or the deadline for answer to revision has passed, and the answer, if presented will be sent to the court of revision by the court of the first instance, through a judge of the second instance court within the period of seven days.

Article 220

The Supreme Court decides about the revision in a session of the judging body, only based on the official documents of the case.

Article 221

A later revision, an incomplete or not allowed one will be rejected by the court of revision, if it wasn't done by the court of the first instance within its authorizing boundaries (article 218 of this law).

Article 222

The Supreme Courts rejects the revision as ungrounded one through a decision if it ascertains that there are no causes mentioned in the revision.

Article 223

- 223.1. If the court of revision ascertains that there is a violation of the provisions of contestation procedures due to which the revision can be presented, except in the violations set in the paragraph.2 and 3 of this article, than it will consider the nature of violations; through a verdict it annuls partially or completely the decision of the court of the second and first instance, or only the decision of the second instance and returns the case for retrial to another judge or the same one in the court of the first instance, respectively the same or different court college in the court of the second instance, or another competent court.
- 223.2. In case the first or second instance procedure was decided based on the request that doesn't fall under the competences of the court, or it consists the issue judged, or from which the plaintiff has withdrawn or for which there is a judicial agreement, the revision court through a verdict annuls the decision through a revision and rejects the charge as an not permitted one.
- 223.3. If the first or second instance procedure as a charging party unknowingly the individual without legal background has participated as legal representative, when the legal entity wasn't represented by an authorized person, when the party without legal background wasn't represented by its legal representative, when the legal representative or by proxy of the side had no required authorization for pursuing the issue at the court or for conducting concrete procedural actions respectively when pursuing the case at the court or

conducting concrete procedural actions was not approved by the side later on, than the revision court, pending on the nature of existing procedural violation acts in accordance with the provisions of the paragraph.1 and 2 of this article.

Article 224

- 224.1. If the court of revisions ascertains that the material good right was applied wrongfully, through a decision it approves the revision presented or changes the decision attacked.
- 224.2. If the court of revision ascertains due to the wrongful application of the material good, or due to the violation of rules of procedure-the factual state isn't certified completely and for that reason there are no conditions to change the attacked decision, than the court approves the revision through a verdict and annuls partially or completely the decision of the first and the second instance, or only the decision of the second instance, while the case is sent for retrial to the same or other judges of the court of the first instance or the second.

Article 225

If the court ascertains that the absolute decree decision of the court for second instance has over passed the claim charge, the court of revision with its decision approves the revision of the party and changes the decision attacked.

Article 226

The decision of the court of revision is sent to the parties through the court for second instance within a period of thirty (30) days.

Article 227

If the provisions of articles in this chapter do not foresee else wise, the procedure according to the revision will apply accordingly the provisions of this law regarding the complaint against the decision, except provisions which foresee the opportunity for holding an examination of the main issue at the court of appeal.

Revision against the verdict

Article 228

- 228.1. Sides can present revision against verdict of absolute decree though which the procedure in court of second instance will finish.
- 228.2. Revision is not allowed against the verdicts outlined in the parag.1 of this article in the contests in which revision against the decision isn't allowed.

Article 229

- 229.1. Revision are allowed against verdict of the court of second instance in which the appeal presented against the final verdict is dropped, respectively which verifies the verdict of the first instance on rejecting the revision presented against the final verdict.
- 229.2. Revision is permitted against verdict of the court of second instance through which it decided on the proposal for repeating the procedure.
- 229.3. Revision is not permitted against verdict on the procedural expenses.

Article 230

The procedure in accordance to the revision against the verdict applies accordingly the provisions of this law over the revision against decision.

Article 231

The court to which the case was returned for a retrial is legally bound to the judicial counts on which verdict the court of revision was based for annulment of the decision of the second instance court.

REPEATING PROCEDURES

Article 232

- 232.1. Finalized procedure with an absolute decree can be repeated based on the proposal party:
 - a) if the party with an illegal act, especially in the case of not being invited to the session, the party is not given the opportunity to part take in the examination of the main issue;
 - b) if in the final procedure, as a charging party or unknowingly participated the individual that can't act as an intermediate party; the legal entity wasn't represented by an authorized person, when the party without legal background wasn't represented by its legal representative, when the legal representative or by proxy of the side had no required authorization for pursuing the issue at the court or for conducting concrete procedural actions respectively when pursuing the case at the court or conducting concrete procedural actions was not approved by the side later on;
 - c) if the final decision of the court was based on untrue statements of witnesses, experts, or based on falsified documents or in which untrue content was certified;
 - d) if the final decision of the absolute decree is a result of penal act of the judge, legal representative or by proxy of the side, opposing side of the third party;

- e) if the party gains the possibility to use the courts verdict of the absolute decree, which was earlier issued in the procedure developed among the same parties for the same charge claim;
- f) if the final decision of the absolute decree is based on another court verdict, or on the verdict of another body while this verdict was changed, revoked or annulled by an absolute decree;
- g) if the party is aware of other facts or finds new proofs, or gains the opportunity to get a more favorable verdict if these facts and proofs were used in the earlier procedure.

Article 233

- 233.1. Due to the reasons shown in the article 232 point. a) and b) of this law, the repetition of the procedure could not be required if they are used successfully in the previous procedure.
- 233.2. Due to the reasons shown in the article 232, point. g) of this law the repetition of the procedure can be asked only if the party without fault of its own could not present these circumstances before the previous procedure ended in the court verdict of absolute decree.

Article 234

- 234.1. Proposal for repeating the procedure is presented within the period of thirty (30) days and that:
 - a) in the case of article 232, point a) of this law, from the day when the verdict of absolute decree was handed to the party;
 - b) in the case of article 232, point b) of this law if as a charging party or unknowingly participated the individual that can't act as an intermediate legal party-from the day the verdict was handed to the persons;
 - c) in the case when the legal entity wasn't represented by an authorized person, when the party without legal background wasn't represented by its legal representative-from the day when the verdict was handed to the party, respectively its legal representative or when the legal representative or by proxy of the side had no required authorization for pursuing the issue at the court or for conducting concrete procedural actions-from the day when the party was aware of the reason;
 - d) in the case of article 232, point c) of this law—from the day which the party is aware of the absolute decree decision;
 - e) in the case of article 232, point d) of this law – from the day the party became aware of the criminal verdict of the absolute decree, and if the criminal procedure could not be conducted, than from the day when the party was aware of the suspension of the criminal procedure, or for the circumstances for which the criminal procedure couldn't be initiated;
 - f) in the cases from the article 232, point e) and f) of this law- from the day in which the party could use the verdict of absolute decree that is a cause for repeating the procedure;

Civil laws

- g) in the case of article 232, point g) of this law-from the day in which the party could present new facts to the court respectively new proofs;
- 234.2. If the deadline set by the paragraph 1 of this article starts before the verdict of the absolute decree is issued, the deadline will be counted from the moment in which the verdict becomes absolute, in case there is an appeal against, respectively from the day of issuance the verdict of the absolute decree by the highest court issued at the final instance;
- 234.3. After a five year deadline passed from the day when the verdict became absolute, the proposal for repeating the procedure can be presented, except the repetition is required from the causes mentioned in article 232, point a) and b), of this law.

Article 235

The court for second instance decides upon the proposal for repeating the procedure, and that would be an individual judge who did not part take in issuing the verdict of the second instance in the previous procedure.

Article 236

- 236.1. The proposal for repeating the procedure is presented to the judge that issued the verdict of the first instance.
- 236.2. The proposal should show: legal basis for support of which the repetition of the procedure is asked for, circumstances from which results that the proposal was presented within the legal time period and the proofs by which the proposed saying are justified;

Article 237

- 237.1. Proposal for repeating the procedure presented after the deadline, is incomplete and not permit able is rejected by the court of the first instance through a verdict without a court hearing.
- 237.2. If the court of the first instance doesn't reject the proposal, a sample is sent to the opposing party which has a right to reply within a period of fifteen (15) days.

Article 238

After the response regarding the proposal has reached, or after the deadline for responding to the proposal has passed, the court sends the proposal, with the response if presented, including all official documents related to the case to the court of the second instance within a period of eight (8) days.

Article 239

- 239.1. The court of second instance usually decides over the proposal for repeating the procedure without an examining session.

239.2. If the court concludes that it is necessary for an examination of the kind, it will act in accordance to the provisions of the article 191 and 193 of this law.

Article 240

- 240.1. Once the court of second instance decides over the proposal for repeating the procedure, it sends to the court of first instance a sufficient number of samples of the decision, the case file and other official documents related to the case.
- 240.2. The verdict which permits repetition of the procedure emphasizes the decision which annuls the one issued in the previous procedure.
- 240.3. Appeal against the decision of the court of second instance which approves the proposal for repeating the procedure is not allowed.
- 240.4. The appeal against the decision of the court of second instance which rejects the proposal for repeating the procedure is presented to the same court, which based on the appeal decides a judging body consisting of three judges.

Article 241

- 241.1. In the repeated procedure of the first instance court, the judge that participated in the decision in the previous procedure.
- 241.2. The court of the first instance set the preliminary session immediately after the verdict of the court of second instance was issued, at the latest within a period of eight (8) days.

RELATIONSHIP BETWEEN REVISION AND PROPOSAL FOR REPEATING THE PROCEDURE

Article 242

- 242.1. In case the party presents the proposal for repeating the procedure within the period set only due to the causes for which the revision can be presented it will be considered that the revision was presented.
- 242.2. If the party presents the revision because in the first or second instance procedure was decided over the requests for which there existed a verdict of absolute decree, or for which requests the plaintiff has withdrawn in a previous procedure, or for which procedure there was a court agreement, at the same time or later present the proposal for repeat of the procedure, for whichever reason mentioned in the article 232 of this law, the court will stop the procedure based on the proposal for the repeating of procedure until the procedure is finalized according to the revision.
- 242.3. If the party present the revision for any of the reasons, except in the cases mentioned in the above paragraph, at the same time or later presents the proposal for repeating the procedure, for the causes mentioned in the article 232, pt. c) and d) of this law argued through a criminal decision of the absolute decree through court will stop the procedure in accordance to the revision until the procedure related to the proposal for repeating the procedure is not finished.

242.4. In all other cases in which a revision is presented by the party, and at the same time or later it presents the proposal for repeating the procedure, the court will decide for which procedure it will continue and which it will stop, with regard to case circumstances, especially the causes by which the two means of attack and proofs proposed by the parties are presented.

Article 243

243.1. Provisions of the article 242, parag.1 and 3 of this law will be applied even when the party presented the proposal for the repeat of the procedure and after this it proposed the revision.

243.2. In all other cases in which the party presents the proposal for repetition of the procedure and after this it presents the revision, the court usually stops the procedure according to the revision until the procedure hasn't finished according to the proposal for repeating the procedure, except when it ascertains that there are justified causes for acting differently.

Article 244

244.1. The verdict from the article 242 of this law is issued by the judge of the court of first instance if the proposal for repeating the procedure reaches the court of the first instance before the case based on revision is sent to the court for revision.

244.2. If the proposal for repeating the procedure reaches the court of the first instance after the case is sent to the court of the revision, the verdict of the article 242 of this law is issued by the court of the revision.

244.3. The verdict from the article 242 of this law is issued by the judge of the court of first instance, except if the case in the time when revision reaches the court of first instance according to the proposal for repeating the procedure is sent to the high court for decision, in which case the verdict is issued by the high court.

244.4. Against the verdict from the parag.1 and 2 of this article appeal isn't allowed.

REQUEST FOR PROTECTION OF LEGALITY

Article 245

245.1. Against verdict of absolute decree the public prosecutor might raise the request for legal protection within three months. The term for raising the request for legal protection from paragraph 1 of this article is considered:

- a) against the decision taken in the first instance, against which there was made no complaint from the day this decision could be opposed by claim;
- b) against the decision taken in the second instance, against which is declared the revision from the day this decision was taken to the party delivered at the latest.

245.2. Against decision from paragraph of this article, issues it in the second instance, against which the parties have declared revision, the public prosecutor might raise request for protection of legality only within thirty (30) days from the date the revision was delivered to that party, revision of which was sent earlier.

245.3. The request for protection of legality is not allowed against the decision that was taken during revision or request of protection of legality by the court with competencies to decide for judicial means.

Article 246

The request for protection of legality against the decision from article 245 of this law is raised by public prosecutor, in compliance with this law.

Article 247

247.1. The public prosecutor may raise the request for protection of legality:

- a) for basic violence of provisions of contested procedure, if the violence has to do with territorial competencies, if the court of the first instance has issued a verdict without main proceeding, while it was its duty to held a main proceeding, if decided for the request, on which the contest is continuing, or if is in contradiction with the law, the public is excluded from the main proceeding;
- b) for wrong application of the material right.

247.2. Public prosecutor can not raise a request for protection of legality because of the claim but not because of a wrong attestation or non complete facts.

Article 248

Based on provisions of this law the competent court in order to decide for the request for protection of legality shall act even when concludes that there was basic violence of provisions of contested procedure that was done in the procedure before the court of the first instance.

Article 249

If against the same decision was submitted the revision as well ass the request for protection of legality, the competent court shall decide on judicial means by a decision.

Article 250

For the proceeding in which the court shall decide related to the request in protecting the legality the competent public prosecutor shall be notified.

Article 251

When the court decides for request of protection of legality, it shall be limited only in examining the violence emphasized by the public prosecutor in its request.

**PART TWO
TRIAL IN THE FIRST INSTANCE**

**CHAPTER XV
RAISING CHARGES**

Article 252

The trial of the case in the court starts with the written claim charge (claim of obligation, certification or change).

Content of the claim

Article 253

253.1. Claim consists of:

- a) request set in accordance to the main issue and accessing requests;
- b) proofs upon which the plaintiff based the request;
- c) proof that certify the facts;
- d) value of the contest;
- e) judicial base, and
- f) other data that should be part of each submission (article 99).

253.2. The court is bound to the judicial basis of the claim charge.

253.3. The court should act according to the claim even when the plaintiff hasn't shown the judicial basis of the claim charge.

253.4. The plaintiff should attach the certificate of the paid court taxes to the claim.

253.5. If the plaintiff doesn't pay the court tax determined for the claim even after the notice is sent by the court, through there are no reason for freeing the plaintiff from paying the tax, the claim will be considered as withdrawn.

Claim for certification

Article 254

254.1. The claiming party can request through a claim charge from the court to certify the existence, respectively non-existence of a right, a judicial report or certification of genuineness of a document.

254.2. Claim of the kind can be raised when this is determined with specific disposition or when the plaintiff has a judicial interest that the court should validate the existence or non-existence of a right or a judicial report, or validate genuineness respectively non-genuineness of a document before there is a request filed for presentation from the same report.

254.3. If the verdict over a contest depends from the fact that there is or isn't a right o a judicial report which during the processing of the claim was contested, the plaintiff could through the existing request present the claim charge for the court to validate such report exists, respectively doesn't exists, if the court which is dealing with the processing has the competencies for those requests.

254.4. Submitting a request according to the disposition of the parag.3 of this article will not be considered an objective change of the claim.

Inclusion of several claim charges in the claim

Article 255

- 255.1. In one claim charge the plaintiff can include several claims against the same party if they are connected to each other on factual and judicial grounds.
- 255.2. If the requests are not related to each other on factual and judicial grounds, they could be included in one claim against the same opposing party only if the same court is responsible for each of the issue in the requests, and if for each of this claims a similar procedure is determined, while the court decides that inclusion of all requests in one contributes to the economic rational of the proceedings (cumulative gathering of claim requests). If the act doesn't benefit to the economic rational of the proceedings, the court through a verdict at the preliminary session at the latest decides to separate the requests.
- 255.3. The plaintiff can include two or more claims related to each other into one claim charge, and the party can request from the court to approve the second din the row only if the first one is rejected (gathering of claim charges).
- 255.4. Gathering the claim into one charge can de done through the parag.3 of this article only if all the charges included into one claim fall under the competencies of the court the request was presented to, and if all the claims have a similar proceeding.
- 255.5. The decision that approves the claim charge resolves the court dependence created with regard to the claim charge in number 2.

Counter charge

Article 256

- 256.1. The accused party is obliged to raise a counter charge before the preliminary session hasn't finished, respectively the first session for the main hearing if the preliminary session didn't take place, if:
 - a) request for counter charge is related to the claim (conic counter charge);
 - b) between the claim charge and counter charge a compensation can be done (compensating counter charge),
 - c) counter charge requests validation of a right or a judicial report on the existence or non-existence from which it depends completely or partially the verdict on the claim charge (prejudicial counter charge).
- 256.2. After holding the session from the parag.1 of this article, the counter charge can be raised only with consent of the plaintiff.
- 256.3. Te counter charge can not be presented if for the processing of the counter charge if responsible a court of a different kind.
- 256.4. In the case of the paragraph a), pt. 1 of this article, the court can decide distribution of the proceedings according to the counter charge from that of the plaintiff if this is required by the causes of the court economy.

Changing the claim

Article 257

- 257.1. Changing the claim means change of the uniqueness of the claim charge, expansion of the claim charge or presentation of a different request from the existing one.
- 257.2. The charge is not recognized a changed one unless the plaintiff hasn't changed the judicial basis of the claim charge, even though the plaintiff has reduced the claim charge, added or improved the specific sayings mentioned in the claim.

Article 258

- 258.1. The plaintiff can change the claim at the latest before the finalization of the preliminary hearing or until the beginning of the session for the main hearing of the case if the preliminary session wasn't set. In these cases the court should give the charged party sufficient time to prepare for examining of changed charge.
- 258.2. After the preliminary session, at the latest till the closure of the main hearing of the case, the court should allow changes to the claim charge if it ascertains that the change is not aimed at the prolonging the proceeding and if the charged party agrees to the change of the claim.
- 258.3. It is considered that the charged party will agree to the change of the claim if the charged party participates in the examining of the case with a changed claim charge, without opposing earlier the changes.
- 258.4. The court in the case of the parag.2 of this article allows the change of the claim even if the charged party opposes the changes if these conditions are met;
- a) plaintiff, with no fault of his own could not change the claim earlier;
 - b) charged party can attend the case hearing with a changed claim without postponing the main hearing.
- 258.5. If the charge was changed in the session where the charged party wasn't present, the court should postpone the hearing and send a copy of the records of this hearing to the charged party.
- 258.6. Special complaint against the verdict, which allows or forbids the change, is not allowed.

Article 259

If the plaintiff changes the claim by requesting something else on the same factual basis or sum of money, the charged party can reject the change if the change is a result of new created circumstances after the charges were raised.

Article 260

- 260.1. The conditions determined by the article 258 are met, the plaintiff can change the claim so instead of the first charged party puts another party.

- 260.2. Changing the claim as determined by the above paragraph of this article it is required the consent of the person who will enter the court as a charged one, and in cases when the hearing has started and the charged party already has participated in the main hearing, his consent is required as well.
- 260.3. The person entering the trial instead of the charged party should accept it in the same circumstances as from the moment the person enters in the court.

Article 261

- 261.1. Plaintiff can withdraw the claim without the consent of the charged party until the moment when the charged party presents an answer to the charge to the court.
- 261.2. The charge can be withdrawn later until the finalization of the main hearing, if the charged party agrees to the withdrawal. If the charged party issues no statement for withdrawal of charges against him/her within seven (7) days from the day informed, it is ascertained that the party agrees to the withdrawal of charges.
- 261.3. If the claim was withdrawn, the court issues a verdict which ascertains that the claim was withdrawn. This verdict is sent to the charged party only if the charge was delivered to them as well.
- 261.4. Complaint isn't allowed against the verdict that ascertains that charges have been withdrawn.
- 261.5. A withdrawn complaint is considered that it wasn't presented ever and as such can be presented to the court later on.

Existence of Litispendence

Article 262

- 262.1. Litispendence is created at the moment when the charged party was handed the charge.
- 262.2. With regard to the request presented by the party during the proceedings, the litispence is created at the moment when the opposing party is informed for a request of the kind.
- 262.3. During the existence of litispence for the same claim charge a new trial between the same parties can not be initiated. And in case it happens than the court will reject the charge.
- 262.4. The court during the procedure will look into the existence of a trial on the same claim charge between the same parties, as required by the official role.

Article 263

- 263.1. If one of the parties during the procedure alienates the item or the right requested by the claim, the act will not obstruct the proceeding to end between the same parties.

Civil laws

- 263.2. The person that gains an item or the right during the trial can enter the procedure, instead of the plaintiff or charged party only with consent from both parties.
- 263.3. In the case of the parag.1 of this article, the decision produces effects toward the winner of the good or the right during the trial process.

CHAPTER XVI LITISPENDENCE

Article 264

- 264.1. The claim can be raised jointly by many plaintiffs or against several parties (litispendence) if:
- a) if the building at contest is a legal unit or if their rights, respectively obligations come from the same factual or judicial base (material litispence);
 - b) the object of contest are request, respectively obligations of the same kind that are based on factual and judicial grounds essentially the same, and if there is subject and territorial competence of the same court for each request and for each charged party (formal litispence);
 - c) something of the kind is foreseen by a different law.
- 264.2. The plaintiff can be joined or expand the charge by another plaintiff with his consent up to the closure of the preliminary session, respectively the main hearing session if the preliminary session was not set, according to the conditions of the parag.1 of this article.
- 264.3. Person joining the plaintiff, respectively the person with whom the charges are expanded should accept the procedure as it from the moment entered.

Article 265

- 265.1. The plaintiff could include in the charge two or more parties, and can ask for the claim charge to approve the charges against the person number 2 if the charges are rejected as un-based for the person number 1. (litispendence with an eventual charged party).
- 265.2. As determined by the paragraph 1 of this article, the plaintiff could add in the charge two or more parties if against each of them it is presented the same charge, or if against one of them it is proposed different charge but related to the first charge, or if each of the requests proposed are under the competencies of the same court.

Article 266

- 266.1. The person who partially or completely requests the item or the right, which is related to the procedure in development between the two litispendent can sue the parties at the court dealing with the case through his claim up to the closure of the procedure with a verdict of absolute decree (main interference).

266.2. If the court decides to stop the proceeding of the first claim, than the decision by which the claim charge of the main interferer is approved has prejudicial importance for the trial according to the first charge.

Article 267

Main debtor and warrantor could be charged together if this is not against content of the contract for warranty.

Article 268

Each litispence in the contested process is parties in its own, while the procedural actions committed or not do not, are not in favor or against other litispence.

Article 269

269.1. If according to the law or due to the nature of the judicial relations, the contest can be resolved only in the same way for each of litispence, than all of the are considered as a sole litidependent party, so when one of the joint litispendent doesn't conduct a procedural action, the effects pf the procedural actions committed by other litidependentts covers the ones who haven't committed the same acts.

269.2. If the litidependent conduct procedural actions that differ among them, than the court will consider that procedural action that is the most favorable one for all.

Article 270

270.1. If the deadlines for conducting the procedural actions set are different in time for the litidependence and the unique litidependence, that procedural action can be implemented by any of the litidependets until the deadline for finishing it is due.

270.2. Each of the litidependents has the right to propose regarding direction of the court process.

CHAPTER XVII

PARTICIPATION OF THIRD PARTIES IN THE CONTESTATION PROCESS

Article 271

271.1. One can interfere in the contestation procedure being developed between different persons, if there is judicial interest to support one or the other litidependent side with which is joined to assist in the trial.

271.2. The interferer can enter the court process during the entire procedure that ends with a verdict of the absolute decree over the claim charge, as well as during the procedure initiated with extraordinary measures of attack.

271.3. The statement for entering a contestation procedure the interferer can be done in written outside of the session or verbally in the court session.

271.4. The submission of the third party is sent to both parties of case, while when the statement of the third party is issued in the court session than the specific part of the process-verbal is sent only to the party not present in the session.

Article 272

272.1. Each of the sides can contests the right of the third party to engage in the trial and can propose their refusal.

272.2. Until the verdict which refuses participation of the third party in the trial receives the absolute decree, the third party can participate in the procedure and the procedural actions committed by can not be rejected.

272.3. A special appeal against the verdict of the court, which approved participation of the third party, is not allowed.

Article 273

273.1. Third party is obliged to accept the contestation procedure as it is from the moment of entering in the trial as a third party. During further procedure, the third party has the right to present proposal and conduct other procedural actions within the time period in which these action could be conducted by the party it is joining to.

273.2. If the third party has entered the contestation procedure after the verdict over the claim charge became absolute, the party owns the right to present the extraordinary measure of strike against the verdict.

273.3. If the third party presents the measure of strike against the verdict than a sample of his strike will be sent to the party it is joining so the act could be supported during the trial of the case.

273.4. Procedural actions committed by the third party have a judicial effect for the party the third one is joining too, only if they're not against the procedural actions of the first one.

273.5. With consent of both parties in the case the third party has interfered in the court to take the place of the party the third one is joining, so the first one can get out of the court.

Article 274

274.1. If the judicial effect of the decision can extend over the third party, than the latter one holds the unique procedural position as the party it's joining in a contestation procedure during the proceedings of the case (article 275).

274.2. The third party with a unique procedural position as the party it joined can present the extraordinary measures of strike in a contestation procedure in which the party didn't participate until the moment when it became a verdict over a claim charge of absolute decree.

Nomination of judicial predecessor

Article 275

- 275.1. The charged person as the owner of an item or as a user of a estate right that pretends that the item at his position, respectively using the right on behalf of the third party can invite a third party (judicial predecessor) for replacement as a charged party through the court, at the latest during the preliminary session and if this hasn't take place than for the main hearing of the case.
- 275.2. Consent of the plaintiff for the judicial predecessor to enter the trial instead of the charged party is necessary only if the plaintiff against the charged presents requests that the charged do not depend on holding or not holding ownership on behalf of the predecessor, respectively exercise or not the specific right on behalf of the judicial predecessor.
- 275.3. If the judicial predecessor was invited regularly to attend the court session or refuses to enter the contestation procedure instead of the charged party, than the latter can not oppose participation in the examining of the raised issue with a charge against him.

Notification of the third party for the court session

Article 276

- 276.1. Each party can invite a person to the trial of the case, with whom it is thought of having a joint issue, or for which it can be asked a guarantee or a ward related to the finalization of the issue.
- 276.2. The third party is invited to appear at court before the finalization of the trial with a verdict of the absolute decree by a written request. The statement of the kind, which sent to the third party through the court of the issue, shows the reason for invitation and the conditions in which the contestation procedure is.
- 276.3. The party that informed the third person for the court session for this reason cannot ask acquaintance of the trial, postponement of the session or extension of deadlines for conducting procedural actions.

CHAPTER XVIII

ACQUAINTANCE FOR THE TRIAL AND RECESS OF THE TRIAL

Article 277

- 277.1. The trial process is acquitted:
 - a) when the party dies or loses procedural capabilities and doesn't have a representative by proxy at the court;
 - b) when the legal representative of the party dies or the authorization for representation ended, and the party doesn't have a representative set by proxy in the court;

Civil laws

- c) when the party which is a legal entity sizes it existence, respectively when the competent body issues an absolute decree for stopping his work;
- d) when the proposal is presented for initiation of the bankruptcy in the contests in which the charged if the bankruptcy debtor;
- e) when due to the war or other causes the court size its work;
- f) when the court closure is determined with other law.

Article 278

- 278.1. Except the determined cases with this law, the court stays of proceeding:
 - a) if it decided not to resolve the preliminary issue (article 13);
 - b) if the party is in the zone in which due to the extraordinary causes (floods, earthquakes, etc) has no contacts with the court.
- 278.2. The court can determine to stay of the proceedings if the verdict over the claim charge depends on the fact that an economic crime is done, or the criminal act pursued according to the official task,-who is the actor and if he is responsible, especially when there is a doubt that the witness or the expert has given a untrue statement, or that the statement used as proof is untrue.

Article 279

- 279.1. As a result of the acquaintance of the trial the deadlines for conducting procedural actions are not met.
- 279.2. During the period that the court proceedings have stopped, the court cannot conduct any procedural actions, but if the intermission has been caused after the main hearing session of the case the court can issue a verdict based on the material from the proceedings during the examination of the case.
- 279.3. Procedural actions committed by one of the parties during the period of court being off the proceedings do no produce any judicial effects against the opposing party. Their impact starts only when the proceeding of court that has been in recess continues.

Article 280

- 280.1. The procedure stopped for causes shown under the article 277 paragraph 1 point a) – d) of this law will continue when the successor, or tutor of the inherited wealth, the legal representative, bankruptcy administrator pr judicial successor of a legal entity take over the procedure or when they are called by the court to do that with proposal of the opposing party.
- 280.2. Procedure stopped due to the reasons mentioned in the article 277 paragraph 1 point e) of this law, will continue its development after a moratorium is annulled by the bankruptcy court.
- 280.3. If the court has stopped the proceeding due to the reasons mentioned in the article 278, parag.1, pt. a and paragraph 2 of this law, the trial will continue after the procedure of the absolute decree ended with the court or another competent body, or when the court of the case ascertains that there are no existing reasons to wait it's finalization.

- 280.4. In all other cases a trial off the proceedings will continue with a proposal of the party after the causes that imposed the stopping have been removed.
- 280.5. Deadlines not met due to the court staying off proceedings for the party interested will start again from the day the court has sent a verdict on continuation of the court.
- 280.6. The party that hasn't presented proposal for continuing the trial will be sent a verdict for continuation according to the provisions of the article 110 of this law.

Article 281

- 281.1. The appeal against the verdict which ascertains (article 277), or determines (article 278) halt of the proceeding will not stop the execution of the verdict.
- 281.2. In the cases of which during the court session the court rejects the proposal for halting the proceeding and decides for the trial to continue immediately, a special complaint against this verdict isn't allowed.

Article 282

- 282.1. Court recess is caused when the party dies, or size to exist, or when the objects of contest are the rights that cannot be passed to the successors of the party, respectively to party's judicial successor.
- 282.2. In the cases of the parag.1 of this article, the verdict for the court recess is sent to the opposing party, successors, respectively judicial successor of the party after they are set.
- 282.3. The successors of the dead party according to the proposal of the opposing party or according to the official task are nominated a temporary legal representative by the court, which sends a verdict for the court recess if it ascertains that the inheritance procedure may last longer.
- 282.4. The verdict on court recess issued due to the end of the legal entity is sent to the opposing party and judicial successor of the legal entity, if the latter exist.
- 282.5. Until there is an absolute decree verdict on court recess, the provisions on the court recess will be applied for the deadlines for conducting judicial activities, rights of the parties and actions of the court.

CHAPTER XIX JUDICIAL ASSISTANCE

Article 283

- 283.1. The courts are obliged to assist each other judicially in the matters of the contestation processes.
- 283.2. In case the court requested is not competent for conducting actions asked for, it should forward the request to the competent court, respectively to the other state body and for which it should notify the court from which the requests was initiated. If the requested court is not aware of a competent court, respectively of another state body, the requested body should return the request to the court of the issue.

Article 284

- 284.1. The courts give judicial assistance to foreign courts through the international contracts, as well as when there is reciprocity for judicial assistance. In case there is a doubt on the reciprocity, information is given from the respective Ministries.
- 284.2. The court will not offer judicial assistance to a foreign court if the latter one requests conducting actions against judicial order. In those cases, the requested court should send the request to the Supreme Court which will issue a definitive decision.

Article 285

The court offers judicial assistance to a foreign court according to the ways foreseen with the law of the country. The procedural action, that is an object of the foreign court request can be done in the way the foreign court requires if that of kind of procedure isn't in opposition with the legal order.

Article 286

If the international contract doesn't determine differently, the courts will take in proceeding the requests for given judicial assistance to the foreign court only if they are sent through diplomatic means, and if the requests and official documents are attached and drafted in the official language of the court, or if translation of the documents is legalized in official language.

Article 287

If the international contract doesn't determine it differently, the requests of local courts for judicial assistance are sent to the foreign court via diplomatic ways. The requests and official documents of the local courts attached are drafted in the official language of the foreign country, or their translation of the documents is legalized in official language.

CHAPTER XX DISRESPECT OF THE COURT

Article 288

- 288.1. The court during the proceedings will fine the party, legal representative, representative by proxy or intermediate with 500 Euros, if the procedural actions have misused the rights known by this law.
- 288.2. If through that procedural action from the parag.1 of this article any of the participants in the proceedings was caused a damage of judicial-civil nature, with request from the damaged side the court decides for compensations of the damage in the same process.

Article 289

- 289.1. A fine of 100-500 Euros is issued by the court to the party or other participant in the proceeding who insults the court through a submission.
- 289.2. If the participant in the procedure or the person present where the session for the examining of the case takes place insults the court or other participants in the procedure, obstructs the work or doesn't respect orders of the judge for order and quite, the court can If the participants in the procedure or other participant in the session where the case is developed insults the court or any of the participants in the procedure, obstructs the work and disrespects the orders of the judge for peace and order in the court, the court will warn him/her. If the warning is unsuccessful one the court will remove the person from the court or fine the person up to 500 Euros, or both.
- 289.3. If the party or its legal representative by proxy goes out of the courtroom, the session will continue without their presence. If the representative by proxy of the party during the process development continues to act as determined in the paragraph 1 and 2 of this article, the court will deny the right to be a representative of the party.
- 289.4. When the court fines or removes from the courtroom the lawyer or the representative by proxy, it will inform the chamber of advocates.

Article 290

The court fines up to 500 € the representative for accepting submission who against disposition of the article 118 of this law doesn't inform the court for change of address. This representative, through a request from he party the court obliges with damages caused for not informing without a justification for change of address

Article 291

- 291.1. The person who without a reason refuses to accept a written submission, as well as if one obstructs the other to accept it, this way obstructing or making difficult the application of provisions of this law on handing written submissions, the court fines with 500 Euro.
- 291.2. At a request of the party, the court obliges the person by the parag.1 of this article to pay fir the expenses caused by his standing as determined in the parag.1 of this article.

Article 292

- 292.1. If the witness was called and doesn't appear to the court without a justified reason, or without permission, or a justified cause leaves the country where should be heard, the court will order the appearance of the party with force as well as cover all expenses, and a fine of 500 Euro.
- 292.2. 2 If the witness appears at the session, and though warned on the consequences for not testifying refuses to do so or respond to the concrete questions, while the

court calls the reasons for refusal as unjustified will fine the person up to 500 Euros, in case the person refuses after this to testify, the court can imprison the person. The time in prison lasts until the witness agrees to testify, or until his testimony is not needed anymore, but no more than thirty (30) days.

- 292.3. With a request from the party, the court decides that the witness is obliged to cover the expenditures caused by his unjustified not appearance, respectively the unjustified refusal to testify.
- 292.4. If the witness justifies his absence later on, the court can revoke completely or partially the verdict on punishment, or free the witness completely or partially from paying the expenses. The court can revoke the verdict on the punishment even when the witness has agreed later on to testify.

Article 293

- 293.1. The court can fine up to 1000 Euro the expert who without justified reason doesn't hand his opinion within the deadline set, or who without reason doesn't attend the session for which was invited regularly.
- 293.2. With the punishment as in parag.1 of this article, the court punishes the expert who without reason refuses the expertise.
- 293.3. With request from the party, the court may oblige the expert to pay for the expenses caused for not submitting the document that contains the expert's opinion, without justification respectively refusing the expertise without justification.
- 293.4. The verdict on the punishment for the expert can be revoked by the court under the conditions of the article 292, paragraph 4 of this law.
- 293.5. Provisions of this article are applicable in the court interpretation.

Article 294

If the person fined according to the provisions of this law doesn't pay the fine within the deadline, he will be replaced with a prison punishment which will last in proportion with the amount of the fine issued, as it is determined by Penal Code but not more than thirty (30) days.

Article 295

- 295.1. The complaint against the verdict in the article 288, 289, 290 paragraph 1, 292 parag.1 and article 293 parag.1 of this law will not postpone execution of the verdict.
- 295.2. The complaint against the verdict from the article 292 paragraph 2, and article 293 paragraph2 of this law do not obstruct the execution of the verdict, except when in the complaint is being attacked the decision of the court, which doesn't approve the reasons of the witness for not giving a statement or for answering concrete questions, respectively the reasons of the expert for not fulfilling the expertise.

CHAPTER XXI
INSURING THE CHARGE CLAIM

Article 296

- 296.1. Decision over a proposal for insurance before the charges are raised for initiating a contestation procedure or during that procedure is done by the court which acts according to the claim. The verdict over the amount of insurance is issued by the court which acts in the first instance, while the highest court will issue it when the proposal for issuing the verdict is presented after the case file is sent according to the complaint in this court.
- 296.2. After the decision over the claim charge is an absolute decree one it is decided by the competent court for deciding over the charge claim of the first instance.

Article 297

- 297.1. Measures for insurance can be determined:
- a) if the propose of the insurance makes it believable the existence of the request or of his subjective, and
 - b) in case there is a danger that without determining a measure of the kind the opposing party will make it impossible or make it difficult the implementation of the request, especially with alienating of its estate, hiding it, or other way through which it will change the existing situation of goods, or in another way will negatively impact on the rights of the insurance party that proposed.
- 297.2. If it's not determined differently by law, the court will determine the measures of insurance within the set deadline by the court as it is determined by the Law for the final procedure, it will issue guaranties on the measure and the type specified by the court for the damage that can be caused to the opposing party by determining and executing the insurance measures.
- 297.3. If the party proposing doesn't give guaranties within the set deadline, the court will reject the proposal for determining the insurance measures. With request of the party that proposed it, the court can dismiss him from the issuing of the guaranties if it ascertains that there are no financial possibilities for such thing.
- 297.4. The units of the local government are excluded from the obligations of the paragraph 3 of this article.

Article 298

Guarantees from the article 297 of this law will return within a period of seven (7) days from the date when the insurance is removed. In the meantime if the party proposing claims a charge for compensation of damage, the competent court for the charge will decide over the measures of insurance to remain in power.

Article 299

- 299.1. For insuring the money requests these measures can be set:

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- a) stopping the objector of the insurance from alienating, hiding, indebteding or holding a wealth set for the sufficient amount for securing the request of the party that proposed. This restriction will be registered in the public record.
 - b) keeping a wealth related to the restriction from the above point from the court in its provisions. When possible or when given in the possession of the party that proposed the insurance or third party;
 - c) restricting the debtor of the insurance objector so the latter will have his request fulfilled or handed the good, as well as stopping the objector of the insurance to accept the good, to implement the request or own it;
 - d) pre-notification of the right for pawn for the real estate of the objector of the insurance, or on the registered right for the real estate, an item in the value of the main request, with interest and procedural spending for which was issued a decision not in force yet.
- 299.2. The verdict that issues the measure if insurance is sent to the objector of insurance, the debtor of the objector of insurance, and when is the case register in the public records. The measures of insurance is considered applied from the moment when the verdict is handed to the objector of the insurance or debtor, if it's handed to the latter, or registered in the public records depends on which of these three dates of handing is timely earlier.
- 299.3. In the areas where there are no public records, the measures of insurance from this article will be applied by applying the rules of proper procedures in the Executive procedures.

Article 300

- 300.1. For insuring the request aimed at the directed item or at part of it, these measures could be applied:
- a) forbidding the objector of the insurance to alienated, hide, indebteding or holding the wealth on which the request was directed. The forbidding will be registered in the respective public record.
 - b) custody of the wealth referring to the point a) of this paragraph and the one to be deposited in the court, if that is possible, or if it is handed to the party that proposed the insurance of the third person,
 - c) forbidding the objector of the insurance to commit act, which could damage the part of the wealth toward which the request was sent, or the order against the objector of the insurance to conduct action for protecting the wealth, and protecting the existing situation of the goods,
 - d) authorization of the party that proposed the insurance to conduct set activities.
- 300.2. Provisions of the parag.2 and 3 of the article 299 of this law are applied in the case of acquiring the request aimed at the set item or part of it.
- 300.3. Measures of security from this article can not be included completely in the request that is ensured through them.

Article 301

- 301.1. For insuring their rights or preserving existing circumstances, these measures can be set:
- a) forbidding the objector to commit specific activities aimed at preserving existing situation or not allowing damaging from the opposing party;
 - b) authorization of the insurance party that proposed for conducting specific activities;
 - c) leaving the wealth of the insurance objector for saving or care to the third party; and
 - d) other measures set by the court as necessary for insuring the claim charge of the party that proposed the insurance.

Article 302

- 302.1. The objector of the insurance who act against the verdict for forbiddance of alienation, hiding, indebting or availability of the estate is responsible according to the rules of the civil rights. After the forbiddance is issued, and up to the moment it is in effect the registration in public records is not possible for any changes of the rights created on basis of voluntary availability of the objector of the insurance.
- 302.2. Alienation or indebting against the court order on forbiddance for alienation, indebting or availability of estate has no judicial effect over the party that proposed, except in the cases of action of persons against the court verdict for setting other measures of insurance.
- 302.3. Provisions from the parag.1 and 2 of this article are applied accordingly in the cases of actions of persons against the court verdict for setting other measures of insurance.
- 302.4. Measures of insurance do not secure the right for pawn, except in the case of justification of promotes for the right for pawn from the point d) of the parag.1 of the article 299 of this law.

Article 303

The court can set immediately the measures of insurance once it ascertains the circumstances of the concrete case.

Article 304

- 304.1. Measures of insurance can be proposed before initiation and during the process of contestation as well as after its finalization, until the execution is complete.
- 304.2. Proposal is submitted in written. If the proposal is related to the ongoing court proceedings it can be presented verbally in the court session.
- 304.3. The proposal for setting measures of insurance should show the request for insurance required by the proposal, measures of insurance proposed, means and object of the insurance. The proposal should show facts the claim charge is

based on, as well as propose proofs which could prove pretension, already pre-noted in the proposal. The party proposing the insurance is obliged if possible to attach the proofs to the proposal.

304.4. For the proposal for setting measures of insurance submitted verbally will accordingly apply the provision of paragraph 3 of this article accordingly

Article 305

305.1. Except in the cases determined by this law, measures of insurance cannot be set if the objector of the insurance had no opportunity to state the proposal for setting the measures.

305.2. The proposal for setting measures of insurance, together with notes attached are sent by the court to the objector of the insurance followed by info that a short reply can be done within a period of seven (7) days.

Article 306

306.1. The court can set temporary measures of insurance without a notification or a preliminary hearing of the objector of insurance based on the proposal for the insurance presented, if the proposed insurance shows plausible pretence that measures of insurance is based and urgent, and if acted otherwise it will lose the aim of the insurance measures.

306.2. The verdict from the paragraph 1 of this article is sent by the court to the objector of the insurance immediately. The objector of insurance in his reply within a period of 3 days can contest the causes for setting temporary measures, and after that the court can set a hearing after three days. The answer of the objector should contain a justification part.

306.3. After the hearing from the paragraph 2 of this article, the court by a special verdict annuls the verdict that sets temporary measures or replaces it with a new verdict for setting measures in accordance to the article 307 of this law. An appeal against the verdict setting measures of insurance is allowed.

Article 307

307.1. Through verdict of setting the measures of insurance, the court sets the type of measures, means by which it will be applied forcefully and object of insurance measures by applying accordingly the regulations of court proceedings. The court in accordance to its official duty will send the verdict on setup of the measures of insurance to the responsible court so it can forcefully be executed and to the public registry for record.

307.2. If for the implementation of the order or set stopping, means or object of insurance should be changed, the party can propose a change of the kind in the same procedure and based on the order for the existing suspension.

307.3. The verdict which determines the measures of insurance has a verdict impact over the execution of the Law for the Executing Procedure. The measures of

insurance oblige the party, as well as people related who only after they are informed for the measures of security by the verdict.

307.4. The verdict from the paragraph 1 and 2 of this article should have the justification part.

307.5. The court according to its official responsibility sets the measures of insurance, than it applies them according to the provisions of this article.

Article 308

308.1. When the insurance measures are set before the charges are raised, than the verdict that sets measures of insurance will set a deadline of no less than thirty (30) days for the party that proposed the insurance to raise charges.

308.2. The party proposing the insurance should present proofs to the court, through which it's it can be shown that it acted in accordance to the above paragraph of this article.

Article 309

309.1. The measures of insurance set by the court by a verdict are in force until a new verdict related to the measures of insurance is issued.

309.2. If the claim charge is not approved with a decision of first instance, the responsible court will allow the measures of insurance in place until the decision of the court becomes an absolute one.

309.3. The measures of insurance remain in force until the deadline of thirty (30) days, from the day the conditions are created for a forced execution.

309.4. Measures of insurance registered in public record are usually erased by the court.

Article 310

310.1. Against the first instance verdict over the measures of insurance a complaint can be addresses within seven (7) days of the verdict's issuance.

310.2. The complaint is sent to the objector of the insurance within a period of three (3) days from the day when it was handed, and the reply can be presented to the court.

310.3. The court of second instance will decide within a period of fifteen (15) days, from the day a reply to the complaint was received or after the deadline for replying to the complaint has passed.

310.4. The complaint will not postpone execution of the verdict from the paragraph 1 of this article.

310.5. The verdict over temporary measures cannot be appealed against.

Article 311

311.1. If the determined measures from the article 299, paragraph. 1, point, a) and b) of the article 306, paragraph 1 are set, based on the proposal of the objector, or of

- the bailer, the court decides to sell all disposable movables items that can be damaged easily or if there is a danger of price fall.
- 311.2. Selling of the goods from the paragraph. 1 of this article is according to the rules for execution over movable goods.
- 311.3. If the measures of insurance are set by the article 300, paragraph. 1, pt. c), the court can upon a proposal from the insurance supporter or to the objector decide that the insurance supporter loses the right of the request, if there is a danger for not implementing it due to the delay in its implementation or the danger for losing the right due to the regress of the third party.
- 311.4. The amount of money gained from the sale of movable goods or through the implementation of the loan is preserved in the court deposit up to the moment of removal of the measures of security or up to the moment when its execution is proposed but at the latest within a period of thirty (30) days from the day the loan has arrived. Other goods gained by requested loan are deposited, if possible they are deposited in the court deposit, or there are other means of savings until the moment of removal of the security measures, respectively until the party proposing security will propose an execution but at the latest thirty (30) days from the day when the loan becomes exceptional.

Article 312

- 312.1. The party that proposes security in its proposal for security or later can state that they agree, that instead of issuance of the security measure the party will be satisfied with issuance of pawn from the objector.
- 312.2. Giving a pawn instead of measures of insurance can be set with a proposal of the insurance objector if the party that proposed insurance agrees to it.

Article 313

- 313.1. If the insurance proposer does not submit the proof within the given verdict deadline, based on article 314 of this law, the court will finish the procedure and annul its action.
- 313.2. Based on the insurance opponent's proposition the procedure that began will end, and taken actions will be annulled if the circumstances based on which it has been determined have changed.
- 313.3. Based on the insurance opponent's proposition the court will end the procedure and annul taken actions if:
- a) insurance opponent deposits in court obligated sum of the insured request as well as interest rates and expenses;
 - b) insurance opponent makes believable the pretext that the request at the moment of verdict on action determination is realized or that it was insured sufficiently;
 - c) it was decided that the request is not sufficient or that it has faded away.
- 313.4. In cases paragraph 1 and 3 and point a) and b) of this article, expenses occurred on action determination will be paid by insurance proposer.

Article 314

314.1. Occurred expenses during insurance procedure belong to insurance proposer.

314.2. If the proposition about action determination appears during contentious procedure or any other legal procedure, the competent court about the statement of claim or any other request decides to take over the expenses on insurance action determination.

Article 315

According to the provisions of the real property right, the insurance proposer has the right to be compensated because of verdict disrespectfulness about action taken.

Article 316

According to the general rules of the real property right, the insurance opponent has the right to be compensated by the insurance proposer if it has been caused by the action taken that has been proved with no base or it hasn't been justified.

Article 317

Requests for damage compensation from paragraph 315 and 316 of this law will be written within a year from the verdict date in which the action has been proposed.

Article 318

Insurance means of the action will be taken out by the court that is competent for decree absolute verdicts.

CHAPTER XXII
MEANS OF EVIDENCE AND EVIDENCE COLLECTION
General provisions

Article 319

319.1. Each party at court has to prove its request and claims.

319.2. These are all relevant facts about the verdict.

319.3. The court decides which proofs will be taken under considerations.

Article 320

The court is authorized to also consider the facts that haven't been proposed by interested parties, if it's decided that the parties are in the possession of the requests they shouldn't (article 3, paragraph 3 of this law)

Article 321

- 321.1. There is no need to prove neither the facts that are widely known nor the facts that have been proved in previous court verdicts.
- 321.2. There is no need to prove the facts that were admitted by the interested parties during the court session.
- 321.3. The court has the right to evaluate all facts and circumstances of the given case. It is up to the court to decide if the fact is accepted or contested by a given party if the party has once accepted it and later contested it, or if the party has limited the acceptance by adding other facts.
- 321.4. The facts whose existence is assumed by law should not be proven, but their inexistence can be proven if something else is not determined by law.

Article 322

- 322.1. If the court is not so sure in a fact based on evidence collection (article 8), rules on proof weight will be applied, if the law does not foresee something else, the party that insists in a fact should prove it.
- 322.2. If the law does not foresee something else, the party that contests the existence of a right carries the responsibility to prove which fact was the obstacle.
- 322.3. Party which opposes existence of any right is obliged to prove with facts that has hindered its creation or realization or grounded on that has stopped existing, if otherwise is not provided differently by law.

Article 323

If it is determined that a party should be compensated by a lump sum payment or any other substitute, and the sum of money can not be specified or the quantity of substitutes, the court will decide based on free evaluation.

Article 324

- 324.1. evidences are taken during the hearing session.
- 324.2. The court can decide that given evidence will be taken into consideration before any other court (court order). In cases like this, minutes of the meeting of the evidence collection will be read in the main hearing session.
- 324.3. When the court decides to consider an evidence before ordering court, in a letter for evidence collection, the case is described especially the circumstances while evidence taking occurs.
- 324.4. All parties should be informed regarding the evidence take over session.
- 324.5. Ordering court has the full authority that belongs to it during the session of evidence taking so they could be considered in the main hearing session.
- 324.6. No special appeal is allowed against a court verdict allowing the evidence collection.

Article 325

If based on circumstances there is a feeling that evidence can not be found within given deadline or if it has to come from foreign countries, the court shall set a deadline in the order for evidence collection. After this deadline, the case will continue even if the evidence is yet not available.

SPOT OBSERVATION

Article 326

- 326.1. Spot observation happens every time that it seems necessary to prove an evidence or to describe a circumstance. It has to be done by the court of the matter.
- 326.2. It can be done alongside with an expert.

Article 327

If the thing that has to be observed can not be brought to the court, or if such a thing will cause huge expenses, the court can do a spot observation while minutes of the meeting are taken.

Article 328

- 328.1. If there is a fact that belongs to one of the conflicted parties, or it belongs to a third party then provisions of this law will be applied.
- 328.2. If the fact belongs to the state or to any legal person who is trusted with public authorizations, the evidence collection will be done by this law's provisions by which the evidence collection from these bodies is handled.
- 328.3. All parties involved will be informed regularly.

DOCUMENTS

Document evidence power

Article 329

- 329.1. Document that is written in a specified format by a state body within its limitations as well as the document that has been designed in the same way by an organization that is trusted to do so by law (public act), is the document upon which the authenticity is made.
- 329.2. The same powers have other documents which by special provisions are equaled with public acts.
- 329.3. It is allowed to prove that facts are misinterpreted in public acts or that the act is not compiled in regular method.
- 329.4. If the court doubts in act's authenticity, it can ask the body that compiled it to declare itself.

Article 330

Foreign acts legalized by law have the same weight as domestic public acts, if it is not specified differently by an international contract.

Article 331

- 331.1. All parties in court should present the documents to prove their statements.
- 331.2. Attached to the act in foreign language, a translation of the act, translated by permanent court translator, should be present.

Article 332

If the document is the state property, or it belongs to an authorized legal person, and the interested party can not present it, then the court can obtain this document.

Article 333

- 333.1. If a party claims that the opponent is in possession of a relevant document, the court can order the later to submit it, and will set a deadline.
- 333.2. There can be no appeal against the verdict from paragraph 1 of this law.

Article 334

A party can not refuse to submit the required document, if the party referred to it or if he/she has to submit it as required by law, the party has to present it also if its context is of importance to both parties.

Article 335

- 335.1. Articles 342 and 343 of this law will be applied on behalf of the party that refuses to submit other documents.
- 335.2. If the party requested to submit a document claims that does not poses it then the court should collect evidence.

Article 336

Based on all circumstances of the given case, the court will decide the meaning and the significance if a party that is in a possession of the document and refuses to submit it to the court. This is also valid in a case when a party does not act based on court's decision about document delivery or if the party states that the document is not in her/his possession.

Article 337

- 337.1. The court can order the third party to submit the document based on involved parties proposition and if it is valid as an evidence.

- 337.2. The third party can refuse to submit the required document only in the cases described in article 342 and 349.
- 337.3. The court asks the third party to declare herself/himself before ordering the party to submit it.

Article 338

- 338.1. When the third party contests document submission in his/her possession, the court decides if he/she is obligated to do so.
- 338.2. The court can collect evidence if the third party denies that the document is in her/his possession.
- 338.3. The decree absolute through and adequate court can be issued to obligate the person to submit the document.
- 338.4. The third party has the right for compensation if expenses occurred during document submission. In this case provisions of the article 355 of this law are valid.

WITNESSES

Article 339

- 339.1. Everyone invited as a witness has to answer the call, if it is not determined differently by this law, and has to testify.
- 339.2. Only people that can give information on evidence can be asked to witness.
- 339.3. Minors below 14 can be called in as a witness only when it is necessary to solve the case.

Article 340

The party that suggests a witness should beforehand tell what will the person testify about, as well as the name, family name and the residence.

Article 341

Witness can not be a person if his/her testimony reveals an official secret or military secret until the competent body relieves him/her from the duty.

Article 342

- 342.1. The witness can refuse to testify:
- a) the party at court has trusted him/her as his/her representative
 - b) the party or any other person has told the witness his/her story
 - c) the evidence that the witness has collected as a lawyer, as a doctor, or any other profession that exercises confidence and has to be kept as secret, everything that was told during the job fulfillment.
- 342.2. These persons are notified by court about their right to refuse being called as a witness.

Article 343

- 343.1. The witness can refuse to answer certain questions if there is an important reason to do so. Especially if these questions will have penal consequences for himself/herself, or his/her close relatives; any generation in a vertical line and up to the third generation in a horizontal line. Can deny answering against the spouse, in-laws up to the second generation, even if the marriage ceased to exist, the person that he/she lives with, custodian, or the person under his/her custody.
- 343.2. The court has to notify the witness with the refusal right if it coincides with the above mentioned cases in this article.

Article 344

Witness has no right to refuse to testify if his testimony will cause wealth damages, if something was caused in his presence while invited as a witness by whose while he acted as a legal representative or a representative of any of the parties for facts that have to do with wealth caused by marriage or any other family tie. These facts might do with birth, death, marriage as well as any other provisions that have to do with obligatory declaration.

Article 345

- 345.1. The court decides about the fact if the testimony refusal is justifiable. If necessary, the parties involved in the hearing can be called for opinion.
- 345.2. From the first paragraph of this article, the parties involved have no special right to appeal whereas the witness can only write a complaint if he was sentenced by prison or by a specified sum of money if he refused to appear in the court or to answer any specific questions (article 284, paragraph 2).

Article 346

- 346.1. The witness is called by an invitation where his name, family name, profession, time and place, and the subject are specified. It should also tell why is he summoned as a witness. There he/she can also see for the consequences for not answering the call for no reason as well as for his/her right to claim for the expenses.
- 346.2. If the witness is under 14 then that person will be invited through parents or legal custodian.
- 346.3. If the witness can not come to the court because of the illness, old age, or any disability, then that person will be heard out in his/her apartment or anywhere else where they might be.

Article 347

- 347.1. Witnesses have the hearing separately from other witnesses, if there are more. Witness has to answer orally all questions.

347.2. First, the witness will be informed that has to tell the truth, that he should not leave anything unsaid, and then he'll be informed for the consequences if he gives false statement. After this, the witness is asked to state his name, family name, father's name, birthplace, age, and his relationship with the parties involved in the court.

Article 348

348.1. After general questions, the witness is questioned by the party that has summoned him/her, and then by the other party.

348.2. The court can pose questions at any time to the witness.

348.3. The witness is always asked as to how does he knows about the things he testifies.

Article 349

If there are contradicting statements between witnesses that important facts can not be determined then the court faces the witnesses. The questioned witnesses will be asked about all circumstances and about all contradicted fact stated earlier. All answers will be recorded in the minutes of the meeting.

Article 350

After the testimony the witness can leave when the court says so. If there is a need for another hearing then the court orders the person to wait with no right to meet other witnesses.

Article 351

The party that has summoned a witness has a right to ask not to question him/her. The request is taken under consideration if the other part agrees and if the court decides that his/her questioning is not relevant to resolve the matter.

Article 352

If during the court session the necessary facts are revealed either the involved parties or the court can decide not to question other invited witnesses.

Article 353

The court will allow the witness to read or use notes if something that has to be calculated is discussed or if it is talked about something that is difficult to remember.

Article 354

354.1. If the witness does not speak the language then the translator will be provided.

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- 354.2. If the witness is deaf then the witness is asked to submit the answers in written. If the witness is mute, the witness is asked to provide the answers in written. If the questioning of the witness can not be done this way then an interpreter will be summoned so he can interpret for the witness.
- 354.3. The court informs the interpreter that he/she has to interpret correctly all questions and all answers.

Article 355

- 355.1. The witness has the right to be compensated for the travel costs, meal and lodging, as well as for loss of profit.
- 355.2. The witness should ask for the compensation as soon as his hearing is over or otherwise he/she loses this right. The court has to inform the witness about this possibility.
- 355.3. In the act where the costs of the witness are specified, the sum should be stated. This sum is paid by the deposited money from both involved parties. If such deposit is not made, then the party has to pay the specified sum within seven (7) days.
- 355.4. Appeal against this order from paragraph 3 of this article does not change this day limit.

EXPERTS

Article 356

The court can do an expertise if interested parties propose so. This will be done any time if there is a need to specify facts or circumstances that the judge does not have sufficient knowledge for.

Article 357

- 357.1. The party that proposes an expertise has to state why that expertise is needed for as well as its goal. The person for an expertise should also be proposed.
- 357.2. The opponent party should be given a chance to say its opinion regarding proposed expertise.
- 357.3. If the involved parties can not bring a decision regarding the person who will conduct the expertise, or regarding the object or volume, then the court will decide about it.

Article 358

- 358.1. Expertise is done by an expert.
- 358.2. The court, if the parties propose so, can assign more experts for different kinds of expertise.
- 358.3. Experts are chosen from the lists of experts from a specific expertise court's possession.

- 358.4. More complicated expertise is trusted to the professional institutions (hospitals, chemistry laboratories, faculties, etc)
- 358.5. If there are specialized institutions for specific expertise (forged money expertise, manuscripts, dactyloscopy, etc), then those will be trusted to those institutions.

Article 359

- 359.1. The summoned expert has to appear in court and state his/her opinion and conclusion.
- 359.2. The court may decide to relieve the expert from answering if there are reasons that the expert can not answer or testify.
- 359.3. This can happen if the experts' requests this and if it is justifiable.
- 359.4. The right to ask for experts' relief has also the organization or the institution where the expert is employed.

Article 360

- 360.1. The expert can be expelled from the court for the same reasons as the judge can. The person that testified earlier as a witness can be summoned as an expert.
- 360.2. The party can ask for expert's expulsion as soon as the cause for expulsion is known. It can not be done after the evidence is taken by expertise.
- 360.3. The party has to state all reasons and circumstances in its request for expulsion.
- 360.4. The court of the matter decides about expulsion.
- 360.5. There is special appeal against the expulsion order.
- 360.6. If the party found out about the expulsion reasons after the expertise is done, and for this objects the expertise, then the court decides in the same way as when the request is submitted before the expertise.

Article 361

- 361.1. The evidence taken by expertise is specified by an order issued by court and it consists of:
- a) name, family name, and the expert's profession;
 - b) the subject that is contested;
 - c) volume and the subject of the expertise;
 - d) deadline for the written opinion and conclusion.

Article 362

- 362.1. The expert is always summoned for the main hearing session.
- 362.2. 2 Attached to the invitation to appear in the court, the expert will also get a copy of the order from the article 359 of this law.
- 362.3. The court also states that the expert should give his/her honest opinion and in accordance with the scientific rules. It also tells the consequences if this opinion not given within the set deadline or if he/she does not appear at the court

respectively. It also states that the expert will be paid for the done work and for the right to be paid for the costs caused by the expertise.

Article 363

- 363.1. The expert has the right to know the subject discusses, to take part in the sessions, to question, give explanations, and to ask from parties specific data within the set boundaries so he/she can do his/her duty.
- 363.2. When by the court's opinion for the expertise the expert has to know things, evidence, accounts, and other documents, the involved parties can be present and can give their opinions in written, their specialists opinions whom can be invited as witnesses, or the requests that have to do with job fulfillment, but it is always within the court's order.

Article 364

- 364.1. If the court does not decide differently, the expert has to give his/her opinion in written before the main hearing session.
- 364.2. The expert's opinion has always be explained and justified.

Article 365

If the expert does not submit his/her opinion within the set deadline, the court can assign another expert if the interested parties did not give their opinion within the set deadline.

Article 366

- 366.1. The court can ask for further explanations if the expertise is not clear or when it has a deficiency, as well as when there are different opinions within experts, either itself or if a party requests it. In this case, a deadline is set for the submission of the supplemental opinion in written.
- 366.2. If experts opinion is not clear or if the opinion is not submitted after the court order, the court will assign another expert after the declaration of both parties involved.

Article 367

The court sends written conclusion and the opinion at least eight (8) days before the main hearing session.

Article 368

The main hearing session is held even if the expert does not come to the hearing. The court can postpone the hearing and set a new session, with the involved parties request, where the expert is summoned if it is concluded that his/her presence is necessary to explain or to fulfill the matter. This is exception from paragraph 1.

Article 369

- 369.1. If there are more experts involved, they can submit their opinion together if there are no contradictions. If there are contradictions then they submit their opinions separately.
- 369.2. If their opinions differ substantially, or if they are unclear, if it contradicts with itself or with given circumstances, and those can not be clearer in the experts hearing, then the court will do another expertise with the same experts or with different experts.

Article 370

There is no appeal against orders from the articles 356, 360, and 364 of this law.

Article 371

If the provisions of this law did not foresee differently, the provisions that are valid for witness questioning, are valid for evidence collection through expertise.

Article 372

Legal provisions dealing with expertise are valid for court interpreters.

THE INVOLVED PARTIES HEARING

Article 373

If a party proposes so, the court can decide to collect evidence through the party hearing.

Article 374

The court decides if only one party will be heard if the other party refuses so or if it does not answer to court's call.

Article 375

- 375.1. Legal representative is asked for the party that does not have procedural capability.
- 375.2. The court can decide that apart from the legal representative, the party itself has to be questioned if it is possible.
- 375.3. For the legal person that is a party in court the person that is specified by law to represent him/her will be heard.
- 375.4. If there are more than one person a party at court, then the court decides if all of them will be heard or if some of them will be heard.

Article 376

376.1. The court order is sent to the involved party directly, or to the person that will be questioned.

376.2. In the court order will be stated that the evidence will be collected through the hearing and that the party that comes to the session can be questioned if the other party is absent.

Article 377

If a party does not come to court to be questioned can be forced to do so and can not be forced to give a statement.

Article 378

The provisions of this law dealing with evidence collection through witnesses are applicable for evidence collection through the parties involved, if through their hearing something else is not specified.

EVIDENCE INSURANCE (PRE EVIDENCE)

Article 379

379.1. With parties' request, the court can order to collect evidence either within the court session or before it, if there is a possibility that it will disappear, or it is difficult to be obtained, and that it is very relevant to the matter.

379.2. The evidence insurance can be asked before and during the procedure to redo the trial that ended in decree absolute.

Article 380

The request to insure the evidence is the court that is dealing with the matter, and in case if there is still no charge, in the court of the place where the person that will be heard lives, or where that evidence is. In urgent cases the request can be sent to the court of the place where the person lives or where the thing is even though the charges are already raised.

Article 381

In the request for evidence insurance should be stated, the evidence that will be collected, circumstances and the facts of its relevance, justification why it is needed before hand. In the request the opponent's name and family name should be stated if they are known.

Article 382

382.1. The opponent party receives the copy of the request except when it is not known or when the evidence collection does not allow any postponement.

382.2. The order which allows the evidence insurance should consist of the name of the evidence that will be collected, means of its collection, as well as the facts and circumstances that will be proven by it.

Article 383

383.1. If the request for evidence collection is not send to the opponent party, then it is send jointly with the order when it is accepted and when the session for evidence collection is set.

383.2. To the opponent party that is not known, or whose address is not known, the court assigns temporary representative so he/she can attend the session set for evidence collection. There is no need for public act to assign a temporary representative.

383.3. In urgent cases the court can decide that evidence should be collected before the order, where the request is accepted, is send to the opponent party.

383.4. There is no appeal against the court order, where the request for evidence insurance is accepted, as well as there is appeal against the court order to collect the evidence before the order is send to the opponent party.

Article 384

384.1. If the party that has asked for evidence collection does not appear in the court, then the proposition might be refused except if the opponent party asks for it or if the court decides it is in court's benefit.

384.2. General rules are executed for means of evidence collection and for its importance.

Article 385

385.1. If the evidence is collected before any charges are raised, minutes of the meeting on its collection will be held in the court where it is taken.

385.2. If the procedure has begun, and the evidence collection is done by the court of the matter, then the minutes of the meeting will be given to this court.

CHAPTER XXIII THE MAIN HEARING PREPARATION General Provisions

Article 386

386.1. As soon as court gets the charges, it initiates preparations for the main hearing.

386.2. These preparations consist of the examinations of the charges, sending it to the party that does not know about it regarding necessary answers, holding preparatory session, and to set a date for the main hearing

386.3. During the preparation for the main hearing, the parties can send requests to submit facts and evidence that they would propose them.

Article 387

387.1. In order to prepare as better as possible to resolve the case, the court from the moment when the charges are raised until when the session for the main hearing is set by orders decides for:

- a) answering the charges by the party that does not know;
- b) evidence insurance;
- c) charge withdrawal;
- d) charge change;
- e) procedure stoppage;
- f) intermediary presence;
- g) presence of the legal predecessor in the court process;
- h) separating or joining of two court procedures;
- i) setting the court deadlines or postponing them;
- j) setting the court sessions or postponing them;
- k) resettling in the previous state;
- l) temporary means of insurance;
- m) ensuring procedural expenses;
- n) relieving a party from procedural expenses;
- o) depositing for procedural expenses and means;
- p) setting the expert;
- q) naming temporary representative;
- r) sending court orders;
- s) means for pre request improvement and fulfillment;
- t) regular judicial presentation;
- u) court incompetence;
- v) joining charges;
- w) trial stoppage if the charge is withdrawn or if it is annulled, as well as with other matter that have to do with the trial direction

387.2. No appeal is allowed against acts given during the preparation of the trial arrangement regarding the main hearing.

Article 388

During the preparation for the main hearing, the court can give an order based on acceptance, order on withdrawal, order on disobedience, order on non presence, as well as to accept an agreement between parties.

PRIOR CHARGE EXAMINATION

Article 389

After prior charge examination, the court can rule all orders mentioned in article 392 of this law. Excluded are cases that because of their nature, or because of the provisions of this law, the order can be given only at a later stage of the contentious procedure.

Article 390

If the court decides that the charges are unclear, or that there are deficiencies that the party becomes an involved party at the court, or with its legal representative, or there are deficiencies in representative authorization to initiate contentious procedure, and this authorization is requested by law, it can take necessary means determined in this law (articles 79 and 102 of this law)

Article 391

391.1. After the pre examination the court can drop charges as unnecessary if it determines that:

- a) it is not within court's jurisdiction;
- b) parties have contractual agreement from the arbitral case settlement;
- c) for the charges raised exist court dependence (litispendece);
- d) it has already been trialed (res iudicata);
- e) there is an court agreement for the contentious object, that the plaintiff has withdrawn them, that there is no legal interest in proving charges;
- f) charges are presented after the deadline, if it was set by legal provisions;
- g) the plaintiff did not solve deficiencies from the articles 79 and 102 of this law

Article 392

392.1. After pre examination the court by an order states it is not competent and sends the case to the court that it thinks is more adequate to resolve the matter if it is determined:

- a) it is not in court's territorial jurisdiction;
- b) it is not in court's jurisdiction of the matter.

Article 393

The court, if it considers that does not have procedural material to give an order on an matter that appeared during the pre examination, will decide after an answer from the respondent or during the preparatory session, or during the main hearing session if the preparatory session was not held.

REPLYING TO THE CHARGES

Article 394

The court sends the charges jointly with the official documents to the accused for a reply within fifteen (15) days when it was submitted to the court.

Article 395

- 395.1. The accused has to respond in written within fifteen (15) days after the charges and all official documents are submitted to him/her.
- 395.2. The court has to direct the accused toward the obligation in paragraph 1 of this law on the contest of its response and for the procedural consequences if it does not show in the court within the set deadline.

Article 396

- 396.1. In the answer the accused should state any procedural inconvenience and to state if he accepts or denies the charges, and to state all data that a pre document should have (article 99).
- 396.2. If the accused contests the charges then he/she should state all facts and present all evidence that his/her claims can be proven.

Article 397

The court acts based on article 102 if it decides that the answer is not sufficient or that it is unclear in order to avoid these deficiencies.

Article 398

After the answer if the court decides that there is contentious issue, and that there are no obstacles to give a just ruling, then it can bring an order that it accepts the indictments with no court session.

Article 399

- 399.1. If the court decides after the accused replied to the charges there is no base then it can drop the answers as with no base.
- 399.2. The charges are not based according to paragraph 1 of this law, if it absolutely contradicting the facts presented in the charges, or if it based on the evidences that are contradicting the evidences proposed by the plaintiff, or contradicting the facts that are widely known.

PREPARATORY SESSION

a) General provisions

Article 400

- 400.1. The court convenes the preparatory session after it has received an answer to the accusation.
- 400.2. If the accused did not respond to the charges, and if there aren't circumstances to come with an order, the court will convene preparatory session after the deadline set by law regarding the response to the charges.

- 400.3. Whenever it's possible, the court will set the preparatory session after it had consulted the parties involved.
- 400.4. As a rule, the preparatory session is held with thirty (30) days from the day when the court has received the response from the accused.

Article 401

The preparatory session is obligatory, except in cases when the court decides that there is nothing contentious between the parties at court, after it has received the response from the accused (article 403 of this law), or if because it is not complicated, comes to a conclusion that there is no need for it.

Article 402

- 402.1. The court notifies the conflicted parties if they do not appear for the preparatory session in the invitation for the session, as well as that they should bring all facts based on which are their claims and that they will use during the procedure. They should also bring all documents and things they would like to use as evidence.
- 402.2. The court invitation, as a rule, is sent at least seven (7) days before the session is held.

Article 403

- 403.1. The preparatory session begins with the charges explained by the plaintiff, and then the accused presents his answers to the charges.
- 403.2. When it is necessary, the court will ask for any explanations regarding their sayings or propositions.

Article 404

- 404.1. After the plaintiff presentation, and the accused answer, it is moved forward any obstacle that might pose any deviation for the legal matter. Regarding procedural obstacles evidences can be collected if it is needed.
- 404.2. If it is not determined differently by the provisions of this law, the court can by parties recommendation or by its own duty decide on matters from article 390 of this law.
- 404.3. If the court does not approve parties' rejection by which it is claimed there is an obstacle in a case proceeding, the decision on refusal will be given together the decision on the main matter, with the exception of territorial competences refusal.
- 404.4. Against the decision in paragraph 3 of this article, there is not allowed special complaint

Article 405

During the proceeding in preparatory session it is discussed about the propositions given by the parties involved and about the facts that their propositions are based upon.

Article 406

- 406.1. Depending on results in the preparatory session the court will decide about what will be discussed, which facts will be considered in the main hearing session.
- 406.2. Propositions that are not seen as essential are refused by the court and this fact is stated in the court order as well as the reasons for such refusal.
- 406.3. There is no appeal against these orders from paragraph 2 of this article.
- 406.4. During the later proceeding, the court is not obligated with the decisions given based on this article provisions.

Article 407

- 407.1. If the court decides, proposed by a party, to collect evidence by expertise, then it sets a deadline within which the expert has to present written conclusion and opinion.
- 407.2. While setting this deadline, the court should keep in mind, that the involved parties should get expert's written opinion at least seven (7) days before the main hearing session.

Article 408

- 408.1. If in the same court are 2 or more trials with the same persons involved, or if the same person is the opponent of the plaintiffs or different plaintiffs, the court can decide to join all of them by an order so they can all be jointly heard, if this reduces costs, and if it expedites the case. For all joint trial a joint order is issued.
- 408.2. The court can decide to look into a special request separately, and after this to bring special decisions on the charges request.
- 408.3. To act according to paragraphs 1 and 2 of this article, involved parties should agree.
- 408.4. Orders from paragraphs 1 and 2 of this article can be issues, as a rule, lately at the preparatory session or in the beginning of the main hearing session if the preparatory session was not held.
- 408.5. There is no appeal against these orders issued by this article.

Article 409

- 409.1. If the plaintiff does not come to the preparatory session even though he/she is summoned regularly, it is considered that the charge is withdrawn, except if the accused asks for it.
- 409.2. If the accused does not come to the preparatory session, and he/she is summoned regularly, then the session continues with the present plaintiff.

Article 410

Procedurally, the court has all rights in the preparatory session in the same way it has in the main hearing session.

b) Intermediation and court settlement

Article 411

- 411.1. If the court sees it is necessary, then it will suggest in the preparatory session, based on the nature of the case and other circumstances, to resolve the issues with the intermediation based on a special law.
- 411.2. Intermediation can be proposed by the involved parties if they agree. Such a proposition the involved parties can do any time until the end of the main hearing session.

Article 412

The parties can resolve their case with the court settlement any time during the trial.

Article 413

- 413.1. The court during the entire procedure, especially in the preparatory session, tries to come to a settlement if it is fair and if the nature of the case allows it.
- 413.2. The court can propose to the parties how to reach the settlement to help out in the process, considering their wishes, the nature of the case, their relationship, and other circumstances.

Article 414

- 414.1. In court settlement can be included the entire charge or just a part of it. The court brings an order regarding legal settlement.
- 414.2. The parties can not reach the settlement through court if the charge has to do with the rights they do not freely poses (article 3, paragraph 3 of this law).
- 414.3. When the court decides there can be no court settlement between the parties then it stops proceeding until the order is decree absolute.
- 414.4. In the case of paragraph 2 of this article, the court will include in the minutes of the meeting the agreement between parties which can later be evaluated by the appeal court for its validity.
- 414.5. There is a special appeal against the order by which the agreement is refused.

Article 415

- 415.1. As a rule the court settlement is done at the first degree court.
- 415.2. If the appeal is going on in the second degree court, the first degree court notifies the appeal court regarding the settlement done in this phase. After this notification the appeal court ends the appeal procedure supposing that the appeal is withdrawn.
- 415.3. The court settlement can be reached also in the second degree court during the hearing.
- 415.4. If the court settlement is done after the verdict of the second degree court, then the court annuls such a verdict by a special order. The verdict will be annulled

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also by a first degree court even if the settlement is reached during the procedure at the second degree court.

415.5. There is no appeal against the order from paragraph 4 of this article.

Article 416

416.1. The settlement is included in the minutes of the meeting.

416.2. The court settlement is concluded at the moment when the parties read minutes of the meeting on settlement and sign it.

416.3. Certified copy of the minutes of the meeting, including settlement, is given to the parties.

416.4. Court settlement should consist of also an agreement of court expenses. If the parties can not agree on expenses they can ask that this decision be brought by the court of the matter,

Article 417

During the entire court procedure, the court considers if it is going along side with the charges if it came to a settlement, and if it considers the charges are addressed, rejects the charges.

Article 418

418.1. Court settlement can be reached only if charges are raised.

418.2. Court settlement is annulled if it reached by flattering, deceit, or force.

418.3. Court settlement is annulled also if in it took part a party with no procedural capability, if such a party was not represented by a legal representative, or the person did not have necessary authorization to act on special procedures except when his/her actions are later approved by the party itself.

418.4. Appeal about the court settlement annulment from paragraph 2 and 3 of this article can be raised within thirty (30) days from the moment it is known about the cause of annulment, and the last time during 1 year from the day when the court settlement ended.

Article 419

419.1. Person that wants to press charges can try to do court settlement through the first degree court in the territory where the opponent party lives.

419.2. The court that has received such a proposition will notify the opponent regarding court settlement proposition.

419.3. The costs of this procedure are carried by the person who submitted the proposition.

a) Convening the session for the main hearing

Article 420

- 420.1. In the preparatory session the court with an order determines:
- a) time and the date of the main hearing session;
 - b) topic that will be discussed in the main session;
 - c) evidences that will be taken;
 - d) persons that will be invited.
- 420.2. The main hearing session will be held, as a rule, within thirty (30) days from the day when the preparatory session ended.
- 420.3. The court can decide that the main hearing session be hold immediately after the preparatory session.
- 420.4. If the court determines that the main hearing session will last more than 1 day, the session will be convened for as many days as necessary so the hearing can be done in continuation.

Article 421

- 421.1. With the contents of the order from article 420 paragraph 1 of this law the present parties will be informed in the preparatory session and they will not be invited for the main hearing session and the order will not be send.
- 421.2. The court will notify the present parties in the preparatory session for any procedural consequences if they do not come to the main hearing session.

Article 422

- 422.1. The parties that were not present at the preparatory session will be sent an invitation as well as witnesses, and experts that will have to come based on the court's decision on evidence collection.
- 422.2. The court also notifies them about the consequences if they do not answer the call.
- 422.3. The party that was not present at the preparatory session also receives the certified copy of the minutes of the meeting from the preparatory session.

**CHAPTER XXIV
THE MAIN HEARING
1) Main hearing development**

Article 423

- 423.1. The judge declares the beginning of the session and the subject of the discussion
- 423.2. After this the court takes note of the present invitees and investigates reasons if someone is not attending the session
- 423.3. If the plaintiff does not come to the main hearing session even though he's been summoned regularly, it is considered that he/she has dropped the charges except if the plaintiff declares that he/she requests the process to continue in his/her absence.

423.4. If in the main hearing session does not come the accused even though he/she has been summoned regularly, the session will continue without him/her.

Article 424

424.1. The court determines if there are any procedural obstacles to proceed by an involved party's proposition or by its own official duty. It acts in accordance with the provisions of the article 388 of this law, if it is not determined differently by this law's provisions.

424.2. If the court does not accept the refusal from paragraph 1 of this article, no matter if it is examined separately or together with the main topic, can give a rejection order together with the main topic order.

424.3. There is no special appeal if the parties' refusal is rejected from paragraph 1 of this article.

Article 425

425.1. If preparatory session was not held then the main hearing session will be held in this way:

- a) the plaintiff gives strict explanations regarding requests in the charges;
- b) b)the accused represents the answer to the charges;
- c) if it is proposed that the evidence collection will be taken by the involved parties, then the plaintiff is asked first and then the accused;
- d) witnesses are questioned, first the ones proposed by the plaintiff and then the ones proposed by the accused;
- e) other evidences are collected, including expertise;
- f) after all evidence is collected, both parties, but first the plaintiff and then the accused give final explanations to the court by which they summon legal and factual aspects of the main issue;
- g) court can allow the plaintiff to shortly declare himself/herself regarding the accused final explanation;
- h) if the plaintiff is allowed to comment on the accused final explanation, then the later should be allowed to do the same.

425.2. With an exception, the court can decide to have different procedural order in the main hearing session.

425.3. There is no appeal against the orders from paragraph 2 of this article.

Article 426

426.1. The court takes care that the main hearing session is done correctly and regularly with no unnecessary postponement.

426.2. The court keeps order during the main hearing session and for the court's dignity.

426.3. The court can take measures against persons that disobey the order or that attack court's dignity, and the dignity of the other people present, in accordance with the provisions of this law regarding court disobedience.

Article 427

The main hearing session is conducted orally while evidences are presented directly in front of the court, if something else is not determined differently by this law.

Article 428

- 428.1. Each party should present the necessary facts to justify its propositions, to present evidences for their justification, as well as to declare itself regarding evidences and claims of the opponent.
- 428.2. During the procedure the parties can present new evidences if it is deemed that because of circumstances they could not present them or propose at the preparatory session respectively.

Article 429

The parties can also present their legal opinion regarding the subject of the trial

Article 430

- 430.1. During the evidence collection through parties hearing, then he/she is questioned first by the lawyer and then by the opponent.
- 430.2. If the party is not represented by a lawyer then he/she is first questioned by the court.

Article 431

- 431.1. All parties can question witnesses and experts.
- 431.2. The judge first gives the right to question them to the party that has proposed the witness or the expert and then the opponent. If needed, the judge can allow the proposed party to question him/her again.

Article 432

The judge can question parties, witnesses, or experts at any time of the trial.

Article 433

- 433.1. The court does not allow any procedures that are not essential to the process.
- 433.2. The court does not allow questions that consist of suggestions about how the answer should be (suggestive questions).
- 433.3. The court does not allow questions that are not relevant to the case and if they have already been answered.
- 433.4. If the party requests so, the questions that were not allowed by the judge can be recorded in the minutes of the meeting.
- 433.5. The judge does not allow parties, witnesses, or experts insult and disturbance during questioning.

Article 434

434.1 If the judge requests, the questioned witnesses, and experts, will stay in court.

434.2 If the party requests, the questioned witness can be recalled to testify again at the same session, if it is allowed by the judge.

Article 435

435.1. The court is not bonded by the order regarding the course of the main hearing.

435.2. There is no appeal regarding the orders on the course of the main hearing.

Article 436

436.1. After all phases of the main hearing, and when the contentious matter is close to the end, the court declares that the main hearing session is closed.

436.2. The court can close the session even if a requested document containing evidences did not arrive, as well as the minutes of the meeting from the ordered court, if parties withdraw from these evidences, or when the judge decides that they are not necessary.

2) Postponement and the continuation of the main hearing session

Article 437

437.1. The court can postpone the summoned hearing session, before it begins, if it decides that legal conditions are not fulfilled or if the specified evidences can not be present at the session.

437.2. The court has to at the least seven (7) days before the session, to determine if the conditions from the paragraph 1 of this article are fulfilled.

437.3. When it postpones the session, the court notifies all persons involved.

Article 438

438.1. The court can postpone the session only in two cases if it is proposed by the party:

- a) if it is that parties fault that an important evidence can not be present at the given time;
- b) if both parties propose postponement in order to resolve the matter peacefully or if they want to reach court settlement.

438.2. The party can only once propose postponing the session for the same reason.

438.3. When the session that has begun is postponed, the court immediately notifies persons about the time and place the party that was not present during the regular session.

438.4. The Court is not obliged to notify the party that has not been present in the postponed session despite the regular invitation related to the place and time of the new session.

Article 439

The court can decide to continue the hearing if an evidence is not available at the moment, but on condition that this evidence will be available later and can be talked about it.

Article 440

If the court decides it is necessary to give legal verdict, in a new set session all done procedures will be redone again.

Article 441

- 441.1. The main hearing session can not be postponed indefinitely.
- 441.2. The main hearing session can not be postponed for more than thirty (30) days, except in cases determined by this law.
- 441.3. The judge has to inform the presiding judge for all postponements. The later keeps records for all postponements of all judges.
- 441.4. If the session is postponed, the judge has to take all measures to eliminate the circumstances that caused it, so in the next session the contentious matter can be resolved.
- 441.5. There is no special appeal regarding the court order to postpone the session or if a parties' proposal for postponement is refused.

Article 442

If the session that has begun can not end in the same day, the court will decide to continue it the next working day (session continuation).

Article 443

Provisions of the articles 437 - 442 of this law are applied in the preparatory session in the same way.

3) Open donor hearing session

Article 444

- 444.1. The main hearing session is held publicly.
- 444.2. During the main hearing session only adults can be present.
- 444.3. Present people can carry arms or any dangerous tools.
- 444.4. Provisions of paragraph 3 of this article are not valid for the guards of the people that participate in the court process.

Article 445

The court allows based on justifiable excuse, that the trial is partly or entirely closed to the public only when:

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- a) an official secret should be kept or when it comes to the public order;
- b) if there are mentioned trade secrets, inventions, whose publications will cause interference in the interests protected by law;
- c) private details from the parties, or other people involved in the process, life are mentioned.

Article 446

- 446.1. In a closed door hearing only parties, their legal representatives, intermediaries, are present. If the court allows in court can stay authorized official persons, scientists, if it is in their interest or for their public and scientific work respectively.
- 446.2. The court will notify the ones that are present that everything that is said during the session should be kept as a secret, and for the consequences if acted otherwise.

Article 447

- 447.1. The court issues an order regarding the closed door hearing and the reasons are stated in public.
- 447.2. There is no special appeal regarding the door for the closed door hearing.

Article 448

Provisions regarding the open door trial will be settled in the preparatory session before the ordered court.

CHAPTER XXV PROCEDURAL COSTS 1) Contents of the procedural costs

Article 449

- 449.1. Procedural costs consist of the expenses occurred during the court process.
- 449.2. Procedural costs consist of the lawyer fee, and to the other persons that the law gives them the right to be reimbursed.

Article 450

Each party carries its own costs caused by its own procedural deeds.

Article 451

- 451.1. Witness, expert, evidence collection expenses are prepaid by the party that requested them. The sum is specified by the court in an order.

- 451.2. When the evidence collection is proposed by both parties then the court decides that both parties should pay the sum in the equal shares.
- 451.3. The court will not take into consideration evidence for which the sum needed to cover its costs is not deposited in time set by the court.
- 451.4. Exclusion from the provisions of the paragraph 3 of this article is when the court because of its official duty sets evidence collection in accordance with article 3, paragraph 3 of this law, and the parties do not deposit the requested sum, the evidence collection expenses are carried out by the court.

Article 452

- 452.1. The party that loses the court process has to entirely cover all costs of the winning party, as well as intermediaries costs if he/she joined the process.
- 452.2. If the plaintiff succeeds only partially in the process then the court can decide that each party should carry its own expenses, or that the expenses should be carried out by the other party, including the proportional intermediary costs, depending on the achieved result.
- 452.3. The court can decide that one party should carry out the expenses of the opponent party, and of the intermediary, if the opponent party did not succeed only in a partial non important request, and when for this request there were no costs incurred.
- 452.4. Depending on the results, the court will decide if the costs from article 443, paragraph 4 of this law will be carried out by one party or by both parties, or if these expenses will be carried out by the court.
- 452.5. When the statement of claim is about money, and the accused is represented by a lawyer or a legal representative that has the right by law to be compensated, then the expenses will be set depending on the amount that is approved in the order.

Article 453

- 453.1. While deciding on costs, the court will consider only necessary costs that occurred during the court process. The court decides which costs necessary, the sum of expenses, were considering all facts and conditions.
- 453.2. If there is a set fee for lawyers, or for other expenses, then these expenses will be set according to the fee.

Article 454

- 454.1. The party has to cover the expenses, no matter of who won the court process, of the opponent party if he/she has caused them.
- 454.2. The court can decide that the legal representative carries out the expenses to the opponent party if they were caused by its actions.
- 454.3. Independently from the order on the matter trialed, the court will decide about requests from the paragraph 1 and 2 of this article on expenses and will issue an order.

Article 455

If the accused did not cause the charges, because he/she admitted the statement of claim and was ready to fulfill his/her duty, the plaintiff should carry out the accused procedural expenses.

Article 456

456.1. Plaintiff that withdraws the charges has to carry out the procedural expenses of the accused when the withdrawal occurred immediately after the accused fulfilled his/her duty.

456.2. The party that withdraws the charges has to reimburse the opponent for the incurred costs connected to it.

Article 457

457.1. Each party carries out its own expenses if the court process ended in the court settlement in which the expenses matter was not resolved.

457.2. Expenses of the court settlement that was not achieved are part of the procedural expenses.

Article 458

If in a trial based on the charge for the expulsion from the obligatory execution, statement of claim is accepted, and the court sees that the accused as a creditor in the final procedure had justification to consider that the third party did not have any right on the thing, then the court will decide that each party should carry out its own expenses.

Article 459

459.1. Parties in dispute carry out the expenses in the equal shares.

459.2. If there are important differences regarding the subject in the court the court will determine the part of the expenses that will be carried out by each party in dispute.

459.3. Parties at dispute that are responsible towards the main issue, have joint statement regarding expenses that should be paid to the opponent party that won the case.

459.4. If one of the parties in dispute with his/her procedural behavior incurred expenses, the other is not responsible for them.

Article 460

If the public prosecutor or Ombudsperson participates in the court process, they are entitled to the procedural expenses according to the provisions of this law, but not the right to be paid for their work done.

Article 461

Provisions regarding procedural expenses are carried out also for the parties that are represented by a public representative. In this case procedural expenses also include the sum that would be given to the party as a lawyer expense.

Article 462

- 462.1. If the assigned legal predecessor takes the role of the plaintiff, the previous plaintiff can not request to be paid for procedural expenses by the court from which he walked out.
- 462.2. Plaintiff's legal predecessor can ask for the expenses and for the previous plaintiff's expenses, if he/she wins the case.
- 462.3. If the case is lost, then the plaintiff's legal predecessor carries out the entire expenses of the accused caused by the previous plaintiff.

Article 463

- 463.1. Only if specific party requests procedural expenses, the court decides on procedural expenses, without any verbal examination regarding the request.
- 463.2. The party has to elaborate in the request all expenses while presenting evidence for the incurred expense, if such evidence is not already in the file.
- 463.3. The party should request reimbursement lately at the session when it is decided on expenses, if it is the case that it has to with the order prior to the examination then the party should attach the request to the proposition upon which is decided by the court.
- 463.4. On behalf of the parties' request, the court will decide by the verdict or by the order by which the procedure ends.
- 463.5. The court brings a special order on procedural expenses, if this right does not depend on the final decision.
- 463.6. In the case from article 456 of this law, if the withdrawal, or the means by which the first instance decision is attacked, and the direct examination are not done in the second instance court, the request for cost reimbursement can be issued within fifteen (15) days after the decision on withdrawal.

Article 464

In case of giving partial order, the court can decide to leave the decision on procedural expenses for the final decision.

Article 465

- 465.1. When the court rules out or rejects the means of attack of the decision then it should decide on caused expenses in the procedure according to it.
- 465.2. When the court changes the order according to the attack, or when it rules it out, then it should decide about all procedural expenses.

Civil laws

- 465.3. When the decision is annulled, and upon it came the attack mean, and the subject comes back for a re trial, then procedural expenses will be considered during final decision.
- 465.4. The court can act according to the provision of paragraph 3 of this article even if the decision is annulled only partially.

Article 466

- 466.1. The decision on expenses in the verdict can only be attacked only with the appeal against the order but by which the decision on main subject is not attacked.
- 466.2. The above provision is practiced also when the order which the first instance court procedure ends and if it has the form of the order and not of the verdict.
- 466.3. If one party attacks the order only because of the expenses, and the other party because of the main subject, then the second degree court will decide in the same order for both issues.

2) Expenses during evidence insurance

Article 467

- 467.1. Expenses during the procedure for evidence insurance are carried out by the party that has requested it. That party has to also pay the opponent's expenses, legal representative's expenses respectively.
- 467.2. Depending on the court result, the party that proposed the evidence insurance can realize these costs as court expenses.

3) Exemption from paying court expenses

Article 468

- 468.1. The court exempts a party from paying expenses if it is determined that it is beyond parties' financial capability, and when such a thing will harm him/her or their family.
- 468.2. Exemption includes court taxes, depositing for witnesses, depositing for experts, as well from court acts.
- 468.3. The court can only exempt a party from court taxes, if those will drastically affect persons close family in food.
- 468.4. The court should weight all circumstances and conditions while exempting from court taxes. It should also weight the value of the subject that is in contentious procedure, the number of the family members and their income.
- 468.5. Court issues an order on exemption within seven (7) days of the request.

Article 469

- 469.1. The order on court expenses exemption is given by the first degree court with the request of the party.

- 469.2. The party has to present together with the request the certificate on its real estate property and on the income certified by the adequate body.
- 469.3. When it is necessary the court can also by its official duty inquire regarding the party that requests exemption, and regarding this the opponent can be questioned.
- 469.4. It is not allowed complaint against the decision with which is approved the proposition

Article 470

- 470.1. When the party is exempted from all court expenses, the first degree court can decide that the party will be represented by a lawyer.
- 470.2. The party that has been assigned legal representative is exempt from factual expenses for the legal representative.
- 470.3. The legal representative is chosen by the court judge.
- 470.4. The legal representative that is assigned can ask, for justifiable reasons, to be relieved from his/her duty. The judge decides on this matter.
- 470.5. There is no appeal against the order on revoking the lawyer.
- 470.6. No appeal is allowed against the order of the presiding judge by which a representative is revoked.

Article 471

If the party is exempt from all expenses, then the court will pay for all costs incurred witnesses, experts, direct examinations, publications of the court acts, as well as for the assigned representative expenses.

Article 472

- 472.1. The order on exemption from the court expenses can be annulled by the first instance court if it is proved that the party can carry out the procedural expenses. In case like this, the court will decide if the party will carry out all court expenses or just partially as well as the court taxes from which he was released and factual expenses and the award for representative appointed by the court.
- 472.2. In a case above mentioned, first should be compensated expenses paid by court.

Article 473

- 473.1. Court expenses consist of taxes, factual costs, assigned representative cost.
- 473.2. Court decides based on legal provisions on court expenses, if the case is lost, and if the opponent should carry out the expenses.
- 473.3. For payment of such expenses by the opponent party that loses the court case, it is the court to decide in accordance with legal provisions on obligation for payment of court process costs
- 473.4. Expenses that were paid by the court are officially calculated by the first degree court to the party that that has to pay for these expenses.

Civil laws

473.5. If the opponent of the party that is exempt from court expenses, has to pay the expenses, and it is determined that he can not do so, the court can decide that the expenses from paragraph 1 of this article be paid by the party that is exempt, depending on the value of the subject that was won in court. With this winning party obligation, earlier exempt from court expenses, is not attacked the right to be compensated by the losing party for all court expenses according to the provisions.

**THIRD PART
SPECIAL CONTENTIOUS PROCEDURES**

**CHAPTER XXVI
CONTENTIOUS PROCEDURES IN WORK ENVIRONMENT**

Article 474

If there are no special provisions regarding contentious procedures in work environment, then the other provisions of this law are applied.

Article 475

In contentious procedures in work environment, especially is setting the deadlines and court sessions, the court will always have in mind that these cases need to be solved as soon as possible.

Article 476

Court sets a deadline of seven (7) days in the order that an obligation is forced.

Article 477

The deadline for an appeal against an order is seven (7) days.

**CHAPTER XXVII
CONTENTIOUS PROCEDURE BECAUSE OF POSSESSION REFUSAL**

Article 478

If there are no special provisions in this article then other provisions set by this law are applies.

Article 479

In contentious procedures because of possession refusal, especially is setting the deadlines and court sessions, the court will always have in mind that these cases need to be solved as soon as possible, but each case will be looked into its nature and circumstances.

Article 480

Contentious procedures because of possession refusal charge has its limits only in the verification of the latest evidences and what kind of refusal is done. Exempt is the possibility on the examination of the property right, legal base, consciousness or unconsciousness of the possession. In these procedures exempt is the possibility to ask for the expenses caused by possession refusal.

Article 481

- 481.1. The deadline to fulfill their obligations, the court sets depending on the conditions of each case.
- 481.2. Appeal deadline is seven (7) days.
- 481.3. For important reasons, court can decide that the order's fulfillment will not be affected by the appeal.
- 481.4. No revision is allowed against orders given in the contentious procedures for possession refusal.

Article 482

The plaintiff loses the right in the final procedure to fulfill the order obligation by which the accused has to fulfill specific obligation, if he/she did not initiate the procedure within thirty (30) days of the primary deadline.

Article 483

Retrial of the contentious procedures because of the possession refusal that ended in decree absolute can be allowed only in cases determined in article 232, point a) and b) of this law, and only with thirty (30) days from the day that the verdict became decree absolute.

**CHAPTER XXVIII
SMALL VALUE CONTENTIOUS PROCEDURES**

Article 484

If there are no special provisions in this law for small value contentious procedures, the other provisions of this law are applied.

Article 485

- 485.1. In the provisions of this law, small value contentious procedures are considered statements of claims that deal with money, and that the sum is not larger than 500 Euros.
- 485.2. Small value contentious procedures are also considered statements of claim that do not deal with money, but in which the plaintiff declares that instead of his/her claims, a sum of no more than 500 Euros can be paid to him/her.

Civil laws

485.3. Small value contentious procedure is also considered when in the statement of claim the subject of the dispute is of the value not larger than 500 Euros.

Article 486

Small value contentious procedure is not considered real estate property, work environment disputes and disputes because of the possession refusal.

Article 487

487.1. There is special appeal for the orders about small value contentious procedures when the process ends at the first degree court.

487.2. Other orders, which are allowed by this law, can be attacked only against the decision with which the procedure ends.

487.3. The orders from paragraph 2 of this article are not sent to the parties, but they will be published in the court session and will be part of the final decision.

Article 488

488.1. The minutes of the meeting of the small value contentious procedure should consist of, apart from the data in article 135, paragraph 1 of this law;

- a) essential parties statements, especially the ones that accept or deny the statement of claim, if it is withdrawn from the statement of claim, as well as the statement that will be no appeal;
- b) essential taken evidences;
- c) orders that can be attacked by an appeal and that were published in the main hearing session;
- d) that if the parties were present when the verdict is sentenced, were directed about the ways they can appeal.

Article 489

489.1. If the party changes the statement of claim and thus changes the requested sum and it is larger than 500 Euros, the procedure that began will continue and will end according to the provisions for general contentious procedures of this law.

489.2. If the plaintiff in the main hearing session that is held according to the provisions of this law as a general contentious procedure changes the statement of claim and asks for less than 500 Euros, then the procedure will continue according to the provisions of this law for small value contentious procedures.

Article 490

490.1. If the plaintiff does not come to the main hearing session, it will be considered that he/she dropped the statement of claim, except in the case asks the session to be held in his/her absence.

490.2. If both parties do not come to the main hearing session, it will be considered that the plaintiff has dropped the statement of claim.

Article 491

- 491.1. The verdict or the order by which small value contentious procedure ends can be appealed only if the essential provisions on contentious procedures were not followed, and if the material right is not sentences correctly.
- 491.2. In the verdict, order respectively, from paragraph 1 of this article, court has to mention the reasons why it can be appealed.
- 491.3. Parties can appeal with seven (7) days against the verdict, or the order from the first degree court from paragraph 1 of this article.
- 491.4. The deadline for the supplemental order regarding small value contentious procedures is seven (7) days.

**CHAPTER XXIX
THE PROCEDURE FOR PAYMENT ORDER**

Article 492

If there are no special provisions in this article, the general provisions of this law are applied.

Article 493

- 493.1. When the statement of claim requests money that is made available, and it is proven that it is a reliable document and it is added to the original charge or it is a certified copy, then the court will order the accused to fulfill the statement of claim (payment order)
- 493.2. Reliable documents are considered especially:
 - a) public documents;
 - b) private documents that are signed by debtors and is certified by the adequate body for certifications;
 - c) checks with protests and return bill, if they are necessary to form a request;
 - d) certified parts of the trade books for payments like water, electricity, garbage collection;
 - e) bills;
 - f) documents that according to the legal provisions have the importance of public documents.
- 493.3. Court gives payment order, even if the plaintiff does not ask for it if all facts and conditions support it.

Article 494

- 494.1. In cases where according to the law for final procedures, can be asked execution based on a reliable document, the court issues payment order if the plaintiff specifies the existence of the legal interest for it.
- 494.2. If the plaintiff can not specify the existence of the legal interest, the court drops charges as not allowable.

Civil laws

- 494.3. When the statement of claim has to do with the sum less than 500 Euros, and it was realized, the court issues payment order against the accused if the charges do not consist of a reliable document, but a legal base of sum is shown, as well as the evidences by which the obligation is shown.
- 494.4. Payment order from paragraph 1 of this article can be issued only against the main debtor.

Article 495

- 495.1. Court can issue payment order without any court session and only based on procedural material that is a part of the charges.
- 495.2. Court will specify that the accused has within seven (7) days, in check issues 3 days, to realize his/her obligation specified by court, after he/she received payment order in written. He/She has the right, within the same deadline, to present his/her disagreement. The court also informs the accused that if she/he does not act within the set time, the complaint will be dropped down.
- 495.3. Payment order is sent to both parties.
- 495.4. Attached to the payment order the accused also receives the charges as well as other documents that are its part.

Article 496

- 496.1. If the court does not approve the proposal to issue payment order then it will continue the general procedure according to the charges.
- 496.2. There is no appeal against the order when the proposal to issue payment order is dropped down.

Article 497

- 497.1. The accused can attack payment order only by turning it down.
- 497.2. If payment order is attacked only regarding the procedural costs then such an order can be attacked only by the appeal on the order.
- 497.3. If it is not attacked by rejection, payment order becomes decree absolute.

Article 498

- 498.1. Court will rule out, with no court session, any rejection that is late or insufficient.
- 498.2. If it is issued within the set deadline, the court will decide if there is a need to convene preparatory session or the main hearing session.
- 498.3. During preparatory session the parties can present new facts and evidences, as well as propose new evidences, while the accused can do new objections regarding payment order.

Article 499

In the main hearing verdict the court will decide if payment order should be realized in full, partially, or is annulled.

Article 500

- 500.1. If the accused thinks that legal conditions were not fulfilled to issue payment order (article 493 and 494), or that there are procedural obstacles in further proceeding then the court will first decide about this claim. If the court decides that there are bases for such a claim, payment order will be destroyed, and after this decision becomes decree absolute, the main hearing session will begin, if it is necessary.
- 500.2. If the court does not approve such a claim, they will continue with the main hearing session, while the court order will become a part of the main subject.

Article 501

If connected to the rejection by which there is a belief that the statement of claim is still not achieved, the court decides that it is realized when it issues payment order, but before the main hearing session ends, the court will annul the order on payment order and will decide on the statement of claim.

Article 502

- 502.1. If the court after payment order is declared incompetent regarding the subject then it annuls it and after the order of incompetence becomes decree absolute, sends the matter to the court that is suitable.
- 502.2. If the court sees that it has no territorial competence after payment order is ordered, it will not annul it, but after the order on incompetence becomes decree absolute, will send the subject to the court that has territorial competence.
- 502.3. The accused can claim that payment order issued by the court is incompetent in territorial aspect only if he/she presented the rejection against payment order.

Article 503

- 503.1. Court can be declared incompetent in the territorial aspect only until the moment when the payment order is issued
- 503.2. The accused can claim that payment order is incompetent in territorial aspect only if he/she presented the rejection against payment order

Article 504

- 504.1. If the court drops down the charges, for the reasons determined by this law, then it will immediately annul payment order.
- 504.2. The plaintiff can withdraw charges without the approval of the accused only until the rejection appears. If the plaintiff withdraws the charges, the court will annul payment order by an order.
- 504.3. If the plaintiff, until the moment of the main hearing session closure, withdraws from all rejections done, payment order remains in power.

**CHAPTER XXX
PROCEDURE IN TRADE DISPUTE**

Article 505

- 505.1. In trade disputes provisions regarding general procedure are applied, if it is not determined differently in this chapter.
- 505.2. Procedural rules for trade disputes are applied in all disputes that according to the law on courts belong to the trade court apart from the disputes for which is competent according to the attraction of the subject competence.

Article 506

Facts regarding goods and services that are documented in standard business books are examined by these documents.

Article 507

The judge is authorized, to convene a session by telephone or telegram, in urgent cases.

Article 508

Revision in trade disputes is not allowed if the value of the disputed subject dispute does not exceed 10.000 Euro.

Article 509

- 509.1. In trade dispute procedure these deadlines are valid:
- a) seven (7) days to answer the charges;
 - b) fifteen (15) days to come with the proposition to return to the previous state from the article 130 paragraph 3 of this law;
 - c) seven (7) days to appeal against the order or verdict;
 - d) three (3) days to submit the answer to the appeal;
 - e) seven (7) days to fulfill the monetary obligation, and to fulfill the non monetary value, can postpone the deadline.

Article 510

- 510.1. In the procedure for the small value trade dispute are considered only statements of claim that do not exceed 3.000 Euros.
- 510.2. Small value trade disputes are considered statements of claim that do not consist only of monetary value, but when the plaintiff states that instead of the subject of the matter, he/she can have a substitute of monetary value less then 3.000 Euros.
- 510.3. Small value trade contest is considered also the dispute in which the matter disputed is not money, but the object whose value does not exceed 3.000 Euros as stated in the statement of claim by plaintiff.

CHAPTER XXXI
PROCEDURE DURING ARBITER TRIALS

Article 511

- 511.1. The parties can agree on trial settlement, with their free rights, can trust them to the arbiter.
- 511.2. Agreement on arbiter can by parties so they can resolve a dispute or to solve disputes that can appear amongst them from the legal material relationship. Agreement on arbiter is valid only if it is done in a written form.
- 511.3. Agreement on arbiter is considered in the written form even if it is done through letters, telegrams, or other means of telecommunication that can prove the written agreement.
- 511.4. Agreement on arbiter is considered written if it is done through charge exchange, where the plaintiff claims that there is an agreement, and the accused does not deny such a possibility.
- 511.5. Agreement on arbiter can be examined only through documents.

Article 512

Arbitrary agreement is valid also when the arbitrary competence is in general conditions for legal material contact bond.

Article 513

- 513.1. Number of the arbiters in arbitrary should always be odd.
- 513.2. If in the parties' agreement the number of the arbiters is not decided, then each party names an arbiter, and then they chose the arbitrary chair.

Article 514

- 514.1. If the parties have decided on the arbitrary competence, the court that has received the charges to resolve the same dispute between the same parties, according to the rejection of the accused is announced incompetent, annuls its procedures and by an order drops down the charges as unacceptable.
- 514.2. Rejection from paragraph 1 of this article, the accused can present until the answer to the charges appears.

Article 515

- 515.1. The party that according to the arbitrary agreement has to name an arbiter can invite the opponent that within fifteen (15) days to do so and to notify for its decision.
- 515.2. The invitation from paragraph 1 of this article is valid only if the party that has done so has named the arbiter and has informed the opponent about this.
- 515.3. When according to the arbitrary agreement, the arbiter is named by the third party, any of the parties can invite such a person according to paragraph 2 of this article.

515.4. The invited person to name the arbiter in the arbitrary is bonded by this until when the opponent is notified about it, one of the parties respectively.

Article 516

- 516.1. If the arbiter is not named in the set time, and there is nothing else from the agreement, state court proposes the arbiter according to the parties' proposition.
- 516.2. If the arbiters can decide on the president, and nothing else comes out from the agreement, the state court names him/her by any arbiters' proposition or any parties' proposition.
- 516.3. It is in the first degree court's power that is competent to solve the dispute to name arbiter, the president respectively.
- 516.4. There is no appeal against the court order.
- 516.5. The party that does not want to use the authorizations from paragraph 1 and 2 of this article can ask by charges from the competent court for arbiter and arbitrary president naming to present arbitrary agreement as not valid.

Article 517

- 517.1. Except from cases as in article 516 of this law, each party can ask by charges from state court to declare arbitrary agreement as not valid if:
 - a) the parties can not agree on the arbiter within thirty (30) days that they should name together;
 - b) the person that has been as assigned as arbiter can not or will not exercise this obligation.
- 517.2. Court mentioned in article 516 paragraph 3 of this law is competent to decide on the raise charges.
- 517.3. In the session where the plaintiff request is examined, the court invites both parties, but it can bring the decision itself if the parties do not come to court and have been invited regularly.

Article 518

- 518.1. Arbiter has to sign a written declaration that he/she accepts the duty. This can be done even when he/she signs the parties agreement on arbitrary.
- 518.2. Arbiter has to fulfill the assigned duty in time and not to delay the arbitrary process. The parties can relieve him/her from the duty, if they did not decide differently, if the arbiter does not fulfill the duties in time and in the proper way.
- 518.3. Arbiter has the right to be compensated for the delivered services. The parties share equally the arbiter expenses.

Article 519

- 519.1. Arbiter has the obligation to be excluded when there are reasons for expulsion in the same way as they exist for the judge of the state court set by this law.
- 519.2. The parties can also ask for the expulsion, if the arbiter does not have needed qualifications on which they agreed as well as when the arbiter does not fulfill its obligation as set in article 516 paragraph 2 of this law.

- 519.3. The party that has named the arbiter can on its own, or both parties can, to ask for expulsion after the arbiter is named, if it found out later the reasons to do so, or the reasons appeared at the later stage.
- 519.4. The parties can agree on the arbiter expulsion procedure, but can not avoid the execution of the provisions of paragraph seven (7) of this article.
- 519.5. When there is no agreement from paragraph 4 of this article, the party has to present the request for expulsion of the arbitrary arbiter within fifteen (15) days it was notified about the arbiter or any other circumstance from paragraph 1 and 2 of this article. The request for expulsion should be in written and has to have the reasons for expulsion.
- 519.6. If the arbiter, whose expulsion is requested by a party, does not withdraw from arbitrary, the decision on expulsion is brought by the arbitrary court where the arbiter is present.
- 519.7. If the expulsion request is not successful, the party that requested so can turn to the state court from article 516 paragraph 3 to decide on arbiter expulsion. This request should be presented within thirty (30) days from the day when the decision on arbitrary is brought by which is refused to expel the arbiter.

Article 520

- 520.1. Arbitrary court decides on its own competence, as well as for rejections on arbitrary agreement validity.
- 520.2. Arbitrary incompetence rejection should be answered by the plaintiff with an answer to the charges. When it is determined that rejection delay is justifiable arbitrary can take into consideration delayed rejection.
- 520.3. If the arbitrary considers itself competent to resolve the dispute, each party can ask from the state court mentioned in article 516 paragraph 3 of this law to decide about the surfaced problem. The request should be presented thirty (30) days from the day when the party received arbitrary decision.

Article 521

If the parties do not agree differently, the arbitrary procedure is set by arbitrary itself.

Article 522

- 522.1. Arbitrary can not sentence verdicts, or force witnesses, parties, and other persons that participate in the arbitrary process.
- 522.2. Arbitrary can ask for legal help the state court with the territorial competence in evidence collection if it can do it itself.
- 522.3. During evidence collection procedure, provisions regarding evidence collection from the ordered court, from this law will be applied.

Article 523

Arbitrary can bring a decision based on honor (ex aequo et bono) if the parties authorized it to do so.

Article 524

- 524.1. When arbitrary consists of several arbiters, the verdict is taken by the majority of votes, if it is not determined something differently by the arbitrary agreement.
- 524.2. If the necessary majority of votes can not reached arbitrary has to inform parties about this.
- 524.3. If the parties did not agree differently, in case of paragraph 2 of this article, each party has the right to press charges on arbitrary validity in the future to the state court mentioned in article 516, paragraph 3.

Article 525

- 525.1. Arbitrary verdict has to have explanatory part only when parties did not determine it differently.
- 525.2. The original of the verdict, as well as the copies, are signed by all arbiters.
- 525.3. The verdict is valid even if any arbiter did not sign it if the majority did so. In such a case, in the verdict should be stated who refused to sign it.
- 525.4. Parties receive copies of the verdict through the court mentioned in article 522, paragraph 3 of this law.

Article 526

Verdict's original and the receipts of its delivery to the parties are kept by the court mentioned in article 516, paragraph 3 of this law.

Article 527

- 527.1. Arbitrary verdict is of decree absolute towards the parties if it not set in arbitrary agreement the possibility of the attack on verdict at the second degree court.
- 527.2. Court set in article 516 paragraph 3 of this law, by parties' request, puts on verdict's copies clausal (proof) about verdict's execution and validity.

Article 528

- 528.1. Arbitrary verdict can be annulled by a party request.
- 528.2. To act with the charge is competent the state court mentioned in article 516, paragraph 3 of this law.

Article 529

- 529.1. Arbitrary verdict annulment can be requested:
 - a) if there was no agreement on arbitrary or if it is not valid;
 - b) if a provision of this law, or the agreement on arbitrary is broken regarding the arbitrary content or the verdict;
 - c) if the verdict does not have explanatory part according to the article 525 paragraph 1 of this law, or if the original and the copies of the arbitrary verdict are not signed as set in article 525 paragraph 2 of this law;

- d) if the arbitrary court exceeded its jurisdiction;
- e) if the verdict is not understandable or if it contradicts itself;
- f) if the court sees that, even if the party does not mention is a reason for annulment, that the arbitrary verdict is contradicting legally with out country;
- g) if there exists any reason to redo the dispute procedure by article 232 of this law

Article 530

- 530.1. The arbitrary verdict annulment charges can be raised within thirty (30) days in the competent court.
- 530.2. If the arbitrary verdict annulment is requested for the reasons stated in the article 529 points a) - f) of this law, thirty (30) days are counted from the day when the verdict is given to the party, but if the party, because of annulment was informed later, then the deadline is counted from the day that the party found out about it.
- 530.3. In the aspect of accounting of the term, when the annulment is requested for the reason stated in point g) of the article 529 of this law, will be applied adequate provisions of the article 234 point a) and b) of this law.
- 530.4. A year after arbitrary verdict becomes decree absolute and no annulment can be requested.

Article 531

Parties by their agreement can not avoid the implementation of article 519 paragraph 1 and 2, article 525, paragraph 2 and 3, and articles 528-531 of this law.

CHAPTER XXXII TRANSITIONAL AND LAST PROVISIONS

Article 532

- 532.1. If the court process started at the first degree court prior this law is enacted, then the procedure will continue according this law's provisions.
- 532.2. In legal matters from paragraph 1 of this article when preparatory or main session is convened, but before the main hearing, the court will revoke the order by which the session is convened and will ask the plaintiff to present written charges according to the provisions of this law.
- 532.3. In cases from paragraph 1 of this article, when the main hearing session has started, it is the court's obligation that the future sessions do all actions according to the provisions of this law regarding preparatory session. Such a session will cause all procedural consequences that the preparatory session has according this law's provisions.

Article 533

- 533.1. If the first degree verdict is given before this law is enacted, or if the order ended the procedure at the first degree court, then the procedure will continue according to the provisions valid so far.
- 533.2. If after this law is enacted, first degree court verdict is annulled according to paragraph 1 of this article, then the procedure will continue according to this law.
- 533.3. On revision that appeared against the second degree verdict that became decree absolute, in a trial that started before this law is enacted, the dispute procedures that were in power will be valid until this law comes to power.

Article 534

If before this law is enacted, the charges were presented to the accused, then in continuation, the provisions of article 150 of this law will not be valid, but the conditions to give a verdict will be judged by the provisions that are in power now.

Article 535

From the day this law is enacted, suspended procedure will continue according this law's provisions.

Article 536

Arbitrary procedure provisions of this law will be used in contracted arbitrary after this law is enacted.

Article 537

When this law is enacted, no longer are valid: Law on contentious procedure ("Official SFRY Gazette", Nr. 4/76, as well Laws on change and supplement of the Law on contentious procedure published in "Official SFRY Gazette", Nr. 36/77, 36/80, 69/82, 58/84, and 74/87) as well as later stage provisions.

Article 538

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

Law No. 03/L-006
30 June 2008

Promulgated by the degree nr. DL-045-2008, of date 29.07.2008, by the President of the Republic of Kosovo Dr. Fatmir Sejdiu.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / PRISTINA: YEAR III / NO. 38 / 20 SEPTEMBER 2008

**LAW No. 04/L-118
ON AMENDING AND SUPPLEMENTING THE LAW NO.03/L-006
ON CONTESTED PROCEDURE**

Assembly of Republic of Kosovo,

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

Approve:

**LAW ON AMENDING AND SUPPLEMENTING THE LAW NO.03/L-006
ON CONTESTED PROCEDURE**

Article 1

In the whole text of the law, the term “**Public Prosecutor**” shall be replaced with term “**State Prosecutor**”.

Article 2

Article 6 of the basic law shall be reworded with the following text:

Article 6

- 6.1. The official languages shall be used on an equal basis in the contested procedure.
- 6.2. The Contested procedure proceeds in the official language of the court in accordance with law.
- 6.3. Any party and participant in the proceedings may use the official language of his or her choice.
- 6.4. The parties and other participants in the procedure that do not understand or speak the official language of the court shall have the right to speak his or her language or the language that he or she understands.

Article 3

Article 12 of the basic law, after the word “**rule**” shall be added the text “**unless otherwise provided by this law**”.

Article 4

Article 118 of the basic law, paragraph 2, the word “**claimant**” shall be replaced with the word “**respondent**”.

Article 5

Article 144 of the basic law, paragraph 3, the word “**rejected**” shall be replaced with “**dismissed**”.

Article 6

Article 150 of the basic law and in the following text, the word “**contumacious**” shall be replaced with the text “**for disobedience**”.

Article 7

Article 153 of the basic law, after paragraph 2. new paragraph 3. shall be added with the following text:

3. If the time limit, prescribed by paragraph 1. of this Article has elapsed, the judge is obliged to include in the introductory part of the judgment the date when it is rendered.

Article 8

1. Article 190 of the basic law, paragraph 2. the word “**determines**” shall be replaced with “**shall determine**”.
2. Article 190 of the basic law, paragraph 3. the expression “**will determine**” shall be replaced with “**shall determine**”.

Article 9

Article 214 of the basic law shall be reworded with the following text:

Article 214

1. Revision can be presented on the following grounds:
 - a) essential violations of provisions of contested procedure under Article 182 paragraph 2 of this law in the first instance proceedings, except the ones foreseen by Article 182 paragraph 2, items f), h), i) and m);
 - b) essential violations of provisions of contested procedure under Article 182 paragraph 1 of this law in the procedure of second instance court;
 - c) erroneous application of the substantive law;
 - d) exceeding the scope of the statement of the claim by the second instance court.
2. Revision cannot be presented for erroneous or incomplete determination of the factual state.
3. Revision against judgment rendered in the second instance, which affirms a judgment based on admission, can be presented only on the grounds set out in paragraph 1, items a), b) and d) of this Article.
4. Revision against judgment in the second instance which affirms judgment in the first instance is not permitted for substantial violations of the provisions of contested procedure under paragraph 1, item a) of this Article, unless they are

Law No. 04/L-118 on amending and supplementing the Law No. 03/L-0006 on... stated in the appeal or are dealt *ex officio* and the court of second instance of the court of revision.

Article 10

Article 216 of the basic law shall be reworded with the following text:

Article 216

In the revision the parties may only present new facts and propose new evidence that point out to a substantial violation of the provisions of contested procedure by the court of second instance and could not have presented or proposed in previous proceedings with no fault of theirs.

Article 11

Article 218 of the basic law, shall be reworded with the following text:

Article 218

1. A belated, impermissible or incomplete revision shall be dismissed by a ruling of the court of first instance without conducting a main hearing.
2. The revision is not permissible:
 - a) if it is presented by an unauthorized person;
 - b) a person who has withdrawn it;
 - c) a person who has no legal interest or is against a judgment;
 - d) not subject to revision according to the law.”

Article 12

Article 245 of the basic law, paragraph 3. the sentence “**the court with competence to decide on these legal remedies**” shall be replaced with “**the Supreme Court**”.

Article 13

Article 254 of the basic law, paragraph 1 after the word “**existence**” shall be added the phrase “**prior or current existence**”.

Article 14

Article 255 of the basic law, paragraph 5., the phrase “**in number 2**” shall be replaced with the word “**eventual**”.

Article 15

1. Article 256 of the basic law, paragraph 3, after the word “**another**” shall be added the text “**or the proceeding for its adjudication is different**”.

Civil laws

2. Article 256 of the basic law, paragraph 4., the phrase “**court economy**” shall be replaced with the phrase “**economization of court proceedings**”.

Article 16

Article 262 of the basic law, paragraph 3, after the word “**claim charge**” shall be added the phrase “**that has been submitted later**”.

Article 17

Article 269 of the basic law paragraph 1, at the end of a sentence shall be added new sentence “**In this case, however, the consent of all consolidated joint litigants is required for conclusion of judicial settlement or withdrawal of the claim**”.

Article 18

Article 277 of the basic law, item a) after the word “**procedural**” shall be deleted from the text of the law the sentence “**and does not have an authorized representative to the proceedings**”.

Article 19

Article 280 of the basic law, paragraph 4, the phrase “**with a proposal of the party**” shall be deleted from the text of the law.

Article 20

Article 290 of the basic law, the reference “**118**” shall be replaced with “**116.7**”.

Article 21

Article 356 of the basic law, after the word “**court**” shall be added the expression “**ex officio or**”.

Article 22

Article 357 of the basic law paragraph 3. shall be deleted from the text of the law.

Article 23

Article 364 of the basic law, paragraph 1. shall be reworded with the following text:

1. The expert shall submit his or her findings and opinion in writing to the court.

Article 24

Article 367 of the basic law, the text “**8 (eight) days**” shall be replaced with “**7 (seven) days**”.

Article 25

Article 465 of the basic law, paragraph 4. the reference “**Article 3**” shall be replaced with “**paragraph 3**”.

Article 26

After Article 510 of the basic law a new Article 511 shall be added:

Article 511
Arbitration Procedure

1. Arbitration procedure shall be regulated by a special law.
2. The recognition and enforcement of foreign arbitral awards shall be implemented in consistence with the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

Article 27

1. Chapter XXXI and Articles 511 to 531 of the basic law shall be deleted from the text of the law.
2. Chapter XXXII of the basic law shall be renumbered with Chapter XXXI, whereas Articles 532 to 538 shall be renumbered with the following order, Articles 512 to 518.

Article 28
Entry into force

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

Law No. 04/L-118
13 September 2012

Promulgated by Decree No.DL-045-2012, dated 28.09.2012, President of the Republic of Kosovo Atifete Jahjaga.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / No. 28 / 16
OCTOBER 2012, PRISTINA

LAW No. 04/L-139
ON ENFORCEMENT PROCEDURE

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Assembly of Republic of Kosovo,

Based on Article 65 (1) of the Constitution of the Republic of Kosovo;
Approves:

LAW ON ENFORCEMENT PROCEDURE

CHAPTER I

**TITLE I
GENERAL PROVISIONS**

**Article 1
Purpose and scope of the law**

1. This law shall provide for the procedure in which courts and private enforcement agents determine and carry out enforcement, on the basis of the enforcement titles and authentic documents, unless if with the special law it is foreseen otherwise.
2. The provisions of this law shall also apply for the enforcement of given decision in administrative and minor offences procedure, by which are foreseen obligation in money, except in cases when for such enforcement, by the law is foreseen the jurisdiction of other body.
3. Provisions of this law are also applied for the enforcement on ships and aircrafts, unless if with special law is not foreseen otherwise.
4. The present law shall also regulate the activities of private enforcement agents.

**Article 2
Definitions**

1. Terms used in this Law shall have the following meaning:
 - 1.1. **Enforcement procedure** refers to any action taken in accordance with the enforcement of the decision, during the implementation of the same decision.
 - 1.2. **Credit** - the right for settlement of an amount of money or any giving, commission, non-commission or incurrence;
 - 1.3. **Creditor** - the person, the claim of whom is realized in the procedure of mandatory enforcement;
 - 1.4. **Debtor** - person against whom the claim is realized;
 - 1.5. **Participant** - the person in enforcement procedure who realizes any right or legal interest, and who is not a party in the enforcement procedure;
 - 1.6. **Party** - the creditor or debtor in the enforcement procedure;
 - 1.7. **Third person** - another person from the creditor or debtor, on whom rights or obligations are imposed from enforcement procedure, or rights and obligations directly affected by the enforcement procedure;
 - 1.8. **Enforcement Document** - the document based on which the enforcement procedure is initiated;

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- 1.9. **Enforcement authority** - the court or the private enforcement agent that acts pursuant to the provisions of this Law;
- 1.10. **Court enforcement agent** - the employee of the judicial system who directly performs particular enforcement actions;
- 1.11. **Private Enforcement agent** - the natural person appointed by the Minister of Justice in accordance with the provisions of the present law, who in the performance of public authorizations entrusted to him/her as provided by the present law, decides on the actions arising from his/her competency in the enforcement of allowed enforcement, and undertakes enforcement actions;
- 1.12. **Writ of enforcement** - the decision of the private enforcement agent by which the proposal for carrying out enforcement is accepted either in whole or in part;
- 1.13. **Decision on enforcement** - the court decision by which the proposal for enforcement is partially or completely approved, or ordered ex officio;
- 1.14. **Public register of real estate** - all public books in which the right on real estate are registered;
- 1.15. **Securities** - printed or electronic papers based on which there is a right or which contain a right on which enforcement is requested;
- 1.16. **Shares** - securities registered in the register of the securities, on which enforcement is carried out;
- 1.17. **Bank** - the bank or financial organization which conducts works in circulation of payments;
- 1.18. **Pre-record** - a kind of registration in public books, by which conditionally the rights on real estate and other items are gained, transferred or abolished, which are the objects of enforcement;
- 1.19. **Farmer** - the individual with main sources of income from agriculture;
2. Expression of grammatical gender, feminine or masculine, in this Law, includes both genders of physical persons.

Article 3 Enforcement Authority and Decisions

1. The enforcement procedure in first instance shall be managed and decided by the private enforcement agent, and exceptionally by the individual (single) judge when this law provides that the enforcement is set and enforced by the court (first instance body). The court or the public enforcement agent shall decide on the enforcement proposal within seven (7) days of receipt of the proposal.
2. In the second instance, decisions shall be rendered by a single judge.
3. If a decision on forced collection is to be brought in another judicial proceeding, such decisions shall be rendered by the court as composed for the carrying out of the given judicial proceedings;
4. Decisions in the enforcement procedure shall be taken by the enforcement authority in the form of judgment or enforcement writ.
5. Conclusion shall be issued for implementation of some actions and to conduct the procedure.

Article 4
Initiation of procedure

1. The enforcement procedure shall be initiated through creditor's proposal
2. The enforcement procedure shall be initiated by the court ex officio, when that is foreseen by the law.

Article 5
Jurisdiction

1. The enforcement is determined and applied by the enforcement authority foreseen by this law, unless if it is foreseen otherwise with other law.
2. Competent Court shall hold the subject matter jurisdiction to order and to carry out enforcement as well as to decide on other matters during the procedure pursuant to the provisions of this Law, unless other courts and enforcement authorities, respectively, have competence to order and carry out enforcement as well as to decide on other matters during the procedure.
3. The private enforcement agent shall render the writ based on proposals for carrying out enforcement, and shall carry out the enforcement for the purpose of fulfillment of the debtor's claim based on an enforcement document, unless expressly provided by law that ordering of the enforcement and carrying out of the enforcement, respectively, shall be within the jurisdiction of the court.
4. Territorial jurisdiction to decide on matters pertaining to enforcement procedure is determined with the provisions of this law, depending from the means and object of enforcement and upon the status of the enforcement body.
5. To decide matters regarding any objection, appeal, irregularities in enforcement procedure under Articles 52 and 67 of this law, or any other procedure against actions of a private enforcement agent, jurisdiction is within the competent court in the territory in which the debtor's residence is located, and if he does not have residence in Kosovo, then in the territory in which he stays, if debtor is a physical person. If debtor is a legal person, territorial jurisdiction rests in the competent court in the territory in which its seat is located. If the debtor does not have a temporary residence or seat in Kosovo, the basic court in the territory in which the movables or immovable items that are the object of enforcement are located will have jurisdiction.
6. Court shall be competent to decide over the enforcement procedure and enforce court decision related to:
 - 6.1. all issues related to family law, and
 - 6.2. reinstating employees and civil servants at work, and other compensations.

Article 6
Urgency and order of action

1. In the enforcement procedure, the enforcement body has a duty to act with urgency.
2. The enforcement authority has a duty to receive cases for procedure in the order of arrival, unless the nature of the credit or special circumstances requires the enforcement body to act differently.

3. The enforcement authority may conclude that the nature of a credit requires expedited treatment of a case if there is a legitimate risk that the debtor's assets in that case may become unavailable for seizure or significantly diminished in value if enforcement is delayed. A court may also recognize special circumstances, and act promptly, in cases dealing with employment, family matters, alimony, or child welfare if the interests of a party may be adversely affected by delay.

Article 7

Means and objects of enforcement

1. Means of enforcement are enforcement procedures by which according to the law, the settlement of claim is conducted compulsorily.
2. The objects of execution are the assets and rights which can be subject to execution, except those that are excluded from enforcement by Law and applicable international treaties in Kosovo.
3. Enforcement procedures may be performed directly against debtors and other persons, in compliance with this law.

Article 8

Objects not subject to enforcement

1. Items which are out of legal circulation, underground wealth, and other natural wealth may not be the object of enforcement.
2. Buildings, weaponry, and equipment of the armed forces and police, nor financial means ensured for such purposes may not be the object of enforcement.

Article 9

Protection of dignity of the debtor

1. Upon carrying out enforcement procedure, care shall be paid to protect the dignity of the debtor, and to ensure that the enforcement is as little detrimental as possible on debtors.
2. Enforcement body, in the case of enforcement of decision and identifying items, shall act with appropriate respect towards the personality of debtor and debtor's family members.
3. If there is a legitimate reason and if the enforcement body has the consent to carry out of the enforcement on non-working days and during nighttime hours, enforcement body may also carry out the enforcement in the debtor's home on non-working days and during nighttime hours.

Article 10

Determination of means and objects of enforcement

1. The court, with a decision, or the private enforcement agent with an enforcement writ, shall assign the enforcement through those means and those objects of enforcement, as specified in the enforcement proposal.

2. The enforcement includes one of or all the enforcement means and objects presented in the enforcement proposal until the claim is fully fulfilled;
3. Upon proposal of the creditor or ex officio, the enforcement body may decide by the enforcement writ that the enforcement be carried out against the debtor's assets that may be subject to enforcement, without stating the enforcement means and objects up to the sufficient level for settling the credit.
4. If the enforcement body seizes more assets than necessary in order to fulfill the credit, the remainder shall be returned to the debtor within thirty (30) days.
5. The creditor may request the enforcement body to assist in identifying assets as provided by this law:
 - 5.1. if there more enforcement means or objects than needed to fulfill the decision were proposed, enforcement body may, upon the proposal of the debtor, limit the enforcement only to some of such means and objects, if they suffice for the settlement of the credit.
 - 5.2. debtor may propose to the enforcement authority the preferred enforcement assets, and shall provide the reasons for limiting enforcement.
 - 5.3. debtor shall accompany its proposal under sub-paragraph 5.2 of this paragraph with documentary evidence, such as bank statements, proving that such means and objects suffice to settle the credit. Debtor shall also provide accurate information to the enforcement body as to where such means and objects are located and how they are to be seized.
 - 5.4. the debtor's proposal, and all accompanying information, shall be provided to the creditor, and the creditor shall respond to the proposal within five (5) days from receiving the proposal.
 - 5.5. if the creditor does not accept the proposal, the enforcement body shall ensure based on provided evidence that the listed assets suffice to settle the credit before ruling in favor of the debtor's proposal. If the enforcement body is not sure, based on the provided evidence, of the adequacy of the assets listed in the debtor's proposal to satisfy the credit, the enforcement body shall reject the proposal.
6. If the debtor's proposal to limit the means and objects of enforcement is accepted, and if the assets listed in that proposal cannot be found, or the listed assets are insufficient to satisfy the credit, the creditor shall notify the enforcement body and the enforcement authority shall immediately order the enforcement of the creditor's original enforcement proposal. Under such circumstances, the debtor who made the proposal may be subjected to the provisions of Article 15 and 16 of this Law.
7. The creditor may agree to limit its request in accordance with the debtor's proposal, if it deems the proposal adequate to satisfy the credit.
8. If the enforcement decision or writ cannot be applied against a certain enforcement object or means, the creditor aiming at realizing the same request, may propose other enforcement means or objects.

Article 11
The enforcement of foreign enforcement documents

Enforcement of foreign enforcement document shall be determined and implemented according to this law, if the foreign enforcement document meets the requirements provided by laws or international agreements on admission and enforcement.

Article 12
Enforcement on property in a foreign country

1. No enforcement against the wealth of foreign countries or international organizations in the territory of the Republic of Kosovo may be determined without previous consent of the Ministry of Justice and opinion of Minister of Foreign Affairs, except if the foreign country or the international organization agrees with the enforcement.
2. If the proposal to initiate the procedure against the property of a foreign country in the Republic of Kosovo is not submitted for consent from paragraph 1 of this Article, respectively consent of the foreign country, such proposal shall be dismissed by the court respectively by the private enforcement agent.

Article 13
The costs of enforcement

1. The procedural expenses regarding the determination and commission of enforcement shall be paid by the creditor in advance.
2. The enforcement proposal shall pay in advance the expenses from paragraph 1 of this article within deadline assigned by the enforcement body. The enforcement body shall suspend the enforcement if the expenses are not paid in advance within such deadline. If the expenses are not paid within deadline set by the enforcement authority for a certain activity, such activity shall not be completed.
3. The procedural expenses initiated by the court ex officio shall be covered by the court from its budgetary.
4. Debtor shall reimburse the creditor the procedural expenses and all other expenses incurred during enforcement procedure.
5. The creditor shall reimburse the debtor the expenses incurred without reasonable cause.
6. The enforcement body shall decide on request for payment of procedural expenses simultaneously with the enforcement decision, upon proposal of party, assigning the enforcement with the aim of accomplishing it.

Article 14
Guarantee

1. The enforcement authority shall order provision of guarantee with decision or writ. In cases foreseen by this law to leave guarantees, the guarantee shall be given in cash. The enforcement authority may allow provision of guarantee in the form of

- bank guarantee, securities and valuable items the value of which is easily determined in the market and which may be liquidated quickly and simply.
2. Institutions of the Republic of Kosovo and their bodies and services are not obliged to deposit guarantee when they appear as parties to enforcement procedure.
 3. The opposing party shall obtain the right of legal pledge over the deposited guarantee.
 4. If the enforcement authority in the enforcement procedure decides that the procedural expenses of the opposing party should be paid with regards to the action for which the guarantee is provided, upon the party proposal, the court in the same decision shall decide over the payment of the claim from such guarantee.
 5. Guarantees may not be requested, if its provision may cause irreparable damage to the debtor.

Article 15 **Fines in enforcement procedure**

1. Fines provided by this article may be imposed through a court decision for any action or omission violating provisions of this law or violation of the enforcement body decision issued pursuant to this law. These fines may be imposed by the court ex officio and based on justified proposal of private enforcement agent if all conditions for sentencing the fine have been met in the procedure carried by the private enforcement agent.
2. Fines may be imposed against physical persons in enforcement procedure in amount from one hundred (100) to one thousand (1000) Euro, or against legal persons in amount from one thousand (1000) to ten thousand (10.000) Euro.
3. Fine in amount of five hundred (500) to two thousand and five hundred (2500) Euro may be also imposed against responsible person of the legal person.
4. Fines from paragraphs 2 of this Article may be imposed repeatedly, if the debtor does not act upon repeated order of the court or private enforcement agent or continues to act in contrary to such order.
5. Before imposing the fine, the court shall allow the party against whom the fine was imposed, to make a statement, and when considered appropriate by the court, the court may schedule a session for the purpose of collecting evidence.
6. The fine shall be imposed by the court considering all circumstances of the concrete case, especially the economic means of the party and significance of action that the party has expected to perform. The decision on fine shall provide the deadline for paying the fine.
7. Fined person may appeal against the decision within seven (7) days from delivery.
8. Fined person should pay the expenses incurred with the sentence and enforcement of this fine.
9. After the enforcement of decision, the fine shall be realized ex officio by the enforcement body, in benefit of the current account used for funding the court. Enforcement expenses burden the court budget, while the payment of such costs determined by the conclusion, is applied in the procedure of forced settlement of fine.
10. The fine may be also sentenced and enforced against the debtor and other physical

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persons, and against responsible person of legal person if they refuse to provide data about the wealth of the debtor, and if their actions and behaviors are in contradiction with the order of enforcement authority, or if they damage or reduce the wealth of debtor, or if they obstruct the enforcement authority in the commission of enforcement activities.

11. Imposed fine according to the provisions of this article may not be turned to imprisonment.

Article 16

Fines for delaying the enforcement

1. When the debtor fails to fulfill within any monetary or non-monetary obligation within the given deadline determined by the enforcement document, ex officio or upon the proposal of the creditor shall assign a date no less than three (3) days after the date for voluntary settlement, when fines start to accrue if not settled by the assigned date.
2. The fine for each day of delay shall be no less than five (5) Euros but not more than fifty (50) Euros for a natural person, and no less than fifty (50) Euros but not more than five hundred (500) Euros for a legal person. Fines will accrue each day or other time period of delay, in accordance with the Law of Obligations, from the deadline expiration date for settling the obligation, until the settlement is completed.

Article 17

Application of the provisions of other laws

The provisions of the Law on Contested Procedure shall be accordingly are applied in the enforcement procedure, unless this law or any other law provides otherwise.

TITLE II

ENFORCEMENT PROCEDURE

Article 18

Delivery of submissions and documents

The provisions of the Law on Contested Procedure on delivery of scriptures shall also to be applied to the enforcement decision, the enforcement writ, the decision on the objection against the enforcement decision, and the decision on fine.

Article 19

Duty to Provide Information on Debtor

1. Upon request of the enforcement authority, legal persons or bodies holding the authority over property registers and rights over the enforcement debtor's property, and the person claimed by the enforcement creditor to be the enforcement debtor or to be in possession of any of the debtor's property, shall provide information on the debtor's property within eight (8) days.

2. The persons and bodies referred to in paragraph 1 of this Article shall not inform the enforcement debtor that such data have been requested.

Article 20
Submissions, sessions and files

1. In enforcement procedure, the enforcement body acts based on the submissions of the parties and other documentary evidence.
2. The enforcement body assigns hearing sessions if foreseen by the law, or when it considers that it may be useful.
3. Regarding the work conducted during the session, instead of court record, the court may draft an official note.
4. Outside the hearing session the enforcement body may hear the party or other participant to the procedure, if foreseen by the law or if the court considers needed for the clarification of any issue or for providing a statement regarding any proposal of the party.
5. The absence of either or both parties, or other participant to the procedure from a hearing session, or failure of a party to act upon enforcement body summon for their hearing, does not obstruct the enforcement body to act in the session.
6. Submissions in the enforcement procedure are presented in sufficient number to the enforcement body, and to the opposing party.

TITLE III
ENFORCEMENT DOCUMENT (ENFORCEMENT TITLE)
AND AUTHENTIC DOCUMENT

Article 21
Legal basis for awarding enforcement

The enforcement authority shall award, respectively perform enforcement only on the basis of enforcement document (titulus executions) and authentic document unless otherwise foreseen by this law.

Article 22
Enforcement Document

1. Enforcement documents are:
 - 1.1. enforcement decision of the court and enforcement court settlement (reconciliation);
 - 1.2. enforcement decision awarded in administrative procedure and administrative settlement (hereinafter: the settlement)
 - 1.3. notarized document enforceable according to the law on notary;
 - 1.4. agreements reached in the mediation procedure in accordance with the law on mediation after approval of the Court;
 - 1.5. the judgments, acts, and memoranda on court settlements of foreign courts, as well as the awards of foreign arbitration courts and the settlements

- reached before such courts in arbitration cases, which have been accepted to enforcement within the territory of the Republic of Kosovo;
- 1.6. decision and enforcement agreement of the arbitration of the Republic of Kosovo declared enforceable by the Court;
 - 1.7. mortgage agreements certified by the competent body and registered in the public registry in accordance with law;
 - 1.8. court decision certified as European enforcement writ;
 - 1.9. other document which is qualified by the law as an enforcement document.

Article 23 **Decision and settlement**

1. According to this law, court decision is considered verdict, decision and other decisions reached in court proceedings or arbitration, while court settlement is considered achieved settlement before the court and arbitration and the agreement reached in the mediation procedure.
2. The decision of administrative body, according to this law, is considered decision and conclusion reached in administrative proceedings by the administrative body or service or by the legal person charged with public authorizations, while administrative settlement is considered the achieved settlement in administrative procedure before the body or service, respectively such legal person, if it has to do with obligation in cash and if the law does not provide otherwise.

Article 24 **Enforceability of decision**

1. Court decision ordering the fulfillment of the credit for any giving or commission, shall be enforceable if it became final, and if the deadline for voluntary fulfillment has expired.
2. Court decision ordering the fulfillment of the credit for action or omission is enforceable if it became final. However, the competent enforcement body may allow an additional deadline for fulfillment of debtor's obligation.
3. Decision reached in administrative procedure shall be enforceable if reached according to the rules regulating such procedure.
4. Based on decision which becomes enforceable only in part, the enforcement may be allowed only to such a part.
5. Enforcement shall be determined based on court decision which still has not still become final, or based on the decision reached in administrative procedure which has not become final, only if the law provides that the appeal or other remedies does not inhibit the enforcement.

Article 25 **Enforceability of settlement**

1. Court settlement or settlement reached in administrative procedure, arbitration enforcement award, agreement reached in mediation procedure or agreement

reached in another procedure shall be enforceable if the credit which should be fulfilled has become reachable.

2. Realisability of the credit is proven through the record on settlement, through public document or through the document certified according to the law.
3. Realisability which cannot be proven in a manner as explained in paragraph 2 of this article shall be proven through the decision reached in contested procedure by which concludes that the claim of the credit (request) is grounded.
4. Based on settlement which has become enforceable only a part, the enforcement may be determined only on that part.

Article 26 **Enforceability of Notarial Document**

1. A notarial document shall be enforceable if it became enforceable according to special rules governing enforceability of such a document.
2. Enforcement based on a notarial document that has become enforceable only in part may be ordered only with respect to such part.

Article 27 **Eligibility of enforcement document**

1. Enforcement document shall be eligible for enforcement if it shows the creditor, the debtor, the object, means, amount, and deadline for settling the obligation.
2. If the enforcement document does not assign the time for voluntary fulfillment of the obligation, such deadline will be set by the enforcement decision and writ on seven (7) days.
3. In the case from paragraph 2 of this article, the enforcement authority shall assign the proposed enforcement under the condition that debtor does not fulfill its obligation within the deadline for voluntary fulfillment

Article 28 **Interest-delay**

If the height of interest-delay has changed after issuing the enforcement document, the enforcement agent body, ex officio, shall assign the scale changed over time in line with provisions of the Law on obligational relationships enforcement agent

Article 29 **Authentic document**

1. Enforcement for the purpose of settlement of monetary claims shall be also assigned based in the authentic document. According to this law, authentic document is:
 - 1.1. bills of exchange and cheques with potest and return invoice, if required for establishing the claim;
 - 1.2. extracts verified from business books for payment of utilities, water supply, power and waste services;

Civil laws

- 1.3. invoices;
- 1.4. documents with significance of public documents according to legal provisions;
2. Calculation of interest is considered a part of the authentic document.
3. Authentic document is eligible for enforcement if it shows the creditor and debtor, the object, type, amount and time of fulfillment of the monetary obligation.

Article 30
Claimability of the credit

If the authentic document does not show whether the credit has become claimable, the enforcement shall be assigned only if the creditor presents a statement in writing that his credit has become claimable and it proves that the day on which it has become claimable has elapsed.

Article 31
Transfer of credit or debt

1. Enforcement shall be assigned also upon the request of a person or for his benefit, who in the enforcement document is not shown to be the creditor, if he (through the public document or through a private document which has been certified according to the law) proves that the credit has been transferred to him, or in some other way has been transferred to him. Debtor shall be informed through the enforcement authority on any changes of the creditor through standard mail to his last registered address. If the transfer of credit, in any way, cannot be proven, that may be proven through the final decision issued in contested procedure.
2. Enforcement shall also be assigned against the third person who in enforcement document is not mentioned as debtor, if the enforcement creditor (through public or private, but according to the law certified document), proves that such person in legal manner has taken over the debt stated in the enforcement document, or according to the law he shall be obliged to settle the debt. If the obligation of the third person for taking over the debt is disputed, before the enforcement is permitted, the parties must resolve the dispute in contested procedure.

Article 32
Conditional obligation and mutual obligation

1. Enforcement which depends on the prior fulfillment of any obligation by the enforcement creditor, or from fulfillment of any other condition, shall assigned if the enforcement creditor with a public or private certified document proves that has fulfilled his obligation, respectively that the condition is fulfilled.
2. Fulfillment of obligation, respectively fulfillment of the condition shall be proven by the final decision issued in contested procedure, if the enforcement creditor does not have opportunity to prove it in the manner provided in paragraph 1 of this article.
3. If the debtor according to the enforcement title shall fulfill his obligation under

condition any obligation in his benefit shall be fulfilled meanwhile, the enforcement authority will assign enforcement only if the enforcement creditor presents evidence that he has ensured the fulfillment of his obligation.

4. It is considered that the enforcement creditor has sufficiently ensured the fulfillment of his obligation in the sense of paragraph 3 of this article, if he has deposited the object of obligation to the court or private enforcement agent.

Article 33

Alternative obligation as per the choice of debtor

1. If the enforcement debtor based on enforcement title has a right to choose between several objects of his obligation, the enforcement creditor has a duty to assign in the enforcement request the objects by which the obligation may be fulfilled.
2. Enforcement debtor has a right of chose among enforcement objects, but the right terminates as soon as the enforcement creditor achieves partial or complete settlement of the obligation.

Article 34

Alternative authorizations of the debtor

1. An enforcement debtor sentenced with non-monetary obligation through an enforcement title, but with the right of release from fulfillment of that obligation by paying a certain amount of money noted in that enforcement title, may pay such amount while the enforcement creditor has not started receiving the object of obligation.
2. Creditor has the right to be paid for the costs of the concluded procedure which was rested because the debtor after the initiation instead of primary obligation has fulfilled other obligation assigned in the enforcement title.

Article 35

Interruption of the procedure

1. The enforcement authority may not interrupt the enforcement procedure in order to wait for the decision of the competent court, or other body, regarding the previous matter.
2. In other cases of interruption of procedure, foreseen by the Law on Contested Procedure, the court may, if the circumstances of the case allow, upon the proposal of the party or ex officio determine the continuation of the procedure by nominating the temporary representative to the party with whom has to do the cause which has brought to the interruption of the procedure.
3. In case of death of the enforcement creditor who does not have authorized representative or legal representative, each of the inheritors or interested persons may propose that as long as the inheritance community lasts, the court may, at the expense of the proposer, nominate a temporary representative and continue with the procedure. The court may appoint only a person with no personal interest in conflict with the interests of the creditor, and the temporary representative shall

have a fiduciary duty to act in the interests of the creditor. The appointed person shall have the right to decline the appointment, and the agent shall in that case have the right to appoint a substitute. The court will nominate temporary representative within seven (7) days time limit, from the day of submission of proposal. In the case such inheritor's or interested person's proposal is not submitted within thirty (30) days from the day of death of the enforcement creditor, the court will suspend the enforcement procedure.

4. In case of death of the debtor who does not have authorized representative or legal representative, the court within fifteen (15) days from the day of notification on the death of debtor, will nominate a temporary representative on behalf of the heirs or inheritors of the debtor in the burden of expenses of creditor of enforcement, as a rule from the line of persons who have on their possession the wealth which is the object of enforcement and will continue the procedure. The court shall nominate a temporary representative within seven (7) days from the day of submission of request. If the authorized person does not propose the continuation of the procedure within assigned deadline, the court will suspend the enforcement procedure. The court may appoint only a person with no personal interest in conflict with the interests of the debtor, and the temporary representative shall have a duty to act in the interests of the debtor. The appointed person shall have the right to decline the appointment, and the court may in that case appoint a substitute.
5. Final expenses of the enforcement creditor from paragraph 4 of this article are realized from the debtor's assets.
6. After the conclusion of inheritance community, each of the inheritors may undertake the enforcement procedure by appearing before the enforcement body.
7. For undertaking procedure and dismissing the temporary representative, the enforcement body shall decide with a decision issued in the form of conclusion.

Article 36 **Certificate of enforceability**

1. The proposal for enforcement shall be submitted to the enforcement body accompanied with the enforcement document, in original or certified copy, with enforceability certificate for enforceability.
2. Enforceability certificate is issued by the court, respectively state organ which has decided about the request in first instance procedure.
3. Exceptionally from the provisions of paragraph 1 and 2 of this article, the enforcement document of the notary, based on which the enforcement proposal is submitted, does not need to be accompanied with the enforceability certificate, but its enforceability shall be determined according to the provisions of the law on notary.
4. The certificate for enforceability issued without meeting conditions foreseen by the law shall be annulled with a decision by the same court, or by the issuing competent body, based on the proposal of debtor or ex officio. Proposal for annulment must be submitted within seven (7) days from the day of the delivery of enforcement decision to the debtor. The enforcement authority or the issuing state competent body may also initiate the annulment at any time.

Article 37
Enforcement based on authentic document

When the enforcement proposal is submitted to the enforcement authority based on a authentic document, it suffices to attach to the proposal such original document or its copy certified according to the law.

TITLE IV
PROPOSAL AND DETERMINATION OF ENFORCEMENT

Article 38
Enforcement proposal

1. Enforcement proposal should contain the request for enforcement which shows the original enforcement document, or a copy certified by law, or authentic document based on which the enforcement is requested, claimant of enforcement and debtor, address of residence – place of stay or business seat of the creditor and debtor, credit claimed for settlement, and also the means through the which the enforcement should be conducted, the enforcement object if known, and other data needed for application of enforcement.
2. If the proposal for enforcement under paragraph 1 of this article does not contain requested data and PIN or business registration number of the debtor, enforcement body shall act according to provisions of Article 102 of the Law on contested procedure.
3. If the request for conclusion on the debtor's wealth is submitted with the enforcement proposal, the enforcement body will introduce the enforcement creditor with results of such conclusion, providing him time limit to correct the presented proposal, respectively to provide amendments. The amended proposal shall be submitted within ten (10) days after the enforcement body forwards to the enforcement creditor the debtor's statement of assets. However, if the enforcement creditor requests an addendum to that statement, as described in Article 45 paragraph 9 of this Law, within the given time limit, the time allowed for enforcement of amended proposal shall be counted from the date on which the addendum submitted by the debtor is forwarded to the creditor.

Article 39
Enforcement against debtors with joint responsibility

1. If on the basis of enforcement, two or more debtors are jointly liable, the enforcement body shall issue against them only one enforcement decision, seizing from debtors' account the amounts provided in the judgment or enforcement writ.
2. The proposal may provide in the enforcement proposal the order for seizing the funds of debtors, otherwise funds will be seized in the order that debtors are mentioned in the enforcement proposal.
3. If under paragraph 2 of this article, there are not sufficient funds in the debtor account to settle the obligation, the enforcement authority will apply the

enforcement decision against property of the other joint debtor. If it is necessary to send the case to another enforcement body because of the jurisdiction, the enforcement body will do it quickly with a report on level of enforcement up to that moment.

Article 40

Proposal based on authentic document

1. Enforcement proposal based on authentic document should contain:
 - 1.1. enforcement request from paragraph 1 of article 38 of this law;
 - 1.2. request by which the enforcement body forces enforcement debtor that within seven (7) days, while in disputes from the relations where bill of exchange or cheque exists, within three (3) days from the day of delivery of the decision, to settle the obligation together with the assigned costs;
 - 1.3. an original or certified copy of the authentic document.
2. If the proposal for enforcement is submitted without the documents referred to in paragraph 1 of this Article, they shall be dismissed by the court or private enforcement agent, respectively.

Article 41

Enforcement against movable items

Should the enforcement against movable items is proposed, it is not required for the enforcement proposal to indicate such items.

Article 42

Withdrawal and limitation of proposal

1. Enforcement proposal may, during the enforcement procedure, without the consent of the debtor, be completely or partially withdrawn by the creditor.
2. In the case of the withdrawal from the enforcement proposal, the enforcement body concludes the enforcement completely or partially, respectively as may have been withdrawn.
3. Enforcement proposal, withdrawn completely or partially, may be submitted again before the enforcement body.
4. If the creditor states that the claim has been settled in whole or in part, it shall be deemed that the proposal for carrying out enforcement has been withdrawn with respect to such part.

Article 43

Enforcement decision and writ

1. The enforcement decision and writ based on enforcement title should indicate the enforcement document, enforcement creditor and debtor, credit which should be settled, means and object of enforcement, and other data needed for enforcement.
2. The enforcement decision and writ based on authentic document should indicate

the authentic document used as basis for assigned enforcement, creditor and debtor, credit which should be settled, mean and object of enforcement, the order to the debtor to settle the credit and any costs within seven (7) days, or in disputes in relation to bill of exchange or cheque, within three (3) days, and other data needed for enforcement. The enforcement decision and writ shall order the enforcement against the property of the debtor suitable for enforcement and other data needed for the application of enforcement.

3. If the enforcement decision or writ assigns the payment of interest, the enforcement body shall calculate the expenses of the enforcement creditor, except if the collection of interest is to be done from the deposited money in bank account.
4. With respect to an appeal raising an objection against the enforcement writ issued by a private enforcement agent, the court reviewing the enforcement procedure shall review whether conditions for issuing such private enforcement agent's enforcement writ were met. If the court establishes that the conditions for issuing the private enforcement agent's enforcement writ have not been met, the court shall dismiss such enforcement writ through a decision.

Article 44

Composing parts of the enforcement decision and writ

1. Enforcement decision or writ should not necessarily have rationale provision. This decision or writ may be issued through a square seal in the enforcement proposal.
2. Enforcement decision or writ should contain instruction on legal remedy the parties are entitled to.
3. Decision refusing or dismissing the proposal completely or partially should have the rationale.

Article 45

Declaration of assets

1. Creditor in his proposal based on enforcement document may request the enforcement authority to order the debtor and any other relevant person to the enforcement process mentioned in the proposal, including bodies or administrative services, or other institutions, to provide data about the wealth or income of debtor, in accordance with the following provisions.
2. The request may be filed at any time during the entire course of enforcement until its conclusion.
3. The enforcement authority on the request from paragraph 1 of this Article, acts as follows:
 - 3.1. within five (5) days after the filing of the request from paragraph 1 or 2 of this article, issue a ruling forcing the debtor or, upon assignment from the debtor, the debtor's legal counsel, to indicate the full data regarding the movable and real estate of debtor, and particularly regarding the type and level of incomes and deposits in money, and also the place where such property is situated. A separate appeal against this ruling shall not be allowed;

- 3.2. the enforcement authority shall serve a copy of this request to the debtor along with its decision, within three (3) days from the day the decision is taken. The enforcement body also sends to the debtor the notification on what the asset and income statement should contain, and the notification to debtor that he will be brought by force before the court for giving the statement. Debtor may be fined in case of refusing to provide the statement as ordered by the enforcement authority, and shall be warned on consequences of providing false or partial statement;
 - 3.3. where the debtor is a legal entity, the actions referred to in sub-paragraphs 3.1 and 3.2 of this paragraph shall be taken against the person authorized representing such entity by law. When debtor lacks the ability to act, the action shall be taken against his legal representative. In case the enforcement authority considers that the representative is acting against the debtor's interests, he shall notify the custodian, body.
4. The enforcement body may order the submission of the completed and signed form to enforcement body within a specified period of time, and this form becomes an official part of the case file. The enforcement body may order the debtor to appear before the enforcement body to make a statement of assets, which becomes part of the official statement of the case file.
5. The persons who do not act upon enforcement body order shall be fined as foreseen in article 15 and 16 of this Law. These provisions are applicable also to responsible persons in legal entity or administrative body, administrative service and other institution.
6. Physical person or responsible person mentioned in the paragraph 5 of this article is criminally responsible for false statements, non-complete or untrue data regarding the debtor's wealth. About these consequences, the enforcement authority should inform respective concerned subject with conclusion on requested data.
7. The enforcement body may request filling the respective form by debtor, who is physical person, or other physical persons, or may request verbal statement in court session. If the summoned person does not appear to the session or refuses to give verbal statement, the enforcement body applies provisions of paragraph 5 of this article. A certified copy of the declaration of assets or enforcement body records containing such declaration shall be forwarded by the enforcement body to the enforcement creditor immediately indicating the date on which such copy was forwarded to the creditor, and it shall be attached to the court's decision under sub-paragraph 3.3 of paragraph 3 of this article, along with the declaration of assets, and shall be inserted into the enforcement body's case file which requested the declaration of assets.
8. The enforcement body ex officio or upon creditor's proposal within five (5) days of receiving the statement of assets shall request an addendum to the statement, if such statement does not contain sufficient data to identify assets listed therein, or if a public or statutorily certified title can be used to prove that the debtor has communicated incomplete or inaccurate data and also proves that hitherto known assets of the debtor cannot be used to fully settle his claim. If the debtor does not present the documents within the deadline as mentioned in this paragraph, fines according to Articles 15 and 16 of this law shall be imposed.

9. The creditor who did not require the addendum of the declaration mentioned in paragraph 8 of this article shall be requested to propose means and objects of enforcement within ten (10) calendar days after obtaining the statement of assets, or enforcement may be suspended ex officio by the court.

Article 46

The content of the statement of assets

1. The statement of assets of the enforcement debtor shall contain the following:
 - 1.1. data on assets and rights of the enforcement debtor that may be enforced against, especially:
 - 1.1.1. movable and immovable assets owned by the enforcement debtor;
 - 1.1.2. cash in possession of the debtor at the time of giving the statement;
 - 1.1.3. cash deposits of the enforcement debtor in any bank or other financial institution, whether in the Republic of Kosovo or in another country;
 - 1.1.4. other cash or non-cash accounts of the enforcement debtor;
 - 1.1.5. rights to securities and rights deriving from securities;
 - 1.1.6. founders' rights in companies and income derived from such rights over the past year;
 - 1.1.7. actual monthly wage of the debtor over the past six (6) months, the employer's name, and the duration and type of employment;
 - 1.1.8. debtor's income, the basis for such income, the maturity date of those income;
 - 1.1.9. security interests held by the debtor, and security interests held by others against the assets of the debtor;
 - 1.2. data on claims against the debtor that have matured or that will mature over the following year and data on security of such claims;
 - 1.3. data on enforcement procedures in progress against the debtor, including claims relating to the collection of taxes and fees due to any governmental authority within the Republic of Kosovo;
 - 1.4. data on legal transactions taken by the debtor and involving the debtor's assets after the establishment of the liability that enforcement is being undertaken to settle (transfers of property right with or without compensation, liens, provision of security on his own behalf or on behalf of other persons);
 - 1.5. the debtor's current address or place of business;
 - 1.6. the address or addresses where debtor's movable assets are located;
 - 1.7. data from cadastral and other public books on real estate owned by the debtor, or data on grounds and manner of acquisition if the real estate is not entered into cadastral and other public books;
 - 1.8. data on current and savings accounts, cash deposits and banks where such accounts are held, including the account numbers of such accounts and deposits;
 - 1.9. data on third parties that are beneficiaries of legal transactions involving debtor's assets, and type of transaction taken;

- 1.10. the signature of the debtor certified by a notary unless the statement is given before the court and entered into court records.
2. Where the debtor does not own any assets that may be enforced against, he shall be required to expressly state this in his statement.
3. If the data from the statement of assets or specified documents in article 45 paragraph 8 of this Law are insufficient for determination of debtor's assets, the enforcement body ex officio or upon creditor's proposal may request that the testimony of debtor's family members or his business associates concerning the location or form of those assets.
4. The enforcement body may dispute the data of debtor's assets if there is reasonable doubt as to whether by his actions the debtor misled or attempted to mislead the creditor as regards the fulfillment of his liability. The enforcement body must notify appropriate public prosecutor about this issue.
5. All governing institutions and agencies of the Kosovo government shall provide requested information to the enforcement body upon its request, unless the agency is specifically prohibited from doing so under a separate provision of law. Such information shall be provided to the enforcement body without charge.
6. The creditor may ask the enforcement body to assist in the identification of assets under this Article.

Article 47

Delivery of the enforcement decision and enforcement writ

1. Article 18 of this law shall apply on delivery of the enforcement decision or enforcement writ.
2. Enforcement decision or enforcement writ shall be delivered to the creditor and debtor or their representatives. Decision dismissing or rejecting the enforcement proposal is delivered only to the creditor.
3. If the creditor for settlement of his credit proposes enforcement in the wealth of the debtor, in which debtor has the right of co-ownership or joint ownership, the enforcement body for issued decision will inform all co-owners, respectively carriers of the right to joint ownership.
4. Enforcement decision or enforcement writ on debtor's monetary credit shall be delivered also to the debtor of debtor, whilst enforcement decision or enforcement writ for means in the account of debtor is delivered also to the bank.
5. Enforcement decision or enforcement writ on bank account shall be delivered to the bank after it becomes final, except when enforcement is assigned based on bill of exchange and cheque with protest and returning invoice, if needed for establishment of a credit.
6. Enforcement decision or enforcement writ given based on bill of exchange and cheque shall be delivered to the parties immediately after the issuance, with purpose of sequestration of means in the account of debtor.
7. Enforcement decision or enforcement writ on movable items shall be delivered to debtor in the case of commission of the first enforcement act. If the movable item is not in the possession of debtor, the decision or writ shall also be delivered to the person possessing the item.

8. Enforcement decision or enforcement writ on real estate shall be sent to the debtor and cadastre office in the territory where the property is located for registration of the rights in movables. If the real estate is not in possession of the debtor, the decision shall be submitted to the persons in possession of the real estate.

TITLE V APPLICATION OF ENFORCEMENT

Article 48 Enforcement based on non-final decision

1. Enforcement shall be applied even before the decision on enforcement or enforcement writ becomes final, if not foreseen otherwise for certain enforcement acts.
2. Enforcement assigned based on authentic document cannot be accomplished before the enforcement decision or enforcement writ becomes final.

Article 49 Limits of enforcement

Enforcement shall be conducted within assigned limits provided in the enforcement decision or enforcement writ.

Article 50 Time of enforcement

1. Enforcement shall be conducted during the working days and between 07 – 20 hours
2. The enforcement body may decide through conclusion that enforcement be conducted in non-working days or during the night only when reasonable causes exists.

Article 51 Actions of the enforcement authority

1. During the conduct of enforcement actions in the house of debtor, where neither the debtor, his legal representative or authorized representative or an adult person from the debtor's family is present, at least two (2) adult citizens should be present there.
2. Enforcement in business premises or in other premises of legal person shall be done during the working hours and in presence of the person assigned by competent organ of the legal person, and should the latter fails to assign such person, the enforcement action shall be conducted with presence of at least two (2) adult citizens.
3. When the enforcement action is to be conducted in a premise that is locked, whilst the debtor is not present or does not agree to open the premise, the enforcement body shall open the premise in presence of one (1) adult citizen and the police.

4. During the commission of enforcement actions according to the provisions of paragraphs 1, 2, and 3 of this article, the enforcement body should draft separate record which will be signed by present citizens, while a copy or the notification for completed enforcement action, will be attached to the doors of the house of business premise.

Article 52

Irregularities during the conduct of enforcement

1. Party or other participant in the procedure may request the court through a submission to correct irregularities caused by the enforcement body during the conduct of enforcement. The present delivery shall be done to the court within seven (7) days of alleged irregularity.
2. Upon request from paragraph 1 of this article, if the submitter has proposed this, the court shall issue a decision within three (3) days from the day of delivery of submission.

Article 53

Obstructing enforcement authority in performing its duties

1. Enforcement authority shall be authorized to remove the person from the place where enforcement action is taking place, if he obstructs its commission.
2. During the commission of compulsory actions foreseen by the law, used violence and force should be proportionate to the circumstances of the concrete case.
3. During the enforcement procedure the police bodies have a duty to provide the enforcement body with the appropriate assistance for commission of enforcement actions. Enforcement authority, if needed may take pertinent measures against a person who obstructs the commission of enforcement actions.
4. During the action of the police bodies upon order of the enforcement authority, accordingly are applied provisions of the law on internal affairs respectively judicial police.
5. In case the police do not enforce the orders of enforcement body for providing assistance during the conduct of enforcement, the enforcement body shall immediately inform the competent body.

TITLE VI

COUNTER-ENFORCEMENT PROCEDURE

Article 54

Reasons for counter-enforcement

1. Debtor is entitled during same enforcement procedure, and after the end of enforcement procedure, to request the court the issuance of a decision ordering the enforcement creditor to return the items taken based on enforcement procedure, if:
 - 1.1. enforcement document by a final decision is overruled, amended, annulled, dismissed or was concluded in another way that it is without legal effect;

- 1.2. enforcement decision or enforcement writ by a final decision is annulled or amended;
- 1.3. During the conduct of execution proceedings, the creditor has got under possession more items than the value of the credit, including costs of enforcement and interest charges.
- 1.4. The enforcement carried out on a specific object of enforcement shall be impermissible;
2. If creditor through enforcement has realized an amount of money, the debtor in the proposal for counter-enforcement may demand payment of interest-delay, starting from the day of the payment of such amount.
3. Proposal for counter-enforcement from paragraph 1 of this article may be presented in fifteen (15) days from the day when the debtor became aware for the reason of counter-enforcement, but not later than one (1) year from the completion of enforcement procedure.
4. After the expiration of the deadline from paragraph 3 of this Article, the debtor may not initiate counter-execution, but must instead initiate a contested procedure over its claim.

Article 55

Procedure based on proposal for counter-enforcement

1. The court delivers the proposal for counter-enforcement to the creditor and shall demand him that within three (3) days from the day of delivery, to declare regarding such proposal.
2. If the enforcement procedure was conducted before the private enforcement agent, the private enforcement agent shall, without delay, forward a copy of the file the competent court and shall notify parties that the procedure based on the proposal shall be continued before the competent court.
3. If within the deadline from paragraph 1 of this article, the creditor opposes the proposal for counter-enforcement, the court shall decide after the holding of court session.
4. With the decision approving the proposal for counter-enforcement, the court shall order the creditor to return within seven (7) days to debtor respectively to third person the items taken through enforcement.
5. Court shall issue such decision even when the enforcement creditor does not make a statement within assigned deadline or when he declares that he does not oppose the counter-enforcement proposal.

Article 56

Decision on counter-enforcement

1. Based on the final decision approving the proposal for counter-enforcement, the court through a special decision shall assign the means and objects for implementing the counter-enforcement.
2. In counter-enforcement proceeding, the provisions of this law pursuant for performing enforcement shall be applied accordingly.

Article 57
Impossibility of counter-enforcement

Proposal for counter-enforcement shall not be accepted if it requests the return of an item which has suffered material or legal changes which makes its return impossible.

Article 58
Counter-enforcement according to the proposal from the third person

1. Person, from whose wealth the credit of the creditor has been realized, and who was not qualified as debtor in the enforcement decision, is entitled within given time-limits in paragraph 3 of article 54 of the Law, to request the court to order creditor to return all items seized through the concluded enforcement.
2. Based on the third person's proposal from paragraph 1 of this article, the counter-enforcement procedure shall be performed according to the provisions of this law.
3. In this counter-enforcement procedure, the proposer shall be named enforcement creditor and the opponent of the proposer shall be named the debtor.

Article 59
Counter-enforcement upon proposal of the participant in the enforcement

1. Participant in the enforcement procedure has the right, within given deadline in this law, after the amendment of the enforcement decision by the final decision, to request the court to order the person to whom certain amount of money was paid, to return the payment.
2. Based on the proposal from paragraph 1 of this article, the counter-enforcement procedure shall be applied according to the provisions of this law.
3. In such counter-enforcement procedure, the proposer shall be named creditor, while the opponent of the proposer shall be named the debtor.

TITLE VII
POSTPONEMENT, SUSPENSION AND CONCLUSION
OF THE ENFORCEMENT

Article 60
Postponement of the enforcement upon the creditor's request

1. If the law does not provide otherwise, the enforcement body may postpone partially or entirely the enforcement upon the request by the creditor, but only if the application of the enforcement decision or enforcement writ has not started yet.
2. If more creditors participate in the enforcement procedure and not all of them require postponement, the court shall postpone the enforcement only with regard to creditor requesting postponement.
3. The enforcement body shall decide on the request for postponement in a conclusion.

Article 61

Postponement of enforcement upon the debtor's request

1. If the debtor argues that enforcement shall cause him irreparable damages, the enforcement body shall fully or partially postpone the enforcement when:
 - 1.1. an appeal has been filed against the enforcement document and the appealing party demonstrates to the first instance court a high likelihood of success on the appeal; or
 - 1.2. a request has been submitted to the court to dismiss an arbitral award under the Law on Arbitration.
2. Submission of request for a postponement of the enforcement shall not postpone the carrying out of enforcement.
3. Before granting the postponement of the enforcement, the enforcement body shall provide the creditor with the right to make a statement and present evidence in opposition to the postponement.
4. Enforcement body may fully or partially postpone the enforcement in cases in situation when debtor proves through public or certified documents that execution shall cause irreparable damages and debtor provides guarantee in amount corresponding with the amount of the claim.
5. In other circumstances than those defined in paragraph 2 of this Article, the enforcement body may condition the postponement upon the debtor providing a guarantee amounting to at least the amount of the claim and interest.
6. If the enforcement body has postponed the enforcement of a non-monetary claim on condition of payment of a guarantee, it shall set the amount of the guarantee with regard to all circumstances of the case.
7. Unless the debtor deposits guarantee as defined in paragraph 4 and 5 of this Article, within the deadline designated by the enforcement body carrying out enforcement, which shall not exceed fifteen (15) days, it shall be deemed that the debtor has abandoned his request for a postponement.
8. The enforcement body shall rule on a motion to postpone enforcement within five (5) days after receiving it.
9. The ruling upholding the debtor's motion to postpone enforcement shall be served by the enforcement body on the debtor and creditor;
10. Against the decision related to the debtor's request appeal is not allowed.
11. The first instance court with jurisdiction to decide on the appeal against the enforcement writ, and the court carrying out enforcement, respectively, may postpone the enforcement upon request of the debtor who may not be obligated to deposit collateral when the debtor takes part in the procedure as a party if he establishes a likelihood that the enforcement would cause him irreparable or nearly irreparable harm, or if he establishes a likelihood that postponement is necessary in order to prevent violence. The court shall decide on the request for a postponement of the enforcement within five (5) days of the receipt of such request.
12. If the decision on postponement of the enforcement shall be within the jurisdiction of the court not carrying out the enforcement, the court shall, ex officio, forward the decision on the continuation of the enforcement to the private enforcement agent involved.

Article 62
Postponement of enforcement based on third party motion

1. Third person may file a motion for postponing the enforcement under the conditions foreseen by the provisions of article 61 paragraph 2 of this Law.
2. Enforcement body ruling on postponing the enforcement based on third person's motion shall be forwarded to the debtor and creditor.

Article 63
Time for which the enforcement is postponed

1. The enforcement body shall postpone the enforcement based on article 61 and 62 of this Law for the time considered reasonable bearing in mind the circumstances of the concrete case, but not longer than six (6) months except in cases in which paragraph 3 of this Article applies.
2. If the law provides for the deadline by when the enforcement is proposed, its postponement cannot be done out of such deadline.
3. In case the parties agree on payment of the credit in installments, the creditor shall inform the enforcement body of this agreement. This notification shall postpone the enforcement, until such time as the creditor shall inform the enforcement body that the debtor has failed to comply with the terms of their agreement.

Article 64
Continuation of the postponed procedure

A postponed enforcement may resume upon request of the party that requested postponement before the expiration of the period of postponement. In such event, the other party shall be notified on resuming the enforcement procedure through standard mail delivery to the last known registered address. If the creditor does not request the continuation of procedure even after fifteen (15) days from the day of expiration of the deadline for which the enforcement has been postponed, the enforcement body shall abandon the enforcement procedures of the case through a decision.

Article 65
Suspension of the enforcement procedure

1. Unless foreseen otherwise by this law, the enforcement shall be suspended ex officio in these circumstances:
 - 1.1. when the debtor or its assets cannot be located for purposes of notification or sequestration of assets within three (3) months of initiation of the enforcement case, despite at least two (2) attempts by the enforcement body to locate that person for purposes of notification or sequestration of assets;
 - 1.2. when the enforcement body has attempted to enforce the decision at least two (2) times without producing the result intended by either of those actions;
 - 1.3. when the address of the debtor listed in the enforcement proposal is proved to be incorrect, while the creditor is unable to demonstrate to the enforcement body the accuracy of the address.

2. The suspended procedure through a conclusion as mentioned in paragraph 1 of this Article, may continue, if the creditor within six (6) months, submits new evidence regarding the suspended issue, on the contrary the procedure is considered completed.

Article 66

Completion of enforcement procedure

1. Unless foreseen otherwise by this law, the enforcement will conclude ex officio if the enforcement document is annulled, amended, revoked, invalidated or in other manner rendered ineffective, respectively if the certificate for its enforceability is annulled by a final decision. Enforcement will also conclude ex officio if a case has been suspended twice and fulfills the criteria for entering suspended status as defined in paragraph 1 of Article 65 of this Law.
2. Enforcement will end ex officio also when in accordance with legal provision by which are regulated obligatory relations, third person fulfills obligation in benefit of the creditor instead of debtor.
3. Enforcement will end also when it has become impossible or for other purposes it cannot be enforced, and after expiring the absolute statute of limitation for enforcement.
4. After the settling of the creditor's credit, a decision shall be issued ending the enforcement procedure.

TITLE VIII

LEGAL REMEDIES

Article 67

Regular legal remedies

1. In the enforcement procedure, regular legal remedies are:
 - 1.1. objection, and
 - 1.2. complaint.

Article 68

Extra-ordinary legal remedies

1. No repetition and revision of the procedure is allowed in enforcement procedure.
2. Restitution into previous state shall be permitted only in case of disrespecting the deadline for filing an objection and appeal against the enforceable decision for compulsory enforcement.

Article 69

Objection against decision on enforcement

1. Objections may be presented only against the decision allowing the enforcement.
2. Objections shall be filed in written in the basic court that issued the challenged enforcement, when the court is the enforcement body.

Civil laws

3. Objections shall be filed in written, in the basic court as provided under paragraph 5 of Article 5 of this Law when the enforcement body is a private enforcement agent.
4. The basis for the objection must be stated and supported by appropriate evidence. Evidence for objection must be submitted in written otherwise the objection shall be rejected.
5. Objections against the enforcement decision or enforcement writ may be filed exclusively under the provisions of Article 71 of this Law.
6. Objection shall contain details of the enforcement decision appealed, reasons of objection and debtor's signature.
7. The decision by which the enforcement proposal is rejected or refused may be attacked only by an appeal of the enforcement creditor. This appeal shall be governed by Article 77 of this Law.

Article 70

Legal time-limits for presenting the objection

An objection may be filed with the court within seven (7) days from the day of receiving the enforcement decision or enforcement writ.

Article 71

Reasons for objection

1. Objection under article 69 of this Law may be based only on findings that:
 - 1.1. the document, based on which the enforcement decision or enforcement writ has been issued, does not have an executive title, or if it does not have any feature of enforceability;
 - 1.2. the enforcement, based on which the enforcement decision or enforcement writ has been issued, is overruled, annulled, amended or in other way invalidated, respectively if in other way has lost its effect or it is concluded that it is without legal effect;
 - 1.3. parties, through the public document or certified document according to the law drafted after the creation of enforcement document, have agreed not to require, for a limited time or permanently, the enforcement based on enforcement document;
 - 1.4. deadline by when, according to the law the enforcement may be requested, has expired;
 - 1.5. the enforcement is assigned for items which are excluded from compulsory enforcement, and as a result of that exclusion the possibilities for enforcement are limited;
 - 1.6. enforcement creditor is not authorized to request enforcement on the basis of enforcement document, respectively he is not authorized to request the enforcement against the debtor;
 - 1.7. the condition given in the enforcement document has not been met, unless otherwise foreseen by the law;
 - 1.8. the credit ceases to exist as a result of a fact that occurred at a time when

debtor could no longer submit evidence of such fact in the procedure from which the decision has derived, that is, after the conclusion or a court settlement or an administrative settlement or in some other way;

- 1.9. the settlement of the credit is postponed, prohibited, altered, or in some other way prevented, whether permanently or for a limited time, as the result of an event that occurred at a time when the enforcement debtor could no longer make it known in the procedure rendering the decision, that is, after the conclusion of a court or administrative settlement or in some other way;
- 1.10. the claim from the enforcement document is barred by a statute of limitations;
- 1.11. if the court that issued the enforcement decision is not competent;
- 1.12. if the private enforcement agent who issued the enforcement writ is not competent.

Article 72

Response regarding the objection

1. On presented objection the court shall decide within fifteen (15) days from the day when the objection was filed.
2. The court shall deliver the statement of the objection and the supporting evidence to the opposing party and to all other parties to the enforcement proceeding within three (3) days after the court receives the objection. When the objection is against the action of a private enforcement agent, the court also delivers the statement of the objection and the supporting evidence to the private enforcement agent.
3. Responses to the objection must be submitted in written within three (3) days of receipt of the objection by the parties.

Article 73

Decision on objection

1. Court may decide on the objection out of court session. Alternatively, the court may schedule a public hearing if in the court's view it is necessary for a full understanding of the validity of the objection. The court shall notify all parties of the public hearing. If the court chooses to hold a public hearing, the hearing shall be held within five (5) days after the responses to the objection were required to be received by the court.
2. The decision on objection shall be issued by a single judge.
3. Through the decision, the objection may be accepted, refused as untimely, or rejected as incomplete or not permitted.

Article 74

Enactment and enforceability of decisions in enforcement procedure

1. The decision against which an objection is not filed within the foreseen deadline shall become final and enforceable.

2. The decision against which an objection is refused as untimely becomes enforceable, while if an appeal against the decision is not permitted, then it also becomes final.
3. The decision in which the objection is rejected becomes final if an appeal against it is not filed in the foreseen legal deadline, or if the filed appeal is dismissed as ungrounded.

Article 75

Presumptions for presentation of objection

1. A person other than the debtor who claims to possess a right to the object of enforcement that is incompatible with enforcement against that object may present an objection to the enforcement, with the request that the enforcement on object of enforcement be declared non-permitted in a part covered by his right.
2. The objection may be presented until the conclusion of the enforcement procedure.
3. The objection presented by the third person does not obstruct the commission of enforcement and settlement of the credit of enforcement creditor, unless otherwise foreseen by this law.
4. The objection of the third person is delivered by the court to the enforcement creditor and to debtor, with the request that they respond within seven (7) days time-limit to it.

Article 76

Court decision regarding the objection of third person

1. About the objection of third person the court will decide in enforcement procedure, or the submitter of the objection with a conclusion will be instructed that the intended right may be realized only through a claim in contested procedure.
2. When the enforcement is through the court, the court that issued the execution title or judgment the enforcement of which is challenged will decide the objection.
3. When the enforcement is through a private enforcement agent, the court with appropriate jurisdiction as defined in paragraph 5 of Article 5 of this Law shall decide on the objection.
4. Court will decide about the objection of third persons in enforcement procedure as many times as the circumstances of the concrete case allows, and especially when the submitter of an objection proves the grounds of his objection through the final judgment with a public document, or with a non-public document certified according to the law.
5. The objection shall not delay the enforcement procedure in the concrete case.
6. Against this decision a dissatisfied party is entitled to appeal in the second instance court within seven (7) days from receiving the decision, through the first instance court.
7. The presented appeal shall be forwarded for response to opposing party, who within three (3) days may present response to appeal to the same court.
8. The party filing the objection may also institute litigation proceedings after the expiration of the time limit set by the court until the moment of conclusion of the

enforcement procedure; however, in such case the filing party shall bear any cost incurred by exceeding such deadline.

9. The third person may, in the litigation proceedings referred to in paragraph 1 of this Article, request from the court to establish the existence of his right if any of the parties contests such right.

Article 77

Appeals against the decision on the objection

1. Against the decision on objection parties have the right on appeal.
2. The appeal against the decision on objection shall be filed through the first instance court for the second instance court within seven (7) days from the day of acceptance.
3. Copy of the appeal shall be submitted to opposing party and other participants who may present response to the appeal within three (3) days.
4. Following receiving the response to appeal or following the deadline for response, the case with all submissions shall be sent to the second instance court within three (3) days. Regarding the appeal, the second instance court shall decide within fifteen (15) days.
5. The appeal on the decision on the objection does not halt the executive procedure unless guarantees have been provided for the full amount of the credit as described under Article 78 of this law.
6. In the event the debtor as appealing party is successful in its appeal, and if its assets have been enforced against upon pursuant to the enforcement decision, he may seek counter-enforcement under the provisions on counter enforcement of this law.

Article 78

Guarantees for appeals against a decision on an objection for a credit based on authentic document

1. First instance court in cases when debtor wishes to present an appeal against the decision that rejected his objection related to enforcement proposal based on authentic document shall order the appellant to pay the guarantee amount in cash as prerequisite for presenting an appeal, unless the payment of guarantee causes irreparable damage to the appellant and unless the damage is different and unrelated to the loss that would be caused by payment of the credit.
2. The court shall decide the amount of the guarantee payment, taking into consideration the interest of both litigants. The court shall order the payment of a guarantee in the full amount of the credit in every appeal in which the execution title is based on an authentic document, unless the appealing party demonstrates that it is eligible for social treatment or will impose irreparable injury upon that party different from an unrelated to the payment of the credit.
3. After the court has issued its decision on the guarantee amount, and if the appealing party asserts that it is unable to pay the guarantee amount decided upon by the court, the financial condition of the appealing party shall be determined in

accordance with the procedures specified in Article 45 and 46 of this Law. Possession of enforceable cash assets in excess of the guarantee amount shall be regarded as dispositive of the availability of assets to satisfy the guarantee amount. In the event the appealing party is determined unable to pay the guarantee amount, the court shall fix a lower amount.

4. In event the appellant fails to pay the amount of guarantee decided by the court, the appeal shall be considered as not filed by the appellant.
5. The appeal to the second instance court may proceed once the guarantee amount has been paid to the first instance court.
6. The first instance court shall place the guarantee funds in a special account of the court.
7. If the second instance court rules that the issues raised on appeal shall be reconsidered by the first instance court, the guarantee funds shall be held in the escrow account until final decision is reached on the case, unless the court decides differently.
8. If the appeal is accepted and debtor wins the case, the court shall refund the guarantee to the appellant and terminate the enforcement. If the appeal is rejected, the appeals court ruling shall be considered an executive title under paragraph 1 of article 22 of this law and guarantee funds shall be sequestrated to cover the procedural costs and claim of the creditor according to enforcement proposal. Amounts due but not covered by the sequestrated funds, including procedural costs of the appeal, shall constitute a credit to be collected from the debtor in a continuing enforcement procedure.

Article 79

Complaints against irregularities during the conduct of enforcement

1. A party or another participant in the procedure may file a complaint with a court concerning irregularities committed by the enforcement body during the conduct of enforcement procedure. The present delivery is made by a written submission to the competent court within seven (7) days of the alleged irregularity.
2. Upon request from paragraph 1 of this Article, if the submitter has proposed this, the court issues decision within three (3) days from the day of delivery of submission.
3. Against the decision provided in paragraph 2 of this Article, parties or other participants in the procedure are entitled to appeal. The provisions of article 77 of this Law on appeal against the decision are applicable.

CHAPTER II
MEANS AND OBJECTS OF ENFORCEMENT

TITLE I
ENFORCEMENT FOR SETTLEMENT OF MONETARY CREDIT

Article 80
Order for settlement of credits at more creditors

The claims of several creditors who have unenforced enforcement titles against the same debtor shall be enforced based on the order in which they have taken action to settle their credit by claiming such object, except in the cases when the law provides otherwise.

Article 81
Extent of enforcement in case of monetary credit

Enforcement for settlement of monetary credits is assigned and applied to the extent necessary for the settlement of such requests.

Article 82
Territorial jurisdiction in case of court enforcement

1. To decide on the enforcement proposal for movable items and for the commission of such enforcement, territorial competence is with the court in territory where such items are situated as shown in the enforcement proposal.
2. Provisions of the paragraph 1 of this article shall also apply accordingly in the cases against which the enforcement is initiated ex officio.
3. Creditor may request the enforcement body to issue an enforcement decision on movable items, without mentioning the place of location.
4. To decide regarding the proposal from paragraph 3 of this Article, territorial jurisdiction is with the court in territory of debtor's residence, and if he does not have residence in Kosovo, then the court in the territory of which he resides, in cases of physical persona. If debtor is a legal person, territorial jurisdiction is with the court where the seat is located.
5. In the case from paragraph 3 of this Article, the enforcement creditor may submit the enforcement decision to any court of substantive jurisdiction in the territory where debtor's items are situated, with a proposal that that court conducts the enforcement.

Article 83
Jurisdiction in case of enforcement by the private enforcement agent

The private enforcement agent has competence to decide on the enforcement proposal and to carry out enforcement against movable items, including movable items located in unknown location.

Article 84
Delivery of the enforcement decision to the other court

If the court has assigned enforcement on movable items located in its and other court's territory, after the commission of enforcement on movable items in its territory, the enforcement decision shall be delivered to the other court for further enforcement until the full settlement of the enforcement creditor's credit. The court from which the case was moved shall, upon the completion of the move, cease to have competence for the case.

Article 85
Derogation from enforcement

1. The following shall not be subject to enforcement:
 - 1.1. clothes, shoes, underwear and other personal belongings, linen, kitchen utensils, furniture, stove, refrigerator, and other objects with common values that serve for satisfying the basic needs of the household, if they are needed by the debtor and the members of his/her household;
 - 1.2. three (3) months supply of food and heating materials used by the debtor and the members of his/her household;
 - 1.3. labor and breed livestock, agricultural equipment and other tools, seeds, food for the livestock, tools, machines and other objects that the debtor - farmer or craftsman needs for maintaining of his/her agricultural work, respectively for performing the craftsmen activity, necessary to achieve minimum income necessary to support him/herself and the members of his/her family;
 - 1.4. books and other objects needed by the debtor who independently and with personal labor, performs a scientific, artistic or other professional activity;
 - 1.5. cash of the debtor which is permanent monthly income up to the monthly amount, which according to the law is exempt from enforcement, proportionally with time-limits, until next payment;
 - 1.6. the debtor's decorations, medals, military honor certificates and other decorations or recognitions of honor, a marriage ring, personal letters, manuscripts or other personal documents which belong to the debtor as well as family pictures; and
 - 1.7. medical aids given to a disabled person or to some other person with physical handicap in accordance with regulations, or which he/she has personally obtained and which are necessary for performing his/her life functions
2. The provisions from sub-paragraph 1.3 of paragraph 1 of this Article shall not apply to enforcement for settling monetary claims of banks, based on specific loans for the purpose for development of agricultural, respectively craft activity, provided that this special purpose has been specifically stated in the credit contract
3. Mail packages or postal monetary transfers addressed to the debtor cannot be object of enforcement before they are delivered to the debtor

Article 86
Enforcement actions

Enforcement for movable items is conducted through registration, sequestration, and evaluation, selling of such items and settling the credit from the amount obtained from sale of such items.

Article 87
Notification on sequestration

1. Enforcement body in principle, before starting the sequestration, delivers to the debtor enforcement decision and orders him to pay the amount of money together with the interests and procedural expenses, for which the enforcement is permitted.
2. In case of impossibility to deliver the enforcement decision or writ to the debtor on sequestration, it is permitted to perform the notification by posting a notice of the date of sequestration on the table of announcements at the enforcement body and also by leaving a copy of the enforcement decision at the premises at which sequestration shall occur.
3. About the time and place of sequestration of movable items, the creditor will be notified by the enforcement body.
4. Non-attendance of the parties does not obstruct the commission of sequestration.
5. The party which was not present at the place of conducted sequestration will be notified on conducted sequestration.

Article 88
Object of sequestration

1. Sequestration shall be conducted through the drafting of an inventory register.
2. An inventory of movable items in the possession of debtor and the debtor's items in the possession of creditor will be performed.
3. If third persons do not notify the enforcement body for their rights on the items in debtor's possession, and do not prove their rights within thirty (30) days from the notification date, and latest three (3) months from the sequestration date, it is considered that such rights of third persons do not exist and that debtor is the owner of the items under his possession.
4. It is assumed that the matrimonial and extra-marital spouses are equal co-owners of all movable items that are in the house, flat or their business premises.
5. Debtor's items that are in the possession of third person may be registered only upon consent of latter.
6. If the third person does not agree with the inventory, the enforcement authority, upon proposal of creditor may pass, to the latter the debtor's right to receive the items from the third person.

Article 89
Volume of sequestrating inventory

1. Sequestrating inventory include movable items which suffice for settling monetary credit of enforcement creditor and for payment of procedural expenses.
2. Firstly inventory is performed on items on which there are no objection regarding the existence of the right that would obstruct enforcement and items which may be easily sold.
3. During inventory, the statements and evidences of parties and third persons are taken into consideration regarding the existence of rights from paragraph 2 of this article.

Article 90
Custody of inventoried items

1. The enforcement body shall leave the inventoried items to debtor for custody. Upon proposal of the creditor, the enforcement body may decide to hand them over to him for custody.
2. The risk of destruction or damage of inventoried items provided for custody to the creditor shall be born on the latter, except when the destruction or damage come as a consequence of major force.
3. Inventoried cash money, securities and valuable items are handed over to enforcement body deposit.
4. Also other items of big value may be handed over to the enforcement authority deposit, if suitable for custody.

Article 91
Prohibition of disposal on inventoried items

1. Each person who possesses or supervises the inventoried items is prohibited to dispose such items without the order of the enforcement body. Provisions of Article 15 of this Law shall apply in such cases unless such possession presents a criminal act.
2. The enforcement decision or enforcement writ emphasizes the prohibition from paragraph 1 of this article and the debtor shall be notified on legal-criminal consequences in case of violating the prohibition.

Article 92
Gaining the right of pledge

1. Creditor gains the right of pledge for inventoried movable items.
2. If the inventory is done in benefit of more creditors, the order of priority of the right on pledge from paragraph 1 of this article, obtained through inventory or writing in the register of inventory for the purpose of sequestration, shall be assigned according to the order of receiving enforcement proposals by the enforcement body. If such proposals have arrived to the enforcement body at the same day, the right of pledge would be considered as being of the same order.

3. Enforcement proposal submitted to the enforcement body through registered letter shall be considered to be submitted to the enforcement body at the day it is handed over to the post office. Proposal for enforcement delivered by the enforcement body through electronic communication, if allowed by the enforcement body, shall be considered as delivered to the enforcement body on the date of transmission of electronic communication in line with the law on contested procedure.

Article 93

Unsuccessful attempt for sequestration

1. If during sequestration of the wealth of debtor no movable items are found which may be the objects of enforcement, the enforcement body shall inform the requester of enforcement if he was not present during the sequestration.
2. With request of the creditor which claims that the debtor may know where the missing movable property may be found, enforcement body shall order the debtor, within three (3) days from the day of delivery, to provide the information on the location of movable properties. If the debtor does not respect this obligation, provisions of articles 15 and 16 of this Law shall apply.
3. Requester of sequestration, within three (3) months from the day of notification delivery, respectively from the day of attempt of sequestration during which he was present, may propose repeating sequestration.
4. If requester of enforcement within the deadline from paragraph 3 of this article does not propose repeating sequestration, or if even in the repeated case of sequestration are not found items which may be the objects of enforcement, the enforcement authority shall suspend the enforcement procedure. Suspension in this case shall be regulation by the provisions of article 65 paragraph 1 of this law.

Article 94

Evaluation of the sequestered items

1. In the case of sequestration of assets, enforcement body evaluates the value of movable items.
2. Evaluation shall be done by the enforcement authority, unless the court has assigned the court evaluator or special expert, or the private enforcement agent has assigned a special expert.
3. Party may propose that evaluation be conducted by expert even when it is not foreseen by the enforcement body. If the enforcement body approves such proposal, the proposer shall pre-pay the expert's costs, within deadline assigned by the enforcement body. If the pre-payment is not done within deadline assigned by the enforcement body, it is considered that the proposer has withdrawn his proposal.
4. Over the proposal from paragraph 3 of this article, the enforcement body shall decide through a decision in the form of conclusion.
5. Costs of expertise from paragraph 3 of this article shall be charged on the proposer, notwithstanding the conclusion of the enforcement procedure.

Article 95
Reevaluation of the sequestered items

1. Each party has the right within three (3) days from the day of conducted evaluation of the sequestered items, to propose to the enforcement body the lowest or highest value of sequestered items from the one determined before, or determination of new evaluation. This shall not be permitted if the first evaluation has been conducted by the expert.
2. Over the proposal from paragraph 1 of this article, the enforcement body shall decide through a conclusion.

Article 96
Record on registration and evaluation

1. For registration and evaluation of sequestered items, the enforcement authority shall draft the record.
2. The record indicates separately the sequestered items and their determined value, and notes the statements of the parties and other participants in the procedure, but also of third persons for eventual existence of their rights which may obstruct the enforcement of the sequestered items.
3. A certain mark shall be placed on sequestered items indicating the sequestration.
4. Creditor is entitled to publish the enforcement body record on sequestration of debtor's items, in the public information means.

Article 97
Noting the data from another enforcement in the record

If another enforcement is assigned after the conducted sequestration over the sequestered items for the purpose of settling another claim of the same creditor, or claim of other creditor, no registration or repeated evaluation of the sequestered items will be done, but further in the record the data from the latter decision for enforcement will be noted.

Article 98
Time of sale of sequestered items

1. The sale of the sequestered items shall be conducted not earlier than fifteen (15) days, and not later than thirty (30) days, from the date of sequestration.
2. The sale may be conducted also after the expiration of the fifteen (15) days' deadline from paragraph 1 of this article if debtor proposes so, or if he agrees with the creditor's proposal that the sale of the sequestered items be conducted earlier.
3. The sale of the sequestered items may be done before the expiration of the fifteen (15) days' deadline from the paragraph 1 of this article, if such items have short shelf life, or when there is a possibility of obvious diminishing their price after a short time.
4. If the creditor guarantees for eventual damage which should be compensated to

debtor in case of annulment of the enforcement decision, the sale of the sequestered items may also be conducted before the expiration of fifteen (15) days' deadline from paragraph 1 of this article.

Article 99

The method of sale of the sequestered items

1. The sale of sequestered items shall be done through the verbal public auction, or through direct settlement between the purchaser, in one side and the enforcement body, or other authorized subject in other side.
2. The mode of sale of items shall be determined through enforcement body conclusion, bearing in mind the goal to achieve the most suitable price for the debtor.
3. Public auction shall be administered by the enforcement body or other person assigned by the enforcement body.
4. Sale through direct settlement shall be conducted between the purchaser, in one side and the enforcement body, or the person who conducts commission actions, in the other side. The enforcement body shall sell the sequestered items in behalf of and for the account of the debtor, while the person who deals with commission actions, acts in his behalf but for account of debtor.
5. Sale through auction will be assigned if it concerns about sequestered items of high value, and it may be expected that these may be sold in higher price than the evaluated value.
6. Sale of items will be published in notification table of the enforcement body at least fifteen (15) days before the holding of session for their sale. Publication of sale may be done also in a manner foreseen for publication of sale of immovable items. A party may determine that, in addition to these means of announcing the sale to the public, other means of announcement may be employed, at the expense of that party, and the enforcement body shall facilitate these additional means of announcing the sale.
7. Creditor and debtor shall be informed about the place, day and hour of the sale of sequestered items.

Article 100

First session of public sale

1. Sequestered items can be sold in first auction at a lower price than the one assigned, but not at a price lower than eighty percent (80%) of the value assigned during the registration and evaluation of movable items of the debtor, respectively in the deadline assigned by the enforcement body for their sale through direct settlement.
2. The first auction shall be organized within thirty (30) days from the date of sequestration.
3. If the sequestered items are not sold at this minimum price allowed from paragraph 1 of this article, the enforcement body shall announce the failure of the auction and shall invite the creditor to propose the second auction within fifteen (15) days.

Article 101
Second session of public sale

1. Upon proposal of the party, the enforcement body shall assign new auction in which the sequestered item may be sold at a price no less than fifty percent (50%) of the price set during the evaluation.
2. The party may present the proposal for another auction, or for the sale through direct settlement, within fifteen (15) days from the day of first auction, respectively from the day when the deadline assigned by the enforcement body for sale through direct settlement elapses. The second auction shall take place within thirty (30) days since the proposal for second auction.
3. Provision from paragraph 1 of this article shall also apply if sequestered items could not be sold in the price as evaluated through direct settlement within the deadline assigned by the enforcement body.
4. If the assets from paragraph 1 of this article are not sold within sixty (60) days since the day of first auction or in case of unsuccessful attempt to sell from paragraph 2 of this Article, the creditor may request the transfer of items to his ownership, for partial or full recovery of the credit with the evaluated price of those items.
5. Above provisions of this article are accordingly applied also for the sale of sequestered items through direct settlement.

Article 102
Suspension of procedure

1. The enforcement body shall suspend the enforcement if none of the parties presents proposal for second auction, or for sale through direct settlement according to Article 101 paragraph 2 of this Law respectively if the creditor does not present a proposal for transfer of items possessed by the creditor, within the deadline foreseen by article 101 paragraph 4 of this law.
2. Above provisions of this article shall apply appropriately on the sale of sequestered items through direct settlement.

Article 103
Rights and obligations of purchaser

1. The purchaser shall deposit the purchasing price and immediately take over the items after the conclusion of auction, or sale through direct settlement.
2. The enforcement body shall hand over the items to purchaser even before depositing the amount of money in the height of purchasing price, if the creditor gives his consent at his own risk, within amount that would belong to him from the realized sale price.
3. If the purchaser does not deposit the amount of money on behalf of purchasing price, the persons from paragraph 2 of this article, may request the enforcement body in the same procedure to order the purchaser with a decision, to do the deposit, and after it becomes final, to propose its enforcement.

Article 104

Moment when the purchaser becomes the owner

1. At the moment when the purchaser of items takes them in possession, he becomes the owner after depositing the full price.
2. The purchaser does not have the right to appeal for physical and legal defects of the item.

Article 105

Payment of enforcement creditor

1. If from the obtained money from the sale of items, only one creditor settles the claim, the enforcement body without scheduling a session, through decision shall order the payment of the following from the amount of obtained money from the sale of items, in the following order: procedural costs, certain costs in enforcement document, interests until the day of the sale of items, and main request for settlement of which is initiated the enforcement procedure.
2. The money that remains after the fulfillment of the main request shall be handed over to the enforcement debtor, if here are no obstacles.

Article 106

Payment when there are more creditors

1. If in the enforcement procedure, more creditors settle their requests claims, respectively if except creditor also other persons, whose rights are abolished in the moment of sale of movable items, settle their claims, then they will settle their claims in order by which they have obtain the right of pledge, or other right which is abolished at the moment of sale of sequestered items.
2. Settlement of claims in assigned manner in paragraph 1 of this article shall be conducted only if the law, for certain claims, has not provided for the right of priority settlement.

Article 107

Proportional settlement of credits

1. Creditors of the same order, who from the amount of obtained money from the sale of items, cannot be paid completely, are paid proportionally with the extent of their requests.
2. During the issuance of the decision on payment, the enforcement body shall take into consideration only the claims based on which the enforcement decision or enforcement writ has become final at the day of the sale of the sequestered items.
3. Costs of the enforcement procedure, costs assigned in the enforcement document and interests have the same order of payment, as the main relevant claim.
4. The money that remains after the fulfillment of the claims shall be handed over to the debtor in enforcement procedure, if there are no legal obstacles.

Article 108

Application of the provisions for enforcement on immovable items

Provisions of this law for enforcement on immovable items related to who cannot be a purchaser, provisions related to disputing the credits, instruction to contested procedure, and the decision for fulfillment of debtor's obligation in enforcement procedure, shall apply accordingly at enforcement of movable items for the purpose of settlement of monetary credits.

TITLE II

ENFORCEMENT FOR DEBTOR'S CREDITS

Article 109

Territorial jurisdiction in case enforcement against debtor's credit

1. To decide on proposal for enforcement for monetary credits of debtor and for application of such type of enforcement, territorial jurisdiction is with the court where the residence of debtor is located. If debtor does not have residence in Kosovo, territorial jurisdiction is with the court competent for the territory where debtor stays.
2. If debtor does not have a residence nor a place of stay in Kosovo, territorial jurisdiction is with the court in territory where residence of debtor's debtor in enforcement procedure is located. If debtor's debtor does not have a residence or a place of stay in Kosovo, territorial jurisdiction is with the court in territory of which is place of stay of debtor's debtor.
3. For debtor as legal person, territorial competence is with the court where the seat of legal person is located or the seat of its organizational unit, also the court competent over the territory where the enforcement document is issued.
4. Private enforcement agent shall have the territorial jurisdiction to decide on enforcement proposal and carry out the enforcement on monetary credit of debtor.

Article 110

Territorial jurisdiction in case of court enforcement in case of legal nutrition

Exceptionally from article 109 of this law, enforcement creditor of credit for legal nutrition, has the right to present his proposal to the court in territory of which is his residence or place of stay.

Article 111

Exclusion from enforcement

1. Incomes from the legal nutrition are excluded from enforcement, if not related to the credits of the same type.
2. The object of enforcement cannot be the credits based on taxes and contributions assigned by the law.

Article 112
Limitation of enforcement

1. Enforcement against personal incomes, on reward instead of salary and on pensions, may be assigned and applied up to the half of their amount. The amount to be sequestrated shall be limited in the part that exceeds the amount of social benefit paid in the territory where the debtor lives.
2. Enforcement for guaranteed profit which belongs to debtor in enforcement procedure, based on collective contract and law, may be assigned and applied up to the one third (1/3) of its quantity.
3. Provisions of paragraph 2 of this article shall also apply in the case of enforcement against the incomes based on rewards, due to bodily damage according to the provisions of disability guarantee, incomes based on social assistance, incomes based on temporary unemployment, incomes based on children's allowances, incomes based on student's scholarship and assistance to students and pupils, and incomes from work of the persons convicted to imprisonment.
4. Enforcement against incomes based on the contract for life nutrition of and for life rent, and also incomes based on the contract for life guarantee, may apply only in a part which exceeds the amount of the highest permanent social assistance which is paid in the territory where debtor has his residence.
5. Enforcement against the incomes of the war invalids, and the ones provided with invalidity allowances, may apply only for fulfillment of the credits based on legal nutrition, compensation for caused damage due to the loss of working ability and reward for damage due to loss of nutrition because of the death of nutrition provider, up to amount of half of these incomes.

Article 113
Enforcement actions

Enforcement against monetary credits of the debtor in enforcement procedure shall apply through its sequestration and transfer, if this law, for special cases, does not provide otherwise.

Article 114
Extent of enforcement

1. Sequestration and transfer of monetary credit may be assigned only on the amount needed for settlement of the credit of creditor, unless it is concerned indivisible credit.
2. If more creditors claim the enforcement for the same debtor's credit which is divisible, sequestration and transfer shall be assigned in respective separate amounts in benefit of each proposer.

Article 115
Sequestration of debtor's credit

1. With the decision assigning the sequestration of credit's monetary credit, the debtor's debtor shall be prohibited to pay to debtor the debt, while the latter is prohibited to settle such credit, or to dispose with it in some other way.
2. Prohibition includes also the disposal of pledge contracted for guarantee of the sequestrated credit.

Article 116
The effect of sequestration of credit

1. Sequestration of debtor's monetary credit is considered finished at the day when the decision on sequestration is delivered to the debtor's debtor.
2. Creditor through completed sequestration gains the right of pledge for the credit of debtor.
3. Debtor's debtor does not have a right to object or to appeal against the decision on sequestration of his creditor's credit.

Article 117
Sequestration of credit based on securities

1. Sequestration of credit based in securities which is transferred through endorsement, or for settlement where securities are needed, shall be conducted by the enforcement body in the way that it takes over the securities from the debtor and hands them over to the court.
2. Sequestration shall be considered finalized at the moment when the securities are taken from debtor in enforcement procedure.
3. Legal actions needed for preservation or settlement of the right from securities shall be conducted by the enforcement body on behalf of the debtor in support of the conclusion issued by the enforcement body.

Article 118
Sequestration of credit based on savings deposit

1. Exceptionally from the provisions of article 115 of this law, sequestration of credit based on savings deposit in the bank, or in other financial organization, may be conducted even before previously taken savings account from the debtor.
2. If enforcement creditor in his proposal has not shown data regarding savings deposit of enforcement debtor, then the enforcement body will request such data from the bank in which is the savings deposit, and which bank should be indicated in creditor's proposal.
3. The bank in which is the savings deposit, shall within one (1) working day send to enforcement body the requested data and the bank shall not inform the enforcement debtor regarding the request of the concerned data from the enforcement authority.

Article 119
Conduct of sequestration

1. Sequestration shall be conducted by sending the decision or order on sequestration to the bank where the savings deposit is held.
2. The enforcement body delivers the decision or order on sequestration of savings deposit to the enforcement debtor, only after notification from the bank in which is savings deposit, that the sequestration is finished.

Article 120
Right of pledge on interests

The right of pledge obtained for the debtor's credit from which are stemming interests, belongs also to the interests which became required after finished sequestration.

Article 121
Order of priority

1. Priority order of the rights of pledge of more enforcement creditors shall be assigned according to the day of the arrival of proposals for enforcement to the enforcement body.
2. If enforcement proposal shall be delivered to the enforcement body through post office with registered letter, the day of delivery to the post office shall be considered as the day of delivery to the enforcement body.
3. If enforcement proposal of more creditors arrived to the enforcement body at the same day, the rights of pledge shall have the same order of priority.
4. Credits of the same order of priority shall be realized proportionally in case credits cannot be realized fully due to insufficiency of the debtor's credit against the third person.

Article 122
Order of priority for the right of pledge

If application of enforcement against debtor's monetary credit abolish the rights of pledge and other rights obtained before the start of enforcement procedure, the order of priority for settlement of such rights shall be assigned according to the provisions which regulate gaining of order of their priority out of enforcement procedure.

Article 123
Sequestration of the credit ensured with the right of pledge registered in public register

1. Sequestration of the credit ensured with the right of pledge registered in public register, is conducted by noting the sequestration in such register.
2. Registration shall be done ex officio by the enforcement body, emphasizing that the sequestration based on which is gained the right of pledge on credit, is done with aim of settlement of the credit of creditor.

3. If there are more creditors, the order of priority for their credits shall be assigned according to the time of registration.

Article 124

Statement of the debtor's debtor

1. Enforcement body, upon the creditor's proposal, shall request the debtor's debtor to declare within ten (10) days from delivery of the enforcement body's order on whether and at what amount he would admit the sequestered credit, and whether he is ready to settle the debt, and also if his obligation for paying the debt is conditioned with fulfillment of any other obligation.
2. Proposal for declaration of debtor's debtor, the creditor may merge with the enforcement proposal, or may provide it, through special submission, after this proposal, but not later than until transfer of the credit.
3. The statement of debtor's debtor will be delivered with mail to registered addresses of the creditor and to debtor within five (5) days from the receipt from the enforcement body.

Article 125

Responsibility of the debtor's debtor

1. Debtor's debtor shall be responsible to the creditor for the damage caused by his non-declaration or for providing inaccurate or incomplete declaration. Creditor may request compensation through contested procedure to cover damages caused by debtor. Assessment of damage shall comprise the full debtor's request, and compensation for any payment, if there are additional damages.
2. The enforcement body shall warn the debtor's debtor about this responsibility.

TITLE III

TRANSFER OF CREDIT

Article 126

Types of transfer of credit

1. Sequestered credit shall be transferred to the creditor in accordance with his proposal for encashment or instead of payment.
2. If the creditor does not decisively assign the type of transfer of credit, it shall be considered that he proposes the transfer for the purpose of encashment.

Article 127

Decision for transfer of credit

1. Decision or order for transfer of credit shall be issued only after the decision or order for sequestration becomes final.
2. If the creditor has proposed that debtor's debtor give statement about the credit for which the enforcement is proposed, the enforcement authority will issue a decision

or decision on proposal for transfer, after the expiration of three (3) days deadline, from the day when to the creditor the notification for declaration of debtor's debtor was delivered.

Article 128

Payment of an amount in enforcement body account

In enforcement decision, enforcement writ or in special decision for transfer of credit, the debtor's debtor will be invited to deposit to the enforcement body the obligated amount of money, by paying in assigned account and for this he will inform the enforcement body.

Article 129

Special conditions for transfer of indivisible credit

1. Credit which is based on securities, which is transferred through endorsement, or which requires submission of this paper for the purpose settlement, or which for other reasons cannot be divided regarding the transfer or settlement, may be transferred only in its complete amount.
2. If this amount exceeds the amount of the request of enforcement creditor, the sequestrated credit will be transferred only after the creditor deposits guarantee that this excess will be handed over to the enforcement body.

Article 130

Transfer of credit partially excluded from enforcement

1. Credit which is partially excluded from compulsory enforcement, or which is sequestrated in benefit of other persons, is transferred only if the creditor deposits guarantee that he will hand over to the enforcement body the part excluded from compulsory enforcement.
2. If more creditors have presented proposals for transfer of credit, not at the same day, the enforcement body will conduct transfer of creditor the enforcement creditor who has first presented the proposal. If more enforcement creditors have presented proposals for transfer of credit at the same day, the credit will be transferred to the enforcement creditor who has biggest claim.

Article 131

Commission of transfer

1. Transfer of credit based on securities, which after the conducted sequestration is taken by debtor's debtor shall be considered as concluded at the moment when the enforcement body delivers to the creditor the letter in which is noted the decision for transfer.
2. Transfer of credit based on securities which is transferred through endorsement, or for settlement of which is needed its submission, shall be considered completed at the moment when the enforcement body in such letter puts the decision on transfer and that letter equipped with the decision is delivered to the creditor.

Article 132
Obligations of debtor and of creditor

1. Debtor shall within the deadline assigned by the enforcement body, and upon the request of the creditor in which the credit is transferred, give to the creditor explanations needed for the settlement of such credit and to hand over to him documents that has to do with this credit.
2. Creditor to whom only part of the credit is transferred, if the debtor requests, within deadline assigned by the enforcement body, shall provide guarantees that after the settlement of such credit, he will return documents related to the credit.
3. Enforcement body, upon proposal of creditor will apply compulsory enforcement against debtor for delivery of documents, if he himself does not deliver them.
4. The creditor may request the delivery of the documents held by the third person through a claim, if the debtor has this right.
5. In the document delivered to the creditor, the enforcement body will note that a transfer of credit was finalized for which enforcement was assigned.

Article 133
Depositing of money with the enforcement body

1. Debtor of the debtor, to whom the enforcement decision or enforcement writ or special decision for transfer is delivered, shall fulfill his obligation by depositing an amount of money or securities with the enforcement body.
2. If, for the purpose of settlement of credit in transferred money, creditor should have initiated court procedure or other procedure, the court or other body which conducts the procedure, in a decision by which approves the request of enforcement creditor, will order debtor's debtor that the obligated amount deposits with the enforcement body;
3. Based on the decision ordering the debtor's debtor to deposit an mandatory amount to the enforcement body, upon proposal of the enforcement creditor to whom the credit is transferred, the enforcement shall apply against debtor's debtor and realized money by this enforcement after ex officio payment of procedural costs, will be delivered to the enforcement body.

Article 134
Authorizations of enforcement creditor

1. With the transfer of credit for the purpose of encashment, and with the aim of informing the debtor's debtor on transfer, the creditor is authorized to request from the enforcement debtor's debtor payment of the noted amount in the enforcement decision or writ, or in special decision on transfer, if this amount has become required, to commit all needed actions for preservation and settlement of the transferred credit, and to use all rights regarding the given pledge for guarantee of such credit.
2. With transfer of credit for the purpose of encashment, creditor does not have a right that in the burden of debtor contracts settlements, or to pardon debt to the

debtor's debtor, or to dispose with the transferred credit, or to agree with the debtor's debtor that the decision on credit, if it is disputable, to be issued by arbitration.

3. To the creditor to whom is transferred credit for encashment, the debtor's debtor may present only the objections which may be presented to the debtor.
4. Cession of the transferred credit completed by the debtor after its transfer does not have legal effect towards the rights of the creditor, obtained at the moment of its transfer.

Article 135

Transfer for encashment of the credit registered in public book

Transfer, for the purpose of encashment of credit registered in public book, is noted in it ex officio.

Article 136

Conditioning of debtor's debtor debt with handover of item

1. If the debt of debtor's debtor for payment of the debt depends on the obligation of debtor to hand over certain item, which is in possession of debtor, and it is certified that this obligation exists according to final decision, the enforcement body upon proposal of enforcement creditor to whom is transferred the credit for the purpose of encashment, will order the enforcement debtor to hand over the item to the enforcement body, in order to hand over the item to the debtor's debtor.
2. Upon request of the creditor, the enforcement body to the debtor who has not handed over the item within time-limit, will apply enforcement for the purpose of hand over of item.

Article 137

Notification of debtor for claim for the purpose of encashment of the transferred credit

Creditor who has rendered claim for the purpose of encashment of the transferred credit, has a duty that within five (5) days to inform the debtor for the initiated contested procedure, otherwise a contrary, he may be held responsible for the damages caused by non-informing.

Article 138

Delay in encashment of the transferred credit

1. Creditor who is careless regarding the encashment of the transferred credit is responsible for the damage caused by this to the other enforcement creditor who has a right of pledge, or other right which is deleted from the credit.
2. In the case from paragraph 1 of this article, the enforcement body upon proposal of other creditor, may overruled the decision or order for transfer of credit to first creditor and credit transfer to the other creditor.

Article 139
Payment of creditor

Creditor to whom the credit for encashment is transferred, shall be considered to have settled the credit in the amount of encashed credit.

Article 140
Encashment of larger amount than claimed by the creditor

1. Creditor, who has, from the transferred credit, encashed higher amount than claimed, shall deposit that excessive credit to the enforcement body.
2. The enforcement body will hand over such surplus to the other creditors insured through pledge, and to debtor, if such a right belongs them.
3. To the creditor who has deposited overage of the encashed amount, the enforcement body shall return the deposited guarantee.

Article 141
Transfer of sequestrated credit

1. Sequestrated credit shall be passed to the creditor through transfer instead of payment, up to the transferred amount with effect of cessation of credit with reward.
2. If the transferred credit is ensured with the right of pledge registered in public book, enforcement body will ex officio, transfer the rights of debtor to the creditor and will delete the right of pledge registered in benefit of debtor.
3. Creditor to whom was transferred the credit instead of payment, shall be considered to have settled the claim from the mere fact of transfer, in the level of this transferred credit.
4. The provisions of paragraph 3 of this article do not affect the responsibility of debtor for accuracy and conduct of the transferred credit.

TITLE IV
ENFORCEMENT AGAINST PERSONAL INCOMES AND OTHER
PERMANENT MONETARY INCOMES

Article 142
Application of provisions

Provisions of article 109 to 141 of this law shall apply on the enforcement against personal incomes and other permanent monetary incomes, if provisions of article 143 to article 151 of this law do not provide otherwise.

Article 143
Enforcement decision or enforcement writ

1. By the enforcement decision or enforcement writ against personal incomes shall

assign sequestration of the certain amount of personal incomes and order the employer who pays such amounts to the debtor, that the amount of money assigned for enforcement to be paid to the enforcement creditor from the moment when the enforcement decision or enforcement writ becomes final, unless other actions are foreseen by this law.

2. Employer according to this law is called state body, legal person, or other person who pays personal incomes to the enforcement debtor.
3. Enforcement decision also applies to the raise of incomes which may occur after the delivery of the enforcement decision or enforcement writ, and all other incomes of debtor, earned through employment.
4. Personal incomes in sense of this law shall be incomes from the work.

Article 144

Information from employer

The employer shall inform the enforcement body whether the debtor is his employee, and the level of the debtor's salary paid by the employer. Such information shall be provided within five (5) days of request by the enforcement body.

Article 145

Enforcement when the right to legal nutrition belongs to more persons

1. If the right to legal nutrition respectively the right of rent for lost nutrition because of the death of nutrition provider towards the same debtor held by several persons, while the overall amount of their requests exceeds the part of personal incomes which may be the object of compulsory enforcement, the enforcement shall be assigned and applies in benefit of each of them, proportionally with the extent of their requests.
2. If after the initiation of the application of the enforcement in personal incomes, respectively for other permanent monetary incomes, there is a new proposal for enforcement for credit from paragraph 1 of this article, the enforcement body will amend ex officio previously issued enforcement decision or writ in the sense of paragraph 1 of this article and will assign the amount which will in the future be paid to each of the creditors.
3. In the case from paragraph 2 of this article the enforcement decision or enforcement writ should be also delivered to previous creditor, who has the right of objection against this decision or order.

Article 146

Place of payment

1. Credits, for which is not foreseen the payment in non-cash money, shall be encashed by the creditor directly in the case where personal incomes are paid to the debtor.
2. Creditor has the right to request that the deducted amount be paid to him through post office in the indicated address, or in assigned bank account, after the deduction of post expenses.

Article 147
Termination of employment

1. If to the debtor terminates employment, enforcement decision or enforcement writ produces legal effect also against other employer who employs the debtor, starting from the day enforcement decision or enforcement writ when is delivered to such employer.
2. Former debtor's employer shall without delay, through registered letter, deliver to the new employer the enforcement decision or enforcement writ and inform the enforcement body.
3. Former employer shall inform the enforcement body without delay about the termination of employment of the debtor, if the new employer is not known to him, for which the enforcement body will inform the creditor, assigning him a deadline to collect data about the new employer of debtor.
4. If the creditor does not inform the enforcement body about the second employer within assigned deadline, the enforcement body shall suspend the enforcement procedure.

Article 148
Responsibility of employer for failing to pay off the required installments

1. Creditor may propose to the enforcement body in enforcement procedure to order through decision or order the employer of enforcement debtor to pay all installments which were not deducted from the debtor according to the enforcement decision or writ.
2. Request from paragraph 1 of this article may be presented by the creditor until the conclusion of the enforcement procedure.
3. Decision or order approving the request of enforcement creditor has legal effect on enforcement decision or enforcement writ.

Article 149
Responsibility of the employer for failing to deduct installments

Employer who has not acted according to the enforcement decision or writ, or who has not acted according to article 147 paragraph 2 and 3 of this law, shall be responsible for damage incurred to creditor due to the omission.

Article 150
Sequestration with consent of the debtor

1. Debtor is entitled to give his consent through certified document for the purpose of settlement of the creditor's request through sequestration of a part of his personal incomes and direct payment to his creditor, in the manner provided in such document.
2. Document from paragraph 1 of this article has legal effect of enforcement decision or writ.

3. The document from paragraph 1 of this article, which affects the delivery of enforcement decision or enforcement writ, shall be delivered to the employer of debtor by the creditor through registered letter. Exceptionally from the provisions of paragraph 1 of this article, sequestration based on consent of debtor does not produce legal effects in application of enforcement on personal incomes for settling the credit, based on legal nutrition, compensation of the caused damage, breach of health, decrease respectively loss of working ability and rewarding for damage based on loss of nutrition due to the death of nutrition provider.

Article 151

Application of the provision from this chapter

Provisions in this law on enforcement against personal incomes and other permanent monetary incomes shall also apply accordingly in enforcement procedure for other permanent monetary incomes of the enforcement debtor.

TITLE V

ENFORCEMENT OF CREDIT ACCORDING TO THE BANK ACCOUNT

Article 152

Compulsory enforcement

1. Enforcement for settlement of the monetary credit against the debtor may be applied for all monetary means he holds in his bank accounts, except in cases when the law provides for otherwise.
2. With the enforcement decision or enforcement writ against monetary means that are evidenced in the transaction account of debtor, the bank shall be ordered that the amount of money for which the enforcement is assigned, to transfer from transaction account of debtor to transaction account of creditor, while for credits which is not foreseen payment through bank account to pay such amount to the creditor in cash.
3. Enforcement against monetary credit, which according to the deposited savings, current account, foreign currency account, or any other account in the bank excluding the transaction account of debtor, belong to the debtor and are provided by the enforcement decision or writ, bank shall be ordered to pay to enforcement creditor the amount of money provided for enforcement.
4. Decision or writ from paragraph 3 of this article, has the effects of enforcement decision or writ assigning sequestration of monetary credit and its transfer for encashment.
5. The enforcement decision or writ from paragraph 1, 2, and 3 of this article, notes the number of the debtor's account from which the payment should be completed, or other manner of commission of payment.

Article 153
Territorial jurisdiction in case of court enforcement

Request for enforcement against money in debtor's bank account shall enter the territorial jurisdiction of the court where the bank main offices are located or the territory where the organizational unit of the bank is located where the debtor holds his/her accounts.

Article 154
Jurisdiction in case of enforcement by the private enforcement agent

The private enforcement agent has competence to decide on the enforcement proposal and to carry out enforcement against money in debtor's bank account.

Article 155
Obligation to provide data on the account

1. Enforcement body shall directly submit to the bank the enforcement decision or enforcement writ. Bank's official person shall record the date and time when the enforcement decision or writ was submitted to the bank. A copy of the enforcement decision or enforcement writ shall be sent to the Central Bank of Kosovo.
2. With the enforcement decision or enforcement writ, the enforcement authority obliges the bank to promptly inform the enforcement authority whether the debtor has a bank accounts with the bank and to disclose the numbers of all accounts held by the debtor in that bank. If the debtor is acknowledged as an account holder by the bank, the bank shall send to the enforcement authority a complete transactions history of all the debtor's accounts in that bank at least for the period starting thirty (30) days before receiving the enforcement decision or enforcement writ by the enforcement authority and ending at the close of business one day before the transaction history is submitted to the enforcement authority. This transaction history shall be an accurate transcript of the bank's normal account records, compiled by the bank in its normal business activities, and it shall contain each transaction in the account, including withdrawal of cash money, deductions or withdrawals from the debtor's account, and also their transfers within banks or between banks.
3. Bank shall respond to the enforcement body's request for information, under paragraph 2 of this article as to the existence of accounts in the bank of which the debtor is an owner within twenty-four (24) hours of receipt of the demand from the court. The bank shall provide the transactions history of each account under paragraph 2 of this article within three (3) days of receipt of the demand. Bank shall keep records indicating the date and time of receipt of all enforcement body's orders.
4. The Bank shall sent the notification to the enforcement authority about all changes in all of the debtor's accounts in that bank occurring after the date on which the transactions history in Paragraph 2 of this Article is forwarded to the bank. Such

notifications shall be sent to the enforcement body for each transaction in the account within one working day, including deposits or withdrawal of cash money, deductions or withdrawals from the debtor's accounts, and also their transfers within banks or between banks.

5. Upon the receipt by the bank of a transfer order from an enforcement body under Article 152 of this Law, the agent of the bank receiving the order shall record the exact time and date on which the transfer order is received, and that information shall be noted in the normal business records of the bank.
6. If there are sufficient funds in any or all the debtor's accounts to settle the credit at the time the transfer order is received, the bank shall within sixty (60) minutes of receipt of the transfer order, transfer funds from the debtor's accounts to the enforcement authority, or to the enforcement body's account, on behalf of the creditor named in the transfer order; the exact time of the transfer shall be recorded in the normal business records of the bank, and reported to the enforcement body as part of the report to the enforcement body provided by the bank noting the time of receipt of the enforcement body's order, time and amount of the transfer, the number or numbers of the accounts from which funds were withdrawn, and the receiving party or account number.
7. If there are insufficient funds in the account to settle the transfer order, the bank shall immediately institute a block of all accounts held by the named debtor, preventing all withdrawals of funds, for whatever purpose and in whatever form, until the bank has fulfilled the amount stated in the enforcement body's order or until the enforcement body's order is removed. This block of accounts shall not prevent deposits of funds into an account. The bank shall inform the enforcement body that a block has been placed, shall detail the number of the account or accounts that have been blocked, the time and date at which the block was placed on those accounts, and the amounts found in each account. Upon the receipt of the transfer order, the debtor named in the order shall not be permitted to open any new accounts at the bank until the order is fulfilled or the enforcement body's orders that the block on the account be lifted. The bank may not carry out an order from the debtor until it has paid to the enforcement body the full amount of the credit or has been notified by the enforcement body that the order has been released.
8. The enforcement body shall notify the bank to release the debtor's accounts upon payment in full of the credit, or upon termination of the execution process.
9. Upon a request from the enforcement body a bank shall provide explanations and documents to the enforcement authority demonstrating its compliance with the transfer order and all other enforcement body's orders.
10. Data which the bank sent to enforcement body and which has to do with transfer of monetary mean between banks should contain amongst others the name of recipient and the account number of receiving bank.
11. Failure of the bank and its official persons to comply with these provisions shall subject the bank to the penalties and liabilities of Articles 15 of this Law.

Article 156
Order of payment

1. Bank conducts payment in order according to the time of delivery of enforcement decisions or writs, unless otherwise foreseen by the law.
2. Bank keeps special evidence for order of enforcement decisions or writs, according to the day and time of reception and to the creditor it gives, upon his request, a certificate for the position of his credit in such order.
3. Bank cannot apply an order from debtor before he fulfills the assigned credit from the enforcement decision or enforcement writ, unless otherwise foreseen by the law.
4. With enforcement decision or enforcement writ is equalized public document, for which such thing is foreseen by the special law.

Article 157
Periodical payments

1. If the enforcement decision or enforcement writ orders the bank to conduct payments of certain amounts in certain time periods, the debtor should complete payments according to the order from the enforcement decision or enforcement writ. Debtor's accounts shall remain blocked until the full amount of the credit has been transferred or the enforcement body has ordered the release of the accounts.
2. In cases from paragraph 1 of this article, the order of payments of upcoming installments is counted according to the time of delivery of enforcement decision or enforcement writ.
3. Bank keeps special evidence for enforcement decisions and writs ordering future periodical payments.
4. The bank must inform the enforcement body on any impediment regarding the payment, especially discontinuation of periodic deposits into the debtor's account.

Article 158
Actions in cases where there are no funds in the account

1. If the account noted in the enforcement decision or enforcement writ has no funds, bank in such account will transfer the debtor's monetary funds from other accounts that he holds in that bank. The bank will comply with the order assigned by the creditor and in amounts assigned in enforcement decision or enforcement writ.
2. If the bank does not achieve to completely settle enforcement credit due to shortage of funds in the debtor's account, it will keep special evidence and based on that will conduct transfer as soon as the funds arrive into that account, unless by the enforcement decision or enforcement writ provides otherwise.
3. The bank should without delay inform the enforcement body on absence of funds in the debtor's account. The bank will accompany to the notification sent to the enforcement body the changes in the debtor's account.

Article 159

Actions in cases of obstructions for commission of enforcement

1. If bank considers that there are legal obstacles for enforcement according to the provisions from this chapter of this law, then it will keep the enforcement decision or enforcement writ, will conduct sequestration of the debtor's means and will inform the enforcement body about the existence of obstacles for enforcement.
2. In case of long-term obstacles, the enforcement body will suspend the enforcement procedure, while in cases of other causes it will inform the creditor and bank for further actions.

Article 160

Enforcement against debtor with joint responsibility

1. If based on enforcement document two or more debtors are jointly responsible, the enforcement body upon request from the creditor, against them shall issue only one enforcement decision or enforcement writ by which sequestration of the debtors account is conducted in amounts assigned in the enforcement decision or enforcement writ.
2. Proposer may assign in the enforcement proposal the order of debtors for sequestrating the means from debtors, and the order is not given, means will be taken according to the order the debtors are mentioned in the enforcement proposal.
3. If in the case from paragraph 2 of this article in the debtor's account are insufficient means for fulfillment of obligation, bank will sent the enforcement decision or enforcement writ for application to the bank of other joint debtor, together with the report for completed enforcement up to that moment, and for this it will inform the enforcement body without delay.

Article 161

Enforcement against several accounts

1. If the debtor has funds in several accounts in one or more banks, the proposer may indicate in his enforcement proposal the order in which accounts shall be charged, and if the proposer fails to do so, the accounts shall be charged according to the order in which the accounts are mentioned in the enforcement proposal.
2. If the enforcement creditor identifies more than one bank where the debtor hold his accounts, proposer may set the order in the proposal for charging banks, and if the debtor does not set the order, the accounts shall be charged in the order as mentioned in the enforcement proposal. If the debtor accounts in the first bank don't contain sufficient funds to settle the debt, the bank shall inform the enforcement body and the enforcement body shall send the enforcement decision or writ for enforcement to the next bank set by the proposer or the next bank as mentioned in the enforcement decision or writ.
3. Enforcement creditor may propose the payment by several banks simultaneously and the enforcement body may accord this right. Enforcement body may decide

that different bank accounts are charged proportionally with the total value of the debtor's account held in those banks.

Article 162

Enforcement against foreign currency account

In case of enforcement of a credit in other currency, funds from the account of the debtor shall be exchanged into Euro, according to the rate of European Central Bank at the day of the transfer, in benefit of the account of debtor.

Article 163

Enforcement for settlement of credit in foreign currency

1. If the credit concluded in enforcement document is contained from the money in foreign currency and if the debtor has foreign currency account in such currency, the enforcement decision or enforcement writ will order the bank which holds the foreign currency account, to transfer certain amount of foreign currency from the debtor's account into account of creditor, or complete the payment in foreign currency in another way provided by the law.
2. Creditor may request that the enforcement for fulfillment of his credit in assigned foreign currency, to be permitted and applied in other accounts, or in other debtor's items, as enforcement for settlement of his credit in amount needed for purchasing foreign currency obliged by the authorized person.
3. Provisions of paragraph 1 and 2 of this article shall also apply in the cases where the enforcement is assigned against debtors who are not legal persons.

Article 164

Sequestration of the account with consent of debtor

1. Debtor has the right that through the certified document to give consent with the purpose of fulfillment of the creditor's request, to be sequestrated his account in the bank and that the funds from such account in accordance with his statement contained in the certified document, to be directly paid to creditor from the account. Certified document produces legal effects that produces final enforcement decision or enforcement writ by which is sequestrated credit from the account and transferred to the creditor for encashment.
2. Document from paragraph 1 of this article is handed to the bank by creditor with an effect of delivery of enforcement decision or enforcement writ directly into its administration, or through registered letter.
3. In enforcement from paragraph 1 of this article in appropriate manner are applied provisions of article 150 of this law.

Article 165

Responsibility of the bank for damage caused

Bank which does not act in accordance with the enforcement decision or writ and other orders of enforcement body shall be responsible for the damage caused to the

enforcement creditor according to the general rules of the civil rights for rewarding the damage.

Article 166

Application of enforcement provisions over the cash credit of the enforcement debtor

Provisions of this law for enforcement for monetary credit of debtor from articles 109 – 141 of this Law shall accordingly apply for enforcement procedure for credit according to the bank account.

TITLE VI

ENFORCEMENT AGAINST SECURITIES AND PORTIONS OF BUSINESS ORGANIZATIONS

Article 167

Territorial jurisdiction in case of court enforcement

1. For decision-making on an enforcement proposal against ownership shares and other registered securities (hereinafter “securities”), and on the founding capital or additional capital of a joint stock company or any other legal form of business (hereinafter “business organization”), territorial jurisdiction is with the court covering the region of residence or seat of debtor as the owner of the securities, or of the business organization.
2. If the debtor does not have residence, place of stay, or seat in the territory of Kosovo, territorial jurisdiction is with the court in the region of the seat of the issuer of the securities or the seat of the legal person where debtor has a portion of ownership.

Article 168

Jurisdiction in case of enforcement by the private enforcement agent

To decide on the enforcement proposal on enforcement proposal against ownership shares and other registered securities (hereinafter “securities”), and on the founding capital or additional capital of a joint stock company or any other legal form of business (hereinafter “business organization”), the private enforcement agent has competence to decide on the enforcement proposal and to carry out enforcement.

Article 169

Enforcement actions

1. Sequestration of securities shall be applied upon enforcement against securities, through their evaluation upon settling the credit of enforcement creditor. Exceptionally, securities upon the request of enforcement creditor and upon the consent of debtor may be transferred to enforcement creditor in the market value on the date of sequestration, instead of payment.

2. Against the portion of debtor's wealth in business organization, enforcement shall be applied through sequestration of the portion, through evaluation and sale upon settling the creditor's credit.
3. Enforcement actions foreseen by this article shall be performed even if the contract or other legal rules of legal person limit or prohibit alienation of securities, or portions in business organization.

Article 170 **Sequestration of securities**

1. Sequestration of securities is conducted through hand over of the enforcement decision or the enforcement writ to the institution which keeps the register of securities. At the same time the enforcement decision or the enforcement writ shall be delivered to the depositor and provider of securities.
2. The enforcement decision or the enforcement writ on conducting enforcement against securities shall be sent to the creditor and the debtor.
3. At the moment of the commission of sequestration, the enforcement creditor gains the right of pledge on sequestered securities.
4. Register of securities shall conclude in Register that the right of pledge is created in the benefit of the enforcement creditor at the moment when to him is handed over the enforcement decision or the enforcement writ. Register of securities shall inform the enforcement body without delay on legal obstacles for establishment of the right of pledge.
5. After the registration of sequestration in the register of securities, the Recorder should not, in connection with the sequestered securities, do any kind of registration based on their alienation by the side of debtor.
6. Recorder without delay shall inform the enforcement body about any change regarding the sequestered securities, especially on compulsory enforcement with the purpose of fulfillment of any other credit, or for guarantee of such credit.
7. The debtor shall not dispose of the sequestered securities after the moment of receipt of the enforcement decision or writ with the warning. Warning on such prohibition and for legal-penalty consequences in the case on failing to respect such warning shall be noted in the enforcement decision or the enforcement writ.

Article 171 **Evaluation and the sale of the sequestered securities**

1. Securities which according to the law and other legal acts for securities, must be put into circulation in stock exchange, or in other public market, shall be sold as foreseen by the law on securities, through a broker selected by the enforcement body after the enforcement decision or the enforcement writ becomes enforceable.
2. Securities which, according to the law and other legal acts for securities, may not be put into circulation in stock exchange or in other public market, shall be sold in public auction or through direct settlement. Through direct settlement the securities shall be sold by the enforcement body or authorized person for selling of securities to which the court has entrusted the sale.

3. Enforcement body or authorized person for sale of securities, shall contract the sale of securities on behalf of debtor in support of the enforcement body's conclusion which authorizes them for this.
4. If the securities are sold through a stock exchange or other public market for securities, the securities shall be sold at the average of the opening and closing market prices for those securities on the day of sale on the exchange or market on which they normally are sold.
5. If the securities are sold in public auction, or through direct settlement the evaluation, determination of sale prices and sale of securities, shall be conducted by applying the provisions from chapter 2, title 1 of this law for enforcement against movable items of debtor. Evaluation of the shares required by chapter 2, title 1 of this law shall be done by an expert with background in valuation of businesses. The expert shall be appointed by the enforcement body upon the approval of both parties.
6. If the securities from paragraph 1 of this article are not sold within three (3) months from the day of first offer for sale in stock exchange, or in the case of unsuccessful attempt for sale from paragraph 2 of this Article, the enforcement creditor may request enforcement through transfer of securities to his ownership, instead of payment.
7. Decision or writ for transfer of securities to the ownership of enforcement creditor shall be attached to the register of securities.
8. The enforcement body shall inform the enforcement creditor for the right to propose transfer of securities under his ownership, if these are not sold within the deadline foreseen in paragraph 6 of this article. In that case the enforcement authority invites the enforcement creditor that within the deadline assigned, to present a request for transfer of securities in his ownership at the price placed upon them by the expert.
9. If the enforcement creditor does not present request from paragraph 7 of this article, the enforcement body shall suspend enforcement procedure, under Article 102 of this Law.

Article 172

Settling credit of the enforcement proposer

1. Settling of the credit in the procedure of sequestration and sale of debtor's securities shall be conducted through the appropriate application of the provisions of chapter 2, title 1 of this law, foreseen for fulfillment for movable items of debtor.
2. Provisions of chapter 2, Title 1 of this law, foreseen for enforcement against movable items shall apply when deciding over the transfer of securities of debtor, which may not be sold in the ownership of the enforcement creditor.

Article 173

Enforcement against the portion of wealth of debtor in business organization

1. Sequestration of the portion of the business organization owned by the debtor shall be conducted through the delivery of the enforcement decision or writ to the

Kosovo Business Registration Agency, the Pledge Registry, and to any other competent registering body and respective trade associations, with the purpose or registering the right of pledge.

2. The enforcement decision or writ on conducting enforcement against ownership of portions of business organizations shall be served on the enforcement creditor and the enforcement debtor.
3. Enforcement debtor does not have the right to dispose with the sequestered portion of his wealth in business organization.
4. The evaluation and sale of the portion in business organization is conducted through application, in accorded manner, of the provisions of this law which value for the evaluation and sale of debtor's items, but previously the enforcement body should inform the members of the business organization for assignment of the sale of the portion of property, inviting them that within fifteen (15) days deadline from the day of notification, make a statement on existence of interest for purchasing a part of debtor's wealth.

TITLE VII ENFORCEMENT IN THE CREDIT FOR HAND OVER OF ITEMS

Article 174 Territorial jurisdiction in case of court enforcement

Territorial jurisdiction for decision about the proposal for enforcement for the debtor's credit to hand over certain movable or immovable item, or certain quantity of movable items, and for application of that enforcement, is with the court covering the territory where these items are situated.

Article 175 Jurisdiction in case of enforcement by the private enforcement agent

The private enforcement agent has competence to decide on the enforcement proposal and to carry out enforcement based on the enforcement proposal for the debtor's credit to hand over certain movable or immovable item, or certain quantity of movable items and for application of that enforcement.

Article 176 Application of the provisions for enforcement for monetary credit

Provisions of this law for enforcement for monetary credit shall apply accordingly in the case of enforcement for the credit for handover of movable or immovable items, unless it is not provided otherwise by provisions of this title.

Article 177 Manner of applying enforcement

1. Enforcement in debtor's credit for handing over the items shall be applied through sequestration of that credit, its transfer to enforcement creditor and through sale of such items.

2. If movable items are requested and they cannot be found in the possession of the debtor or other third person, creditor within the deadline of fifteen (15) days after first sequestration attempt shall choose to request second attempt to find the mentioned items, or accept monetary compensation for those in the value of objects in question. If the enforcement creditor chooses the monetary compensation, the enforcement body shall assign an expert to determine the value of concerned objects.
3. If the either party is dissatisfied with the evaluation, may request the enforcement body within three (3) days from the date of request for first evaluation, at his expenses, to perform evaluation by another expert.

Article 178
Effect of transfer

Transfer of debtor's sequestered credit for transfer of items has legal effect of transfer of debtor's monetary credit for the purposes of encashment.

Article 179
Unrealizable credit

If the debtor's enforcement credit still has not become reachable, the enforcement body will order the debtor to hand over the items after the credit becomes reachable.

Article 180
Claim against the debtor's debtor

Against the debtor's debtor who has not shown willingness to hand over items to the creditor, the creditor has a right after the decision or writ on transfer of credit becomes final, to claim the handover of items through a claim, if no enforcement document obliging the hand over.

Article 181
Handover of movable items for custody

Through the decision assigning the transfer of debtor's credit, the enforcement body shall order debtor's debtor with the claim of creditor, to keep movable items related to the credit if he wishes so, respectively to hand them over to the official person or other person for custody.

Article 182
Application of provisions for the custody of inventoried items

Provisions of article 90 of this law, which provide for custody of debtor's inventoried movable items shall apply appropriately for custody of movable items from article 181 of this law.

Article 183
Sale of items and settlement of credit of creditor

Sale of movable items handed over to enforcement body, or other person from article 182 of this law, and settlement of credit of the creditor, shall be conducted according to the provisions from Chapter 2, Title 1 of this law.

Article 184
Handover of immovable item to the creditor

1. Through the decision or writ assigning the transfer of debtor's credit, the enforcement body shall order the debtor's debtor to hand over the immovable item relevant to the credit to the creditor.
2. Creditor shall administer the immovable item on behalf and in the account of the debtor as good economist, respectively good host and shall be accountable for administration to the enforcement body, upon request.

Article 185
Sale of immovable item

1. Creditor has a right with purpose of settling his claim, within a deadline of not longer than thirty (30) days since handing over of the immovable item, to propose to the enforcement body the sale of the immovable item.
2. If the creditor does not request the sale of immovable item within the deadline foreseen in paragraph 1 of this article, the enforcement body shall suspend enforcement and shall invalidate all completed enforcement actions.

Article 186
Application of provisions for enforcement for immovable item

Sale of immovable item and settlement of credit of enforcement creditor shall be conducted according to the provisions of this law, foreseen for enforcement for immovable item.

TITLE VIII
ENFORCEMENT AGAINST INTELLECTUAL OTHER PROPERTY RIGHTS

Article 187
Territorial jurisdiction

1. To decide on the proposal for enforcement against copyright and other patent's rights, perfection, or technical enforcement, usufructs, or any other similar property right of the debtor and for application of this enforcement, territorial jurisdiction is with the court covering the territory where the residence of enforcement debtor is situated, and if enforcement does not have residence in Kosovo, competence is with the court covering the territory of the place of stay.

2. Provisions of paragraph 1 of this article, related to do the residence and place of stay, shall appropriately apply for the seat of legal person.

Article 188

Jurisdiction in case of enforcement by the private enforcement agent

The private enforcement agent has competence to decide on the enforcement proposal and to carry out enforcement on the enforcement proposal against the patent's rights, perfection, or technical enforcement, usufructs, or any other similar property right of debtor and for application of application of this enforcement.

Article 189

Manner of applying enforcement

Enforcement against the property rights from article 187 of this law shall be applied through sequestration, and through their exchange into money, in line with provisions from Chapter 2, Title 1 of this law.

TITLE IX

ENFORCEMENT AGAINST IMMOVABLE ITEMS

Article 190

Territorial jurisdiction in case of court enforcement

To decide on proposal for enforcement for immovable item and for application of the enforcement decision, territorial jurisdiction is with the court covering the territory where the immovable item is situated.

Article 191

Jurisdiction in case of enforcement by the private enforcement agent

The private enforcement agent has competence to decide on the enforcement proposal and to carry out enforcement based on the enforcement proposal for immovable item and for application of the enforcement decision.

Article 192

Enforcement actions

Enforcement against immovable item shall be applied through noting of enforcement in the public book of immovable items, determination of the value of real estate, sale of real estate and payment of the enforcement creditor from amount of money obtained by the sale.

Article 193
Immovable item as object of enforcement

1. Unless not provided otherwise by legal provisions, only the immovable item in its entirety may be assigned as the enforcement object by the provisions regulating the ownership and other real rights, as well as the public books of immovable items.
2. The part in co-ownership on immovable item may become a special object of enforcement (ideal part of co-ownership on immovable item), in relation to which apply appropriately the rules of this law on enforcement against immovable items.

Article 194
Immovable item in co-ownership of debtor

1. In the case of enforcement procedure for the part of co-ownership, and upon the request of creditor to the debtor or other co-owner, the enforcement body in enforcement decision or enforcement writ will assign sale of offered immovable item in its entirety but in part of co-ownership which is the object of enforcement.
2. The enforcement body should emphasize in the enforcement decision or enforcement writ the decision depending on the fulfillment of conditions from paragraph 3 of this Article, through conclusion whether the entire immovable item will be sold or only the part of the co-ownership.
3. If the price of the sale of the part in co-ownership is apparently higher in the case of the sale of entire immovable item, the enforcement body will assign the sale of the entire immovable item, acting as it has to do with the request of the co-owner for division of physically indivisible item, as it is foreseen by the rules regulating co-ownership relations. In enforcement decision or enforcement writ, the enforcement body will emphasize that the enforcement note relates to the immovable item as entirety.
4. In the case from paragraph 3 of this Article, co-owner who is not enforcement debtor has the right to be paid the value of his part from the amount of the obtained money from the sale of immovable item before, the enforcement creditor's and other person's request who realizes rights in enforcement procedure, being fulfilled, and before the payment of the costs of enforcement procedure.
5. Co-owners who are not debtors in the enforcement procedure have the right to request handing over the immovable item which is object of enforcement if they deposit the amount which corresponds to the value of the debtor's part in such immovable item.

Article 195
Instruction for the initiation of the contested procedure

1. Co-owner who is not debtor to whom is contested the part in immovable item which is the object of enforcement, is instructed by the enforcement body to file a claim against the creditors but also against the debtor, in case the latter disputes his right, with purpose of proving his allegation in the contested procedure. The instruction for rendering claim will not be provided if such co-owner may prove the existence of his right in the enforcement procedure, through final court

- decision, public document, or non-public document certified according to the law.
2. Provisions of this law regulating the activity of the court upon objection from third person shall apply for contested process initiated with claim, and for the right of co-owner to request the postponement of enforcement procedure.

Article 196
Owners of joint property

1. Provisions of Articles 194 and 195 of this law shall be appropriately apply for the owners (co-members) of the joint property. If between the debtor and other owners of the joint property exist disagreements regarding their rights on joint immovable item, the enforcement body shall instruct the owner of the joint property, who disputes the rights of debtor on joint property, to confirm his rights in the contested procedure.
2. In contested procedure initiated with the claim, and related to the rights of owners claiming the postponement of enforcement procedure, provisions of this law regulating the activity of the court based on the objection from third person shall apply accordingly.

Article 197
Actions in case of existence of usufructs

If the right of usufructs exist for the immovable item or ideal part of it, the right of usufructs may become an object of independent enforcement and debtor may settle his claim from the proceeds from such right based on any legal relation, while the provisions of this law for enforcement for rights (as object of enforcement) shall apply accordingly.

Article 198
Prove for ownership of debtor

1. Together with the enforcement proposal for immovable item, creditor must present an extract from the public book of immovable item that the immovable item is registered as ownership of debtor.
2. If the right on immovable item from paragraph 1 of this Article is registered in the public book of immovable item under some other person and not debtor, the enforcement proposal may be approved only after it is concluded the ownership of debtor according to the provisions of Article 45 and 46 of this law and after meeting the conditions for changes of the state in the public book of immovable items.
3. If immovable item is not registered in the public book of immovable items, the provisions of this law shall be valid for territories where such books do not exist.

Article 199
Change of enforcement object

1. Debtor has right within seven (7) days from the day of delivery of enforcement decision or enforcement writ to him to propose to the enforcement body the

assignment of enforcement on some other object of enforcement. If the debtor proposes another object, debtor has a duty to attach respective evidence indicating that he has the alleged right for other immovable item, based on which evidence the enforcement against such immovable item may be assigned.

2. The enforcement body will deliver debtor's proposal to creditor who may provide a statement within seven days from the day of delivery.
3. Within the deadline from paragraph 2. of this Article, creditor has a right to present the request for payment of the costs of initiated procedure on immovable item, and to request depositing of guarantee for reward for damage that he may suffer because of the change of enforcement object.
4. The enforcement body shall decide on the debtor's proposal through a decision or writ after reception of the statement from the enforcement creditor, respectively after the expiration of assigned deadline from paragraph 2. of this Article, for presenting a statement.

Article 200

Approval of the proposal for changing of object

1. The enforcement body may approve the debtor's proposal for changing the enforcement object if ensures that:
 - 1.1. enforcement against the immovable item proposed by the creditors very unsuitable for him, or
 - 1.2. because of reasonable causes he personally could not exchange the immovable item into money which he proposes as a new enforcement object (to settle the credit of creditor), and
 - 1.3. the credit of the creditor may be completely paid from the new proposed object;
 - 1.4. the enforcement body with its decision will refuse the proposal for change of enforcement object, if it evaluates that this would delay or hinder the enforcement, respectively if the enforcement creditor with the change of enforcement object would suffer evident damage.
2. If the creditor in immovable item against which he has requested enforcement, has gained, before he initiated enforcement procedure, the right of pledge for guarantee of his credit, then without his consent, the enforcement cannot be assigned to some other enforcement object.
3. In the decision for changing the enforcement object, the enforcement body shall assign enforcement on the other object proposed for enforcement.

Article 201

Change of the enforcement mean

1. If the debtor as other tool of enforcement proposes enforcement on salary, pension, invalid pension, or any other source of permanent incomes, the enforcement body may approve such a proposal, under the condition that the debtor make reliable the fact that the credit shall be settled within one (1) year from the day when the decision on approving his proposal is rendered.

2. Provisions of paragraph 2. and 4. of Article 199 of this law shall be appropriately applied in this Article.

Article 202

The decision on the proposal for changing the object

No legal remedy shall be allowed against the decision refusing the proposal for changing the object of enforcement.

Article 203

The effect of recording in the case of changing the object of enforcement

If by decision of the enforcement body another tool of enforcement is determined, namely other object for enforcement is assigned, the recording of the enforcement for real estate as the first object shall remain in force until the credit of the enforcement creditor is settled. After the credit of the creditor is settled, the enforcement body ex officio shall order the erasure of the enforcement record.

Article 204

Recording of enforcement

1. After rendering the enforcement decision or enforcement writ, the enforcement body ex officio shall order recording of enforcement in public books of real estates.
2. Through recording referred to in paragraph 1. of this Article, the creditor gains the right to settle his credit from real estate (the right to settlement), while the person who after the enforcement is completed earns any right on such real estate, shall recognize creditor's priority right to settle his credit gained through recording.

Article 205

Changing the owner of the real estate

1. Changing the owner of the real estate during the procedure of enforcement does not obstruct continuation of the process against the new owner as debtor. All previously completed enforcement actions shall remain valid and the new owner, during further enforcement, may not exercise the actions which could not be exercised by previous owner.
2. By proposal of the creditor the enforcement body shall render decision or writ on continuation of the enforcement procedure against the new owner as the debtor in that process. The new owner has no right to appeal against such decision or writ.
3. The creditor who did not gain the right of pledge before the procedure of enforcement has initiated, at the moment of recording the enforcement in public books of real estate, gains the right to settle his credit on such real estate before the person who later on gained the right of pledge or settlement of his credit on such real estate.
4. After recording of the enforcement in public books of real estate is completed, recording of changing the right of ownership based on debtor's disposal, regardless the time of that disposal shall not allowed.

Article 206
Publication of decision for the enforcement

1. In the territories where real estate's public books do not exist, or where they are destroyed or obliterated, the enforcement body, by proposal and on costs of the creditor, shall publish the enforcement decision or writ in Official Gazette of Kosovo and, at least, in a daily newspaper which is usually distributed all over the territory of Kosovo.
2. In the case of publication of enforcement decision or writ referred to in paragraph 1 of this Article, the recording of enforcement after its registration in real estate public books produces legal effects from the moment when the enforcement decision or enforcement writ is published for the first time by the means of information.

Article 207
Commencement of enforcement

1. After logging of enforcement recording in real estate's public books, no other specific procedure for the same real estate which is the object of the enforcement can be exerted for settlement of a other credit of the same creditor or other creditor.
2. The enforcement proposer for whose credit the enforcement is assigned later on the same real estate shall be included in the already started procedure of enforcement.
3. Other enforcement proposer may be included in the procedure of the enforcement which is already started until the moment when the enforcement body renders the conclusion assigning the buyer of the real estate, on a public auction.
4. For entering another creditor in the ongoing enforcement procedure, the enforcement body shall inform the creditor on whose benefit the recording is already done.

Article 208
The effect of disallowing or postponing of enforcement for some of creditors

1. The reasons for which the enforcement is not allowed in the benefit of certain enforcement proposers for the same real estate, namely the reasons for suspension of the enforcement in relation to any of the proposers for enforcement, shall not have any effect on the procedure in the benefit other proposers of enforcement.
2. If the reason for postponing the enforcement relates only to one of proposers for enforcement, the enforcement shall not be postponed, but the enforcement body, while issuing the decision or the writ on settlement of the credits, shall postpone settlement of his credit until the procedure for settlement of his credit is not carried on. The money dedicated for settlement of the credit shall be deposited and guarded with the enforcement body until the procedure is continued. If that procedure is not continued, the mentioned means will be used for settlement of the credits of other proposers of enforcement, or will be delivered to the debtor.

Article 209
Settlement of claims secured by pledge

In the procedure for enforcement on a real estate, the creditors may also settle their claims who secured their credits through pledge, although they did not initiate enforcement procedure in accordance with the rules which determine the order of settlement of their claims. Claims of the secured creditor shall take precedence over the claims of the proposer of execution.

Article 210
Elapsing of the right on pledge

1. The right of pledge on real estate recorded in real estate's public books elapses on the day when the decision or writ on selling the real estate is enforced, although it may be the case that creditors secured by pledge did not entirely settle their credits, except when the agreement from paragraph 2. of this Article exists.
2. The buyer of real estate and the creditor who is secured by pledge, at latest in the session of its selling, may agree that the right of pledge remains even after enforcement of the decision or writ on sale, while buyer shall take over the debt of the debtor in relation with that creditor in the amount due to him in the enforcement procedure. In this case, the purchase price of real estate decreases for the amount of taken debt.
3. The buyer and the creditor secured by pledge will conclude the agreement from paragraph 2. of this Article in the form of enforcement body's agreement in enforcement procedure or the form of notaries' document.

Article 211
Servitudes and Real encumbrances

1. Real servitudes, real encumbrances and the rights of construction on real estate will not elapse by sale of real estate.
2. Sale of real estate will not elapse personal servitudes recorded in real estate's book prior to the right for settlement of which the enforcement procedure is ongoing.
3. Other personal servitudes elapse with the enforcement of decision or writ on the sale of real estate.
4. The provisions of Article 210 paragraph 2. and 3. of this Law shall appropriately apply in relation to personal servitudes from paragraph 3. of this Article.

Article 212
The lease contract on real estates

1. The lease contract on real estate which are concluded and recorded in real estate's public books prior to gaining of the right of pledge or the right to settlement for which the enforcement is proposed, will not elapse by the fact of sale of real estate.
2. The lease contracts that are not registered in real estate's public books prior to gaining the right of pledge or the right to settlement for which the enforcement is

proposed, will elapse at the moment when the decision or writ on sale becomes final, unless the buyer and lessor agreed otherwise. Buyer shall inherit the rights and obligations of the lessor.

3. The former lessor shall be responsible for all damage that lessee suffered with termination of contracts referred to in paragraph 2 of this Article. Lessee has no right to require the compensation of the damage in enforcement procedure.

Article 213

The right of residence

1. The right of residence acquired prior to gaining the right of pledge or right to settlement for which the enforcement is proposed, shall not elapse by sale of real estate. The buyer of real estate takes the place of the lessor from the moment of acquiring the right of ownership on real estate.
2. The final decision or writ confirming the sale of real estate constitutes an enforcement document for displacement.
3. The inability of displacing the lessee on the basis of enforcement document from paragraph 2. of this Article, does not obstruct the buyer from realizing his rights in the contested procedure.

Article 214

Observing of real estate

1. The enforcement body, by special conclusion, shall provide the person interested to buy the real estate with a permit to observe the item. Such permit shall be provided by the enforcement body only based on request of the interested person. The time and manner of observing the real estate shall be set in the conclusion.
2. If the debtor or any other person obstructs observing the real estate, the enforcement body by a conclusion shall order the debtor or other person to move from real estate at the time of observing the real estate. The conclusion for moving shall be enforced by enforcement body, if necessary with the assistance of the police.
3. Against the person from paragraph 2. of this Article the enforcement body may sentence fines or measures provided in Articles 15 and 16 of this Law.

Article 215

Ensuring the real estate

1. With the purpose of preventing the damage on real estate, enabling evaluation, observation and protection, the enforcement body, by request of the enforcement proposer, through a conclusion, may order:
 - 1.1. temporary displacement from real estate of the debtor and other persons;
 - 1.2. giving real estate under guarding to the creditor or other third person;
 - 1.3. other measures necessary for protection of real estate, or for performing of enforcement without any obstacles;
2. Against the persons who unable or obstruct the enforcement process, the court may sentence fines and other measures provided in Articles 15 and 16 of this Law.

3. Necessary funds for application of fines and measures from paragraph 2 of this Article must be deposited by the creditor at the onset of the process.

Article 216

The real estates that cannot be enforced against

1. The agricultural land of the farmer in the area of half hectare may not be enforced against.
2. The provisions of paragraph 1 of this Article do not relate to enforcement for settling credits secured by the right of pledge contracted for real estate (mortgage)

Article 217

The manner for determination of the value

1. The enforcement body shall decide through conclusion on the manner of determining the value of real estate, immediately after rendering the enforcement decision or enforcement writ. If considered necessary, prior rendering the conclusion, the enforcement body may hold a court session or hearing of parties.
2. Determination of the value of real estate shall be done after the enforcement decision or enforcement writ becomes final.
3. Determination of the value of real estate shall be done prior to the moment defined in paragraph 2 of the present Article, if the creditor requires so and pays the costs for determining the value of real estate even in the case when the enforcement procedure is suspended.
4. The value of real estate is determined on the basis of expert evaluation and other facts related to its market price on the day of evaluation.
5. During determination of the value of real estate the facts that may decrease its value shall be considered, this if certain rights on real estate remain even after the sale.

Article 218

Determination of the value by tax administration

Except the way for determining the value of the real estate provided for in Article 217 of this Law, the enforcement body may require the competent tax authority to provide data on the value of real estate.

Article 219

Determination of the value for the part at joint ownership

In the procedure for enforcement of the part in joint ownership, the estimation shall contain the ascertained values of entire real estate and of the part on joint ownership, as well as of the part on joint ownership which would be obtained in the case of the sale of entire real estate, in accordance with paragraph 2. of Article 193 of this Law.

Article 220
Determination of the value through agreement

The provisions of Articles 217 and 218 of this Law shall not apply in the case when the parties and other persons who settle their right in the procedure of enforcement determine the value of real estate by agreement.

Article 221
Reinstatement based on lack of coverage

1. Every person who has the right to be paid from the price of the real estate, and who according to the order has the priority in relation with the creditor, may propose the suspension of enforcement, if the ascertained value of the real estate cannot cover the amount of credit of enforcement creditor.
2. The proposal for suspension of the enforcement may be submitted within 7 (seven) days from the day of delivery the sale conclusion.
3. By proposal of the holder of a right and after fulfilling the conditions from paragraph 1 of this Article, the enforcement body shall suspend the enforcement procedure through its decision or writ.

Article 222
The conclusion on the sale

1. After the procedure for determination of the value of real estate is completed, the enforcement body issues the conclusion on the sale of real estate determining the value of real estate and the manner and conditions for sale, as well as the time and venue of sale, if the sale shall be performed through public auction.
2. In the procedure of enforcement for the part in joint ownership from Article 193 of this Law, the sale conclusion will contain, in particular, the data for entire real estate and also for the part in joint ownership which is the object of enforcement, as well as the notice that the enforcement body, for whole object of sale, shall decide in accordance with the provisions on auction session and the sale of real estate.

Article 223
Publication of the sale conclusion

1. The real estate sale conclusion shall be published at the enforcement body billboard, or otherwise if the enforcement body decides so.
2. The party or anyone else with ownership interests in the property has the right to publish the sale conclusion on his costs in public information means, and to inform on conclusion the persons who mediate in sale of real estates.
3. Following the publication of the sale conclusion on the enforcement body information board until the day of the sale the period of at least thirty (30) days must pass.
4. The sale conclusion shall be delivered to the parties, to persons who have priority

right to settle their credits or the right for settlement with same rank as the creditor, to persons who have recorded right or priority or legal right and to the competent body of tax administration.

Article 224

The priority right of purchase

1. A person who has the priority right of purchase of real estate which is the object of enforcement by sale shall have the priority over the best bidder, if immediately after conclusion of the bidding it gives the statement for matching the bid.
2. If the person who is the holder of priority right of purchase of real estate has not received the sales decision or order, the enforcement body shall inform him on the price offered for purchase of real estate, and the person who is the holder of priority right shall make his statement within three (3) days of the date of receipt of notification.
3. If the person who is the holder of priority right of purchase does not make a statement within term set in paragraph 2. of this Article, shall lose the priority right of purchase. In this case he shall pay the purchase price within the deadline set in the sales decision or order.
4. The person who has contractual priority right of purchase shall exercise this right on terms set in paragraph 1. of this Article where there was no legal right or where the holder of title did not use it.

Article 225

Award on creditor's priority right of purchase

1. Where there was neither legal nor contractual priority right of purchase, or holders of this right did not use it, the right of priority purchase belongs to the creditor.
2. The creditor shall acquire priority right of purchase upon recording the enforcement decision or enforcement writ in the public book of records for real estates.
3. If persons who have acquired the priority right of purchase of real estate make statement before the creditor that they will not use this right, the creditor shall take precedence before the best bidder if immediately upon conclusion of sale he makes statement that he buys the real estate on the same terms.

Article 226

Statement of Holders of Priority Right of Purchase

If real estate is sold by direct agreement, the enforcement body shall invite the holder of legal priority right of purchase, holder of contractual right of priority right of purchase entered in the public records and the creditor to make written statements as to whether they will use this right.

Article 227
The sale method of real estate

1. The sale of real estate shall be performed through verbal public auction.
2. The session for real estate sale shall be held in the court, if the enforcement body did not determined any other sale venue.
3. The sale session shall be exercised by the enforcement body.

Article 228
Sale agreement through direct settlement

1. The parties and creditors secured by pledge, whose rights for settlement of credits are at least of the same rank with that of the proposer for enforcement, may agree, at latest until the moment of the sale of real estate in public auction, that the sale of real estate be performed within assigned term through direct settlement between the person authorized for sale of real estate and enforcement body, or in any other way.
2. The sale contract through direct collusion shall be in written.
3. On behalf of debtor the contract shall be concluded by the person whom by enforcement body conclusion the sale is entrusted. The signatures of persons who conclude contract must be confirmed by competent body.
4. This contract starts to produce legal effects from the day when the decision or order for delivering of sold real estate is issued.

Article 229
The sale terms

1. The real estate's sale terms are incorporated in sale conclusion and among other information will contain:
 - 1.1. detailed description of real estate and other things belonging to it;
 - 1.2. denomination of third persons rights which do not elapse by the sale of real estate;
 - 1.3. the information if the real estate is released from persons and things or it is still in use, and if so, on which legal basis;
 - 1.4. the value of real estate;
 - 1.5. the price which can be reached by sale of real estate and who shall pay the taxes and costs related to sale;
 - 1.6. the term within which the buyer has the duty to pay the amount of buying price;
 - 1.7. the sale method;
 - 1.8. the amount of guarantee, the term for its payment, whom and how it has to be paid;
 - 1.9. the specific terms that the buyer must fulfill in order to acquire the right of ownership on real estate;
 - 1.10. nature of the property rights sold.
2. In the procedure for enforcement of the part in joint ownership from Article 193 of

this Law, the sale's terms from paragraph 1 of this Article will include the sale's terms for entire real estate as well as for the part in joint ownership which is the object of enforcement.

Article 230
Payment of sales price

The deadline by when the buyer shall deposit the price may not be longer than thirty (30) days from the day of the sale, regardless the fact if the price has to be paid at once or through installments.

Article 231
Advance payment

1. As the buyers in a public auction may participate only persons who priory have deposited a guarantee.
2. Except for persons who according to present Law have no obligation to provide guarantee in enforcement procedure, from this obligation are also excluded the creditor and the holders of the rights recorded in real estate's public books which elapse by sale of real estate, if their credits are equal with the amount of the guarantee and if when considering their priority and determined value of real estate, such amount would be paid from purchase price.
3. The amount of guarantee should be equal with one tenth of determined value of real estate, but may not be higher than five thousand (5.000) Euro.
4. The bidders, whose offers are not accepted, apart from three (3) most favorable offers, shall be reimbursed the deposited amount right after completion of auction.

Article 232
The case with only one bidder

1. The session of public auction shall take place even if only one bidder participates.
2. By the proposal of the person who has the priority right to settle his credit, the enforcement body may, through a conclusion, postponed the session of public auction, if it is participated by only one bidder.

Article 233
Ineligible buyers

The buyer of real estate may not be the judge or other person who exercise official duty in the procedure of sale, their spouses and blood relatives (predecessors, descendants, siblings and their spouses), debtor and his/her spouse, the evaluator of the real estate, as well as any other person who according to Law may acquire the right of ownership on real estate which is the object of enforcement.

Article 234
The sale price of a real estate

1. In the first session of the auction, real estates cannot be sold with the price that is lower than eighty percent (80%) of the determined value. The starting offers for the first session that is lower than eighty percent (80%) of the determined value will not be reviewed.
2. Without agreement of persons who have a pre-purchase right in the enforcement procedure to settle their credits before creditor, the real estates in the auction session cannot be sold at the price that cannot even partly cover the amount of a proposer's enforcement's credit.
3. In case that the real estates can not be sold in the first session, the enforcement body will determined the second session in the timeframe of thirty (30) days.
4. The enforcement body will assign the second session in the timeframe of thirty (30) days even when three (3) convenient purchasers did not pay the bill in the first session within the foreseen deadline.
5. In the second session the real estates cannot be sold at the price that is a lower than half of the assigned value with the selling conclusion. The starting offer in the second session cannot be lower than half of the determined value.
6. In case that the real estate is not sold even in the second session, the enforcement body will determine the third session in the timeframe of fifteen (15) to thirty (30) days. In this session the real estates cannot be sold at a price lower than one third of the determined price of the real estate.
7. In case there are persons with the right of pre-purchase or contractual right, than the person who according to the law has right of settlement with priority of his credit from selling price, shall acquire the right of pre-purchase of the real estates at the price reached in the third session.

Article 235
Setting the price according to the parties agreement

1. In case that parties, before the starting of enforcement procedure, has reached the agreement with the enforcement body, the real estate to be sold for the lowest price comparing from paragraphs 1, 2 and 6 of the Article 234 of this Law., the real estates can be sold at that price even in the first session. Such agreement is applicable only if persons with the registered rights in the public records of real estates do not take part in the enforcement procedure.
2. The lowest price by which the real estates can be sold according to dispositions of paragraph 1 of this Article cannot be lower than one third (1/3) of the assigned value.
3. Parties and persons ensured by guarantee can reach the agreement through statements provided in the official records that the real estate can be sold at a lower price than is mentioned in the paragraph 1, 2 and 5 of Article 234 of this Law.
4. Provisions of the paragraph 1,2 and 6 of the Article 234 of this Law, and paragraph 1 of this Article, apply accordingly in the case when the real estate is sold at direct agreement.

Article 236
Session for sale and selling of real estates

1. If the enforcement decision or writ is not final on the day of holding session, the enforcement body may postpone the session for auction and sell for mostly thirty (30) days.
2. Once verified that the terms are met to hold the session for auction, the enforcement body shall announce the start of the auction.
3. In case the enforcement procedure applies for the part in co-ownership from the Article 194 of this law, in the same time the enforcement body shall offer for sale all together the part of co-ownership, and the real estate. After the deposition of the most suitable bid for the two objects and after the evaluation of the terms from the paragraph 3 of the Article 194 of this law, the enforcement body by the decision will decide on finale sale for the object.
4. Sale auction shall end five minutes after appearance of the most convenient offer.
5. After the end of the auction the enforcement body shall verify bidders who offered their price above minimum and shall verify that the real estates is sold to the most convenient purchaser, if other conditions are met.
6. Official records shall be taken during the sale auction,

Article 237
Announcement of the sale conclusions

The enforcement body shall issue a written conclusion on sale of real estates to the most suitable purchaser to be published in the information board of the enforcement body and shall send extracts to the parties and persons who took part in the auction as bidders.

Article 238
Sale in the case of direct settlement

1. In case of sale of the real estates through direct settlement, the enforcement body shall issue the conclusion pursuant to Article 237 of this law, after verifying that conditions are met for valid sale.
2. If the enforcement decision or writ has not become enforceable in the moment when the conclusion is issued pursuant to the paragraph 1 of this Article, the court may postpone its issue for maximum thirty (30) days.
3. Provisions of the paragraph 3 of the Article 236 of this law shall apply also for sale in direct settlement.
4. Conclusion for paragraph 1 of this Article shall be published in the information board of the enforcement body and shall be sent to all persons who shall receive the conclusion on sale and to the purchaser of the real estate.

Article 239
Deposition of the purchase price

1. Guarantee deposited to the enforcement body within the deadline set by enforcement body cannot be shorter than thirty (30) days from the day of the publishing of the purchase conclusion.
2. In case the highest bidder does not deposit the purchase price in the foreseen time determined by the enforcement body, the enforcement body by the conclusion shall declare the sale as invalid and through a the new conclusion shall ascertain the sale of the real estate to the second bidder who within the deadline that cannot be shorter than thirty (30) days from the day of the submitting the conclusion, shall deposit the purchase price to the enforcement body. In case the second bidder does not deposit the price within the determined deadline by the enforcement body, the enforcement authority shall apply the same rules for the third bidder.
3. In case that neither of the three (3) bidders from paragraph 2 of this Article makes the compulsory deposition of the purchasing price within determined deadlines, enforcement body may consider that the first session has failed and can schedule new session, as foreseen by Articles 227 through 236 of this law.

Article 240
Expenses of unsuccessful session

1. The expenses for the unsuccessful session will be paid from the deposit of the first bidder to whom the real estates was sold and who is not willing to pay the purchase price according to the foreseen deadline. In case that such expenses cannot be covered fully from the ensured amount deposited from the first bidder, difference will be paid from the guarantee of the second bidder, in case he does not purchase the purchasing real estate. These rules shall apply also to the third bidder in case of refusing to purchase the estate.
2. Expenses of the next session shall be paid proportionally from the guarantee of the bidders to whom the real estate was sold, but who did not deposit the purchase price within the deadline foreseen by the enforcement body.
3. The excessive amount after payment of procedural expenses shall be returned to the guarantee depositor.

Article 241
Repayment of deposited guarantees

1. After depositing with the enforcement body the full price of sold real estate, the deposited guarantee from the other bidders shall be returned within three (3) days from the day of depositing the price with the enforcement body.
2. If the buyer of the item is the enforcement body and if there are other persons claim settlement of credits before the buyer's credit out of the price of the sold real estate, he is not obliged to deposit the price with the enforcement body that corresponds to the amount of his credit.
3. If the purchase price is higher than his enforcement credit, the creditor must deposit the difference of his credit price.

4. Provisions of the paragraphs 1, 2 and 3 of this Article shall apply also when the credit of the enforcement creditor in accordance with the law is fulfilled before the credits of other creditors who have the right for fulfillment from the same sale price of the real estates of the debtor.

Article 242

The handover of real estate to the buyer

1. After depositing the price, the enforcement body shall issue a written decision or order concluding that the real estate has been sold to the buyer.
2. Through the written decision or order from paragraph 1. of this Article, the enforcement body shall decide that the real estate is to be handed to the buyer, whereas the public record official-holder of real estate shall be ordered to register the right of the property of the buyer over the real estate that he bought. Through this written decision or order the enforcement body shall order the cancellation of rights as provided in the written decision or order on sale of real estate.
3. No objection is allowed against the written decision or order from paragraph 1. of this Article, while the decision may be challenged through an appeal.
4. The written decision or order from paragraph 1. of this Article shall be published in the information board of the enforcement body three (3) days after publication in the information board of the enforcement body, it shall be considered that the written decision or order has been handed to all the persons to whom the conclusion must be handed regarding the sale, including participation of the auction.

Article 243

The loss of possession right over the real estate

At the moment of sale of the real estate, the debtor shall lose the right of the possession of the real estate and he shall hand it to the buyer immediately after the delivery of a written decision or decision on the sale of a real estate, unless foreseen otherwise by law or by agreement with the buyer.

Article 244

Eviction of the debtor

1. After the issue of the written decision or order on the delivery of the real estate, the enforcement body on the request of the buyer, by conclusion shall order the debtor to move out and hand the real estate to the buyer.
2. The enforcement procedure from paragraph 1 of this Article, is done according to the provisions of the Chapter 2, Title 7 of this law.
3. In the enforcement procedure from paragraph 2 of this Article, the buyer of the real estate gains the procedure position of the enforcement proposer, at the moment of the presenting the enforcement proposal for eviction and hand over of the real estate.

Article 245
Eviction of other persons

1. After the issue of the written decision or order providing that the real estate was sold, the enforcement body based on the proposal of the buyer, through the written decision or order shall order other persons who are located in the sold real estate, to move out and hand the property to the buyer, unless they possess the valuable documents that serve as a legal base regarding the use of the real estate. Through the same written decision or order the enforcement shall be appointed through eviction and handover of the real estate.
2. The enforcement body shall initiate the enforcement of decision or order from paragraph 1 of this Article immediately after its issue. The enforcement shall be applied according to the rules of this law for eviction and hand over of real estate.
3. In the procedure which is done according to the paragraph 1 and 2 of this Article, the buyer has the procedure position of the enforcement proposer.

Article 246
Protection of the purchaser right

Abolishment or change of the enforcement decision or order once the decision or order has been enforced ascertaining the sale of the real estates does not have impact on the right of the buyer's property gained in accordance with the decision for hand over of the real estate.

Article 247
Settlement of the credit through hand over of real estate to the creditor

1. In case the real estate is not sold even in the third session of the public auction, or by direct settlement within the foreseen time frame by the enforcement body, upon request of the enforcement proposer, the enforcement body through a decision may hand over the real estate to the enforcement proposer.
2. On cases from paragraph 1 of this Article, it is considered that credit of creditor is settled in the amount that responds to two thirds of the determined value of the real estate.

Article 248
Suspension of enforcement

1. In case that real estate could not be sold in the third session, while the enforcement proposer did not use the right from Article 247 of this law, the enforcement body shall suspend the enforcement
2. The enforcement through direct settlement shall be suspended if the real estate could not be sold in the determined time frame through the agreement between parties and persons to settle their credits in the same enforcement procedure, except when agreement between parties yields different result.

Article 249

The effect of the suspension of the enforcement

Decision for the suspension of enforcement is not obstacle for proposer to initiate again the enforcement procedure in order to settle the same credit for the same real estate.

Article 250

Conditions for granting for use

1. When the conditions are met for suspension of enforcement, upon the request of enforcement proposer which he can submit within thirty (30) days, the enforcement body may issue a decision or order for handing over the real estate for use with payment.
2. The debtor may file an appeal against final decision or order for granting the real estate to the creditor for use.

Article 251

Duration of use and award

1. Through decision or order the enforcement body shall decide to hand the real estate for use, and shall determine the duration and the monthly amount for use of the real estate to the enforcement proposer. The award shall be determined according to the expert opinion.
2. Duration of use the real estate is granted for shall be assigned by the enforcement body taking into account the enforcement proposers' amount of the credit as well as the determined amount for use of the real estate.
3. Award for use of the real estate shall be calculated as settlement of debtor debt to the enforcement proposer.
4. After the time frame referred to paragraph 2 of this Article, enforcement proposer shall hand over the real estate to the debtor.
5. Articles 242 through 245 of this law shall apply for handing over the real estate.

Article 252

Momentum of payment

The enforcement body shall pay the creditor immediately after the price of purchasing the sold real estate is deposited.

Article 253

Persons to be paid

1. From the sale price shall be paid the enforcement proposer who was initiated the enforcement procedure, insured pledged creditors even though they did not apply for their credits and persons who have the right of reward for personal servitudes.
2. The excess from the purchase price that remains after the fulfillment of claims made by the persons from paragraph 1 of this Article, shall be handed to the debtor, if no other legal obstacles exist.

3. If the price of sale of real estates is not sufficient for a complete settlement of loans of the same order, their settlement shall be proportionally according to the height of such loans.

Article 254

The fulfillment of credits by priority

1. The priority to be paid from the amount earned from the sale of real estates have:
 - 1.1. expenses of the enforcement procedure;
 - 1.2. requests of the insured creditors with pledged, shall be realized by the order of priority before the enforcement proposer;
 - 1.3. the request of the enforcement proposer;
 - 1.4. claims of creditors insured with pledged, which are realized by order of priority, shall be settled after the enforcement proposer;
 - 1.5. rewards for personal servitudes, which are terminated through the sale of real estates.
2. If the debtor is due to pay interest apart from the principal amount, the interest shall be paid before the principal debt.
3. More persons at the same point within paragraph 1 of this Article, shall settle their claims according to the order of gaining the right of pledge and the right of settling the credit of the enforcement proposer, respectively according to the order of gaining the personal servitudes, unless the agreement provides otherwise.

Article 255

The order of settling other credits

1. The provisions of the Article 254 of this law, shall accordingly apply on the fulfillment of the rights from mortgage and the rights that constitute encumbrance upon the credit which is realized.
2. Expenses and interest for last three (3) years before issuing the decision or order on the handover of real estates, assigned by the enforcement document, shall be paid according to the main credit order.

Article 256

The reward for personal servitude and other rights

1. If no agreement is reached regarding the height of reward about personal servitude or concerning the rights terminated at the sale of real estates, between their owners and enforcement proposer, whose order of settlement is behind them, the reward shall be set by the enforcement body taking into consideration especially the time for which they will exist, their value and the age of their owners.
2. The buyer of real estate and the owner of the right of personal servitude, may agree that the buyer takes over the servitude, whereas the amount of the defined reward according to paragraph 1. of this Article is removed from the purchase price of the real estate.

Article 257

The settlement of claims proportionally

If there are more credits with the same order of settlement, they will be settled proportionally in their amount, if the amount earned through sale of the real estates is insufficient for complete settlement.

Article 258

The dispute over the credit

The enforcement proposer, or another person who settles his credit from the sale price of the real estate, if that affects the settlement of the credit, has the right to dispute the other person over the existence of the credit, except the credit provided by the enforcement document, its height and the order of settlement. The dispute can take place at latest in the session of distributing the cash earned through sale of the real estates.

Article 259

Instructions regarding the initiation of the dispute process

1. The person who has disputed the credit of another person shall be advised by the enforcement body that within the deadline not longer than fifteen (15) days, to initiate the dispute procedure through a claim, if the decision depends on disputable facts although the dispute is not supported by the final court decision, public document, or non-public document, but verified according to the law.
2. If the person, who disputes the credit, bases the dispute on the final court decision, public document, or non-public document verified according to the law, upon request of that party, the court shall decide on the dispute in the enforcement procedure.
3. Regarding the dispute over the credit, the court shall decide in the enforcement procedure even when the facts serving the awarding of the decision are not disputable.

Article 260

The case when the causes of dispute are reliable

1. If the person who disputes the credit of another person and supports the existing causes of such dispute, the enforcement body through a conclusion for the initiating a contested procedure, shall instruct the person whose credit was disputed, and shall postpone the decision for settling the disputed credit until the conclusion of contested process. Exceptionally the enforcement body may condition the award of the decision for settling the disputable credit by depositing the guarantee by its holder.
2. The amount related to the disputable credit shall be deposited to the enforcement body.
3. If the person who is instructed to initiate a contested procedure through claim

within the deadline assigned by the enforcement body, fails to prove that the procedure has been initiated, it shall be considered that the credit is not disputable, respectively that he has dropped the request for settling the credit through enforcement procedure.

4. The provisions of paragraph 1 of this Article cannot affect the right of the instructed person to file a claim to initiate the contested procedure against the person disputing his credit, even after the termination of the enforcement procedure, respectively against the person who has disputed the credit.
5. Through the proposal of the person whose credit was disputed, the enforcement body may condition the award of the decision or order on settling of his credit with depositing of a guarantee for the rewarding the damage that he may suffer due to the delay of settling the credit. If the person who has disputed the credit does not deposit the guarantee within the deadline assigned, it will be considered that the credit is not disputable.
6. The person, whose credit was disputed, has the right to claim a compensation of damage caused to him through unreasonable dispute of his credit, if such action was done with the sole aim of causing damage to him, or to be obstruct the settlement of his rights.

Article 261

The legal effect of the court decision awarded by the civil court

The court decision awarded regarding the disputed credit in the enforcement procedure shall yield legal effects against the debtor and all the other enforcement proposers.

Article 262

Settlement of the credit which is not requested yet

1. The claim of the creditor insured with pledge, which was not claimed up to the day of a decision or order awarded regarding its settlement, and for which the interest was not contracted, will be paid after the deduction of the interest-delay set forth by law since the date of the enforcement of the decision or order until the day when the credit becomes claimable.
2. The Credit which is still not claimable and for which the interest was contracted, will be paid with the amount of the calculated contracted interest until the day of the enforcement decision or order.

Article 263

Gaining of periodic incomes

1. Credits of periodic incomes for the basis of a legal nutrition, reward of the damage caused because of the harm to health, or reduction, respectively the loss of the capacity for work and based on the reward of the damage for the lost nutrition due to lost because of the death of the provider, which were insured by pledge shall become claimable after the day of the issue of a decision or order for the payment, and shall be settled upon expressive claim of the enforcement proposer.

2. Credits from first paragraph of this Article are calculated according calculation of personal servitude.

Article 264

Settlement of the conditioned credits

1. The sum of the credit which was insured with the right of pledge, and which depends on the condition, shall be separated and shall be put on the deposit or enforcement body and shall be paid when the condition is met, or when the condition is not met.
2. If the condition is not met, the separate amount of sale price of the real estates shall serve for the settlement of the credit of the enforcement proposer which was not settled partly or completely, and if there is no such credit or if after its settlement a part of the sale price remains as excess, that part shall be delivered to the debtor.

Article 265

Registration of the pledge and the indication of the dispute

1. If there is an evidence in the public record of real estates about registration of the pledge right, whereas the person on whose favor the foresight is registered, proves that the contested procedure is in the process in order to justify it, respectively that there is still time for initiation of this procedure, the credit which involves the foresight will be paid according to the way in which the credit is paid with an incentive condition.
2. The credit which is recorded in the public record of real estates for the initiation of the contested process for the purpose of canceling the right of the pledge, or notification about different dispute, is settled in the manner in which the claim is settled depending on the conditions of settlement.

Article 266

Division session

1. After the decision or order on the handover of the sold real estate becomes final, the enforcement body shall schedule a session for division of the amount obtained from the sale, if there are more creditors or third persons who have the right on settlement of their credits from the acquired amount.
2. In the scheduled session the parties and persons will be summoned who according to documents submitted to the enforcement body from public book of real estates have the right to be paid from the amount obtained by the sale of real estate.
3. In summon, these persons will be warned that their credits, if they do not attend the session, will be handled according to the state deriving from the public register of immovable properties, and existing documents and that they may dispute the other persons' credit, the height and settlement order latest at the division session.
4. The session will review the settlement of the credit of creditor and other persons who submits their claims for settlement of their credits.

Article 267
Decision for settlement of credits

1. For settlement of the credit of creditor and of other persons with rights of settlement of their credits, the enforcement body shall decide through decision or order immediately after the conclusion of the session, bearing in mind the data from the public book of immovable properties and existing documents, and the state verified during the session.
2. Upon the issuance of the decision or order from paragraph 1. of this Article, only the credits in relation to which the enforcement decision or enforcement writ became enforceable, at the day the division session was held, shall be taken into account.
3. If there are credits in relation to which the enforcement decision or enforcement writ still has not become enforceable until the day of the division session, these shall be settled after the decision becomes enforceable from the remaining amount of the sale price of the real estate, if such excess exists, while the excess shall be handed over to debtor.
4. Provisions of paragraph 2 and 3 of this Article are not related to the credits insured with pledge.

Article 268
Appeal against the decision

1. If the necessity of holding the enforcement body division session does not derive from this law, the enforcement body will publish in information board the decision or order for settlement of credits. After the third day from the publication in the information board, it shall be considered that the decision or order is delivered to all persons who have the right of settling their credits from the price of the sold real estate.
2. Against the decision or order for settlement of credits the parties and persons who have alleged settlement of their credits from price of the sold real estate have the right to appeal.
3. If an appeal against the decision or order for settlement of credits is filed within legal deadline, it shall be delivered to the parties and other participants in the enforcement procedure, while the decision or order will be enforced if the creditor within three (3) days from the day of delivery of appeal to him does not propose the postponement of enforcement until the moment of issuance of the second instance court decision.
4. Enforcement of the decision or order for settlement of credits is conducted after the expiration of time-limit for filing of appeal from the persons who has the right to appeal against it.

Article 269
Deletion of the rights and encumbrances

1. After the decision for settlement of credits becomes final, the enforcement body with an special decision or order will order that the registered rights and

encumbrances in public book of real estates be deleted, except the ones which remain for real estate even after its hand over to the purchaser or which have been taken over by the latter.

2. Purchaser through a claim may request deletion of the rights and encumbrances from paragraph 1 of this Article, if this was not done by the enforcement body and cadastre.

Article 270

Enforcement in the territories where there is no public book of immovabilities

1. In the territory where the cadastre of immovabilities has not been established, or the public book of immovabilities, respectively there is no register of rights of immovabilities as provided by the law, legal rules valid for documents which are submitted together with enforcement document as evidence for the right of ownership on real estate which is enforcement object shall be applied, and legal rules for other manner of registration of enforcement decision or enforcement writ on real estate. This applies also for the cases where registered have been lost or destroyed.
2. If provision of evidence for the right of ownership in accordance with the legal rules valid for the certain territory is impossible, instead of evidence of ownership, the creditor shall note in the enforcement proposal the place of real estate, its nomination, borders and surface.
3. In cases from paragraph 2 of this Article, the enforcement body will conduct sequestering inventory of real estate for which the enforcement is proposed and shall summon the creditor, debtor and persons whose real estate is bordered with such real estate at the inventory sequestering session.
4. Record of the sequestering inventory holds the significance of the enforcement registration and shall be published in the information board of the enforcement body.
5. For completed sequestering inventory, the enforcement body shall publish the announcement in the Official Gazette of Kosovo and at least one daily newspaper, indicating the enforcement body making the announcement, number of the case file, names and addresses of parties, data on real estate for which the enforcement applies, time and venue of inventory sequestering session, and when the record on sequestering inventory is published in the enforcement body board. After fifteen (15) days from the day of announcement, the enforcement body shall summon the interested persons to inform the enforcement body on eventual reasons which obstruct the enforcement of real estate concerned.

Article 271

Enforcement against non-registered real estate

1. If in the territory where public books of real estate are established, the real estate is not registered, the creditor should accompany the enforcement proposal with documents based on which the registration may be done.
2. After the delivery to the enforcement body of enforcement proposal and based on which the registration of real estate may be done, the enforcement body

immediately shall deliver the documents to the enforcement authority, body or organization which keeps the registers for the purpose of registration. In this case the enforcement body halts acting until the conclusion of the registration procedure.

3. If the creditor in his enforcement proposal, proposes the building as enforcement object, or part of the building which is not registered in the public book of real estate, together with the declaration that registration cannot be done in sense of paragraph 1 and 2 of this Article, the enforcement body with decision or order will allow enforcement on real estate in non-registered ownership of debtor, if the creditor hands over or states the evidence of non-registered ownership, building permission issued in the name of debtor, or if the building permission is not in debtor's name, documents for legal actions by which the ownership of debtor on real estate or part of it may be obtained.
4. Upon request of the enforcement creditor, the enforcement body shall assign a duty to debtor or to third person to hand over documents from paragraph 3 of this Article, under threat of fine from Article 15 and 16 of this law. Upon the request of creditor, he will oblige, with the enforcement body decision, the competent state body to hand over documents from paragraph 3 of this Article.
5. When the enforcement body assigns enforcement against real estate which cannot be registered in public book of real estate in accordance with paragraph 3 of this Article, in conditions of sale will be particularly emphasized that it has no registered ownership, and instead of note, inventory will be conducted in manner foreseen in Article 270 paragraph 3 and 4 of this law.

TITLE X

ENFORCEMENT FOR SETTLEMENT OF NON-MONETARY CREDITS

Article 272

Setting court penalties

1. When debtor does not fulfill, within assigned deadline any non-monetary obligation determined through enforcement document, the enforcement body of jurisdiction for determination of enforcement of non-monetary credit, upon proposal of enforcement requester, with enforcement decision or enforcement writ will assign additional deadline and obligation, in the case of disrespecting such deadline to pay to the enforcement creditor each day of delay, or other time unit, in accordance with the rules from obligation relations, from the expiration of the deadline of court penalties.
2. Additional deadline from paragraph 1 of this Article starts to run from the day of delivery of the decision assigning such deadline to the debtor. Running of the additional deadline shall not be interrupted even when the decision for determination of penalties is attacked by appeal.
3. Against the decision from paragraph 1 of this Article, the party has the right to appeal within seven (7) days. Presented appeal does not produce suspending effect.
4. If the debtor within fifteen (15) days from the day the decision from paragraph 1 of this Article becomes final fulfills his obligation, the enforcement body may

decrease the amount of penalties upon request of debtor presented within seven (7) days, but taking into consideration the purpose of payment of penalties. The request of the debtor does not impact the enforcement and its application, based on the final decision for payment of court penalties from paragraph 1 of this Article.

5. Final decision from paragraph 1 through 3 of this Article may be enforced in the same procedure.

Article 273

Enforcement for settlement of the determined penalties

1. Based on final decision for payment of court penalties from Article 272 of this law, the enforcement body in the same enforcement procedure for issuing such decision, upon proposal of enforcement requester, shall issue an enforcement decision or enforcement writ for the purpose of compulsory payment of determined penalties.
2. If the debtor in the objection against enforcement decision or enforcement writ alleges to have fulfilled the obligation, the enforcement body will approve the objection in enforcement procedure only if proves the foundation through public or non-public document which has an weight of public document.

TITLE XI

ENFORCEMENT WITH PURPOSE OF HANDING OVER OF MOVABLE ITEMS

Article 274

Territorial jurisdiction in case of court enforcement

The court in territory where items are situated shall be competent to decide on the enforcement proposal with the purpose of handing over of one or more items, or with the purpose of delivery of certain amount of substitute items and for implementation of the enforcement.

Article 275

Jurisdiction in case of enforcement by the private enforcement agent

The private enforcement agent has competence to decide on the enforcement proposal and to carry out enforcement with purpose of handing over one or more items, or with the purpose of delivery of certain substitute items and for implementation of the enforcement.

Article 276

Cases when items are held by debtor or third person

1. Enforcement for handover of one or more certain items which are with debtor shall be applied by taking such items from the debtor, by enforcement body and handing them over to creditor with an written certificate.

Civil laws

2. In a manner shown in the paragraph 1 of this Article, the enforcement shall be applied even when the items are with the third person who is willing to hand them over to enforcement body. If third person does not want to hand over the items, the enforcement requester may propose to the enforcement body to transfer the debtor's credit to the third person for handover of items.
3. In enforcement procedure upon proposal from paragraph 2 of this Article, shall apply the provisions of this law on enforcement against credit for handing over or delivery of movable items.

Article 277

Cases when items are not found with debtor nor with third person

1. If the items were not found with debtor or the third person, the enforcement body shall inform the creditor who within seven (7) days may propose to evaluate the value of items and to pay the amount of value to settle the credit.
2. Based on proposal of paragraph 1 of this Article, enforcement body shall assign an expert to evaluate the movable items and issue a decision ordering the debtor to pay the amount of their value as set by the same enforcement procedure.
3. If the creditor's proposal is not submitted within the time specified in paragraph 1 of this Article, the procedure execution will be suspended.

Article 278

Consolidation of proposals

1. Enforcement requester together with the proposal for enforcement for hand over of items which are with the debtor, or third person, may also submit the proposal for issuance of the decision or order from paragraph 1 of Article 277 of this Law. In the case of the consolidation of two concerned proposals, enforcement according to the Article 276 of this law and the procedure from this Article shall be applied at the same time.
2. The enforcement body may assign the foreseen enforcement from paragraph 3 of the Article 277 of this Law and may start its application but the actions of the sale of debtor's sequestrated items and transfer of money from his bank account cannot be done before it is concluded that the enforcement from paragraph 1 and 2 of the Article 276 of this law cannot be completed.
3. If the enforcement regulated with Article 276 of this law is successfully concluded, the enforcement body shall ex officio suspend the procedure, shall dismiss the decision or order from paragraph 1 of the Article 277 of this law and other completed actions from provisions of paragraph 1 of this Article. In such case, the enforcement requester shall carry the burden of expenses through submission of proposal from paragraph 1 of this Article.

Article 279

Enforcement for delivery of substitute items

If the enforcement document assigns the obligation for delivery of assigned quantity of substitute items which are with the debtor, or third person, the enforcement shall be

applied in foreseen manner for handover of individually assigned items Article 276 shall be enforced appropriately.

Article 280

Procedure when the items are not found

1. When the substitute items are not found with the debtor or third person, the enforcement requester may propose that enforcement is applied by the authorization of the enforcement body within the deadline to purchase such items on the debtor's expenses.
2. The proposal to purchase the items may be submitted by the enforcement requester within seven (7) days from the day when the enforcement body has informed him that items were not found with the debtor or with the third person.
3. Upon proposal of the enforcement requester, the enforcement body by decision or order shall order the debtor deposit within the deadline to the enforcement body the amount of money needed for purchase of items and shall assign the enforcement for payment of this amount with interest-delay from the day of evaluation of items until the day of deposition of the amount with the enforcement body.
4. The enforcement requester has a duty that in proposal from paragraph 1 of this Article assign an enforcement mean with the purpose of payment of the needed amount for purchase of substitute items.
5. Enforcement of the decision or order from paragraph 1 and 3 of this Article is conducted only after it becomes final.
6. If the enforcement requester within the deadline from paragraph 2 of this Article has not submitted the proposal for purchase of items, the enforcement body shall suspend the enforcement procedure except when the enforcement requester has timely submitted the proposal that debtor should pay him the value of items for which he was obliged to hand over.
7. If during the conduct of the procedure the value of the substitute items has changes, the enforcement requester may request the enforcement body to provide new evaluation and may order the debtor to pay the difference in value.

Article 281

The right of damage compensation

The provisions from this Title of this law do not affect the right of the enforcement requester to request through a claim against the debtor in contested procedure, the compensation for damage caused by failing to hand over or delivery of items.

TITLE XII

ENFORCEMENT FOR EVICTION AND HAND OVER OF REAL ESTATE

Article 282

Territorial jurisdiction in case of court enforcement

To decide on the enforcement proposal for eviction and hand over of the real estate and for the commission of enforcement, territorial jurisdiction is with the court covering the territory of real estate.

Article 283

Jurisdiction in case of enforcement by the private enforcement agent

The private enforcement agent has competence to decide on the enforcement proposal and to carry out enforcement proposal for eviction and hand over of the real estate, and for the commission of enforcement.

Article 284

The method of applying enforcement

1. The enforcement procedure with the purpose of eviction and hand over of the real asset shall be applied in the way by the enforcement body through removing persons and items from the real estate, hand over the estate under the possession of the enforcement creditor.
2. Eviction and hand over of real estate is conducted only after seven (7) days after deliver of the enforcement decision or enforcement writ to the debtor, and who did not submit an objection against such decision. In case that the debtor has submitted an objection against the enforcement decision or enforcement writ, the seven (7) days deadline will start running from the decision dismissing the objection is delivered to the debtor.
3. If juvenile persons are also to be evicted from real estate, the enforcement body shall inform the guardian body.
4. The enforcement creditor shall provide the required workforce and the transportation means with the purpose of completing enforcement. This notification shall be forwarded by the enforcement body to the creditor at least seven (7) days before applying enforcement.

Article 285

Compulsory measures when needed

1. Upon request from the enforcement body, the police authorities and guardian body shall provide the required assistance, for the purpose of completing enforcement actions from paragraph 1 of Article 284 of this law.
2. The court shall sentence the measure of eviction or fine from Article 15 and 16 of this law against the persons who obstruct enforcement.

Article 286

Removal of movable items from real estate

1. Movable items which should be removed from real estate shall be handed over to the debtor, and if he is not present, the items shall be handed over to the adult member of his family or to a person authorized by debtor.
2. If in the case of the commission of enforcement actions none of the persons from paragraph 1 of this Article is not present, or if they refuses to take over the items, the items will be handed over to other person for custody, on debtor's expenses.
3. The creditor has a duty to find another person to whom the removed items from

real estate will be delivered. The creditor may take over the debtor's removed movable items from real estate for custody on debtor's expenses.

Article 287

Confirmation of enforcement agent's actions

1. The enforcement body shall hand over removed items for custody to other person or to enforcement creditor. The enforcement body may later decide with conclusion to take over the removed items from other person and entrust to third person for custody.
2. For handing the items for custody to third person and for the costs of custody, the enforcement body shall inform the debtor, if this is possible, and shall assign a deadline by when he may request the handover of items after the payment of the costs of custody until that moment.
3. Together with this notification, the enforcement body shall warn the debtor that after the expiration of the assigned deadline from paragraph 2 of this Article, the items will be sold and costs of custody and sale of items will be covered from the price of the sale.

Article 288

The sale of the removed items

1. The enforcement body through conclusion will assign the sale of the removed items in interest of the debtor, if he within the deadline does not request their hand over and does not compensate the costs of custody.
2. The part of the sale incomes that remained after the payment of the costs of custody and sale, shall be deposited with the enforcement body in benefit of the debtor.
3. The sale of items shall be conducted according to the provisions of Chapter 2, Title 1 of this law, with the purpose of settling the monetary credit.

Article 289

Enforcement for settlement of costs

1. The creditor, with the purpose of eviction and hand over of immovable item, has the right with his enforcement proposal, to request assigning the enforcement for movable items of debtor in the same enforcement action, which should be removed from real estate with purpose of payment of procedural costs.
2. Enforcement from paragraph 1 of this Article shall be assigned and applied according to the rules from this law foreseen in the Title 1 Chapter 2 of this law for settlement of monetary credit, upon proposal from enforcement requester.

TITLE XIII
ENFORCEMENT FOR SETTLEMENT OF CREDIT FOR COMMISSION,
OMMISSION OR TOLERANCE/INCURENCE

Article 290
Territorial jurisdiction in case of court enforcement

If the debtor based on enforcement document has a duty to perform certain action, tolerate certain actions, or to omit from certain actions, territorial jurisdiction to decide about enforcement proposal is with the court in territory of which the debtor should fulfill the obligation assigned in enforcement document.

Article 291
Jurisdiction in case of enforcement by the private enforcement agent

The private enforcement agent has competence to decide on the enforcement proposal and to carry out enforcement if the debtor based on enforcement document has a duty to perform certain action, tolerate certain actions, or to omit from certain actions.

Article 292
Obligation for action which may be performed by anyone

1. Enforcement for settlement of obligation for action which may be performed by anyone, shall be applied in the way whereby the enforcement body authorizes the enforcement creditor, that in debtor's costs entrusts the other person with the commission of such action, or may perform the action himself.
2. In enforcement proposal the enforcement requester may propose that the enforcement body through the enforcement decision or the enforcement writ order the debtor to deposit that in advance the required amount for payment of expenses to be incurred with the commission of action by other person, or by creditor himself. The quantity of the deposited amount is assigned by the enforcement body at his discretion, considering the price list of the authorized person, for commission of such action, which is to be attached to the enforcement decision by the creditor.
3. Final decision or order on the amount of expenses from paragraph 2 of this Article shall be awarded by the enforcement body upon the proposal of the enforcement requester, respectively debtor, after the commission of action.
4. If later is concluded that based on decision or order from paragraph 2 of this Article more means than needed for coverage of expenses for commission of action and expenses of enforcement procedure are taken from the debtor, the enforcement body will return the difference if there are means taken by debtor, respectively will order to the creditor to return such difference within certain time-limit, if these were left in his disposal.
5. Based on decision from paragraph 2 of this Article, the enforcement may be proposed even before the enforcement decision or order becomes final, while based on the decision from paragraph 3 of this Article, only after it becomes final.

Article 293

Obligation of action which may be performed only by the debtor

1. If the action assigned by enforcement document may be completed only by debtor, the enforcement body with an enforcement decision or enforcement writ will assign a deadline to debtor for fulfilling the obligation. Through enforcement decision or enforcement writ the enforcement body at the same time shall threaten the debtor and eventually responsible persons of the debtor which is legal person that they will be fined according to Article 15 and 16 of this law, if within assigned deadline they does not fulfill the obligation.
2. If the debtor within deadline assigned by the enforcement body does not fulfill the obligation, the court upon proposal from enforcement requester will act further according to the provisions of Article 15 and 16of this law.
3. Debtor who has fulfilled its obligation within the deadline assigned by the court, shall without delay inform the enforcement body on such event, and shall submit to the enforcement body the mean undoubtedly proves the allegation. Such evidence include written certified statement of the enforcement requester, which shows that the compulsory action is performed, the record of enforcement body in which is concluded that the compulsory action is performed, conclusion and opinion of the expert, which show that the action is performed etc. In contrary it will be considered that the action is not performed.
4. If the action which may be performed only by the debtor, does not depend from his will (creation of and music artistic act, visual, literal, architectonic, etc), the creditor does not have right to request the reward from paragraph 1 of this Article, but only the right to request reward for caused damage.

Article 294

Obligation for tolerance and omission

1. If debtor is obligated to tolerate commission of any action, or to omit from the commission of an action, the enforcement body, upon proposal from the creditor who alleges that debtor is acting in contrary to his obligation, with decision or order will order debtor to behave in accordance with his obligation and threatens him with fine. Fines shall be enforced in case of failure to meet the obligations in line with Articles 15 and 16 of this law.
2. The creditor may submit a proposal to the court to sentence the debtor a fine because he, despite of the enforcement body's order, has continued to act in contradiction with the obligation. This proposal should be done in fifteen (15) days from the finding out of such debtor's behavior, but at latest within one year from the breach of obligation.
3. After expiration of deadline from paragraph 2 of this Article, the enforcement body through a decision shall refuse the proposal for sentencing a fine and shall suspend the procedure, while the creditor shall lose the right of presentation of new enforcement proposal, based on the same enforcement document.
4. Provisions of Article 293 of this law shall accordingly apply for the enforcement procedure from paragraph 1 of this Article.

Article 295

Deposit of guarantee for compensation of damage

1. Enforcement body, upon proposal by the creditor will order with decision or order the debtor to deposit with the enforcement body an amount of money for compensation of damage which creditor may suffer by further behavior of the debtor in contradiction with his obligation for tolerance and omission. In this case the enforcement creditor should truly prove the possibility of suffering of damage.
2. The duration of guarantee shall be assigned by the enforcement body considering the circumstances of the concrete case.
3. Based on decision for deposit of guarantee, the enforcement shall be applied upon proposal by the creditor.

Article 296

Enforcement with the purpose of restitution to the previous state

1. If because of the debtor's behavior in contradiction with his obligation from the enforcement document a change is created which is not in accordance with the rights of the creditor, the enforcement body shall authorize the latter with his proposal that himself, and if needed also with the help of enforcement body, reinstate the previous state on debtor's expenses and on his risk.
2. With regard to the deposit of needed amount for coverage of the costs that maybe caused by the restitution to the previous state and assignment of their definitive amount, the provisions for expenses for enforcement of action, which except the debtor, may be performed also by other person shall apply.

Article 297

Repeating obstruction of possession

1. If enforcement is completed based on enforcement document, issued upon the claim due to obstruction of possession, or if the debtor has voluntarily fulfilled his obligation, and after this again obstructs the possession which in essence does not differ from the previous obstruction, the enforcement body upon proposal from enforcement requester, based on the same enforcement document will issue new enforcement decision or writ, with the purpose of restitution to the previous state if needed, and will threaten the debtor with fine if he again commits obstruction of possession. Provisions of Article 290 of this law shall be accordingly applied.
2. Proposal for enforcement from paragraph 1 of this Article, the enforcement requester may submit within thirty (30) days from the day of finding out on the repeating obstruction of possession, but at latest within one (1) year from the repeated obstruction.

Article 298

The right of damage compensation (indemnity)

Provisions of this chapter of the law do not affect the right of the creditor to file a claim in the contested procedure claiming the compensation for damage caused through the

behavior of debtor in contradiction with the obligation assigned by the enforcement document.

TITLE XIV ENFORCEMENT OF DECISION FOR DIVISION OF ITEMS

Article 299

Territorial jurisdiction in case of court enforcement

To decide on enforcement proposal and for application of enforcement based on the decision for division of items, territorial jurisdiction is with the court in territory of which the item in co-ownership is situated.

Article 300

Jurisdiction in case of enforcement by the private enforcement agent

The private enforcement agent has competence to decide on the enforcement proposal and to carry out enforcement on the enforcement proposal for movable items and for application of enforcement based on the decision for division of items.

Article 301

Physical division of the item

1. Physical division of the joint item, shall be assigned by the enforcement body if such a division is foreseen with the enforcement document.
2. Special actions for commission of the physical division shall apply according to the circumstances of the case by the enforcement body.
3. The enforcement body will summon the participants of the procedure to be present during the commission of physical division of the item.
4. If needed, the enforcement body may assign the expertise.

Article 302

Division of item through sale

If based on enforcement document the joint item should be sold for the purpose of division, the sale will be done in a manner foreseen in Chapter 2 Title 1 and 9 of this law. For certain issues the parties may agree differently.

Article 303

Determining the manner of division

1. Enforcement body shall decide according to the rules on legal-property relations whether to conduct physical division of the item, or through sale, if the enforcement document does not assign the manner of division, and the parties have not agreed on such issue.
2. Division will be conducted through sale of the joint item, if the enforcement

procedure concludes that foreseen physical division of the item is impossible, or may be possible through reducing the value of item.

Article 304

Costs of the enforcement procedure

1. Costs of applying the enforcement according to the provisions of this chapter, shall be covered by all co-owners proportionally with the value of portions belonging to them over the item in their co-ownership.
2. Co-owner, who has incurred special expenses, shall pay such expenses to the co-owners who had such expenses.

TITLE XV

ENFORCEMENT FOR THE PURPOSE OF TAKING THE STATEMENT OF WILL

Article 305

Non-conditioned credit

1. If the debtor through enforcement decision or enforcement writ is obliged to provide a statement of will, it shall be considered that the statement as provided in the enforcement document is given at the moment when such decision became final.
2. If the debtor has undertaken the obligation of giving the statement of will through court or administrative settlement, it shall be considered that the declaration as in the settlement was given at the moment when his obligation became claimable according to such settlement.

Article 306

Conditioned credit

If the fulfillment of obligation for giving of statement of will depends on fulfillment of any obligation by the enforcement creditor, or from any other condition, it shall be considered that debtor has given his statement at the moment when the creditor has fulfilled his obligation, or at the moment of fulfillment of other condition which is proven by public document, or with the document certified according to the law.

TITLE XVI

ENFORCEMENT THROUGH REGISTRATION OF THE RIGHTS IN PUBLICBOOK

Article 307

Territorial jurisdiction in case of court enforcement

1. For decision on proposal for enforcement with purpose of establishment of the rights on real estate through registration in public book, and for the transfer, limitation, or deletion of the registered right, territorial jurisdiction is with the court

- in which territory is situated the body which keeps public book on real estates.
2. The court has territorial jurisdiction or body that holds the public register for such real estate is competent to apply enforcement referred to paragraph 1 of this Article.

Article 308

Jurisdiction in case of enforcement by the private enforcement agent

The private enforcement agent has the jurisdiction to decide on the enforcement proposal and to carry out enforcement with purpose of establishment of the rights on real estate through registration in public book, and for the transfer, limitation, or deletion of the registered right.

Article 309

Manner of application of the enforcement

1. Based on the enforcement document which assigns the obligation for registration in public book, the enforcement body shall order the public book to conduct the respective registration.
2. Assigned registration through enforcement decision or enforcement writ shall be applied ex officio.

Article 310

Registration of the right of ownership when the debtor is not registered as owner

When debtor is not registered as owner of real estate, the registration of the right of ownership of creditor for this real estate may be done if, creditor together with the enforcement proposal submits the evidence in conformity with the rules for registration of the rights on real estate, that legal predecessor of debtor is the person who is registered as owner.

Article 311

Registration of item's other rights when debtor is not registered as owner

When upon the enforcement document the creditor is authorized to request registration of the right of pledge against the debtor, or any other right on items in real estate except the right of ownership, while the debtor is not registered as owner of real estate, the enforcement creditor may request through the enforcement proposal that the right of ownership be registered in debtor's name followed by the registration of the right of creditor, if he presents evidence, in accordance with the provisions for registration of the rights in real estate, which show that the debtor has gained the right of ownership on such real estate.

TITLE XVII
ENFORCEMENT OF DECISION ON REINSTATING TO WORKING PLACE

Article 312
Territorial jurisdiction

1. To decide on enforcement proposal based on enforcement document forcing the employer to reinstate the employee to work, or to assign him/her to appropriate position and for application of enforcement, territorial jurisdiction is with the court in whose territory the employment relation is created.
2. The court has exclusive competence over the enforcement of the enforcement decision in relation to reinstatement of the employees and civil servant to work.

Article 313
Deadline for presenting the enforcement proposal

Enforcement proposal based on enforcement document for reinstatement to work may be presented within ninety (90) days from the day when the decision becomes final.

Article 314
Method of applying the enforcement

1. Enforcement based on enforcement document forcing the employer to reinstate the worker, or to provide him/her appropriate working position, shall be applied through fines against the employer and responsible person of the employer.
2. Fine shall be determined according to the provisions of Article 15 and 16 of this law and enforcement provisions for purpose of settlement of credit for action that may be performed only by debtor.

Article 315
Indemnity payment in case of return of worker to work

1. Creditor who has submitted the proposal for return to work, has the right to request the court the issuance of the decision forcing the debtor to pay him/her monthly salaries which become claimable, from the day when the decision became final until the day of return to work. Through the same decision, the court assigns enforcement for settlement of monthly salaries.
2. Request from paragraph 1 of this Article may be attached to the enforcement proposal, or may be presented latter until the conclusion of the enforcement procedure.

Article 316
The effect of compensation decision

1. Decision issued according to paragraph 1 of the Article 315 of this law has the effect of the decision certifying the existence of obligation of debtor and effect of enforcement decision.

2. Debtor may propose that decision from paragraph 1 of this Article is invalidated if after its issuance, the circumstances based on which it was issued have changed.
3. Compensation of monthly salary is assigned in amount which the worker would earn if at work.

Article 317

Settlement of compensation in special procedure

1. Enforcement creditor shall reserve his right for payment or compensation of monthly salaries or other payments while he was unemployed due to illegitimate decision of the employer for his dismissal from duty and may request his case to be processed in contested procedure
2. If the enforcement court only partially approves the request for payment of monthly salary, than the court will instruct the enforcement creditor to settle the other part of his request in contested procedure.

TITLE XVIII

ENFORCEMENT OF DECISIONS FROM THE AREA OF FAMILY LAW - HAND OVER AND TAKING OF CHILD

Article 318

Territorial jurisdiction

1. The court of general territorial jurisdiction for the party who requests the enforcement, but also the court in whose territory is the child is located shall have the jurisdiction to decide on proposal for enforcing the court order ordering the handover of a child to parent, or to other person, respectively institution to which the child is entrusted for custody and education.
2. Territorial jurisdiction for application of enforcement is with the court in territory of which the child is located at the time of enforcement.

Article 319

Right for presenting the proposal

Proposal for enforcement of decision may be presented by a parent or other person to whom the child is entrusted for custody and education, and also authority of custody.

Article 320

Method of application of enforcement

1. In case of application of enforcement, court shall especially regard the need for protection of interests of the child in highest possible extent.
2. Through the enforcement decision, the court shall assign to the debtor three (3) days from the day of delivery of decision to hand over the child to the parent or other person respectively institution to which the child is entrusted for custody and education, under the threat of fine.

Civil laws

3. Fine shall be given and enforced according to the provisions of this law for commission of act which may be conducted only by the debtor.
4. If the enforcement may not be applied through sentencing and enforcement of decision on fine, the enforcement will be applied by taking the child from the person where the child is held, and hand over to the parent, or other person respectively institution to whom the child is entrusted for custody and education.
5. Taking and hand over of child according to paragraph 4 of this Article may be conducted only by the judge in cooperation with psychologist from the custody institution, school, family consultation center, or other specialized institution for mediation in family relations.

Article 321

Continuation of enforcement

Court, upon proposal by the party to whom the child is entrusted, shall continue the enforcement according to the same enforcement decision, if the child within three (3) months from the day of child's hand over is found to be again with the person from whom it was taken.

Article 322

Taking of child

1. Exceptionally from provisions of Article 320 of this law, in the case it is concluded that his life, health or psycho-physical development is threatened, court shall apply the enforcement without assigning deadline for handover of child and without giving court fines, by taking the child and handing him/her over to the parent or other person respectively institution to whom the child is entrusted for custody and education.
2. This enforcement shall be applied in cooperation with the custodian authority, in a manner regulated by Article 320 paragraphs 4 and 5 of this law.

CHAPTER III

PRIVATE ENFORCEMENT AGENT

TITLE I

OFFICE AND COMPETENCIES

Article 323

Status and competencies of the private enforcement agent

1. The private enforcement agent, in the performance of authorizations entrusted to him/her by this law, shall be appointed by the Minister of Justice (hereinafter: the Minister) in the territory of the basic court.
2. The private enforcement agent is competent to undertake all actions defined by Article 341 of this Law and other actions permitted or assigned to him under the law, except where expressly forbidden under the law.

3. The private enforcement agent shall undertake actions to implement the enforcement within the territory for which he/she has been appointed
4. At the request of the creditor, the private enforcement agent may undertake actions to implement the enforcement also outside the territory for which he/she has been appointed, either in person or through a private enforcement agent of the other territory.
5. The organs of state administration may entrust the private enforcement agent with the implement of enforcement in the procedures, which are applied based on the decisions of these state organs, unless it is provided otherwise with a special law.
6. The seat of the private enforcement agent shall be located within the territory of the basic court for which he/she has been appointed.

Article 324

Activities incompatible with the performance of enforcement actions

1. The performance of supervisory or management functions in the commercial entities, state entities, financial services, commercial affairs and notary and lawyers' duties shall be incompatible with the performance of enforcement actions.
2. The enforcement agent may not enter into employment relationship with a state of commercial entity.
3. The restriction referred to in paragraphs 1 and 2 of this Article shall not apply to scientific, technical, artistic or educational activities, or the conduct of activities in the Chamber and international associations of enforcement agents.

Article 325

Dismissal

1. The provisions of the Law of Contested Procedure that apply on the dismissal of judges shall accordingly apply to the dismissal of enforcement agents.
2. The judge of the basic court within whose territory the enforcement agent is appointed shall decide on the request for dismissal.
3. No appeal is allowed against the decision for approval or dismissal or a request for disqualifying any private enforcement agent.
4. Enforcement actions of the enforcement agent, performed in contradiction with the paragraph 1 of this Article, shall be null and void.

TITLE II

APPOINTMENTS AND OATH

Article 326

Conditions for appointment of the private enforcement agent

1. The person who meets the following conditions may be appointed as a private enforcement officer:
 - 1.1. he/she must be a citizen of Republic of Kosovo;
 - 1.2. he/she must have a legal capacity to act and must be medically fit;

Civil laws

- 1.3. he/she must have graduated the faculty of law, in the country or abroad, with nostrified diploma in Republic of Kosovo;
 - 1.4. he/she must have passed the Bar Exam;
 - 1.5. he/she must have at least three (3) years of legal experience;
 - 1.6. he/she must have passed the enforcement examination;
 - 1.7. he/she is not undergoing any investigation procedure for any criminal violation, respectively he is not convicted for any criminal offense with imprisonment for any act punishable for at least six (6) months of imprisonment, which affects the integrity of enforcement agent.
 - 1.8. he/she must provide a declaration of assets before a public notary, with all the consequences for providing false statement.
2. If criminal proceedings are pending against a person who has filed an application for appointment as an enforcement agent, the appointment decision shall be postponed until the final decision is reached in the criminal procedure.

Article 327

Setting the Enforcement Agents number

1. The number of private enforcement agents shall be determined by the Minister in accordance with this law.
2. For the territory of the basic court, one public enforcement agent's position shall be assigned for twenty five thousand (25.000) inhabitants.
3. The number of private enforcement agents for the territory of the Basic Court may be increased until the number of public enforcement agents appointed in each region shall meet or exceed the ratio provided by paragraph 2 of this Article.
4. Exclusively from paragraph 2 of this Article, the Minister of Justice, depending on the need or according to the request of the Kosovo Judicial Council or the Chamber of Enforcement Agents decides on appointing more enforcement agents.

Article 328

Appointment procedure for private enforcement agents

1. The Minister shall appoint private enforcement agents on the basis of a competition.
2. The Ministry of Justice (hereinafter: the Ministry) shall publish a vacancy announcement in at least two (2) daily newspapers.
3. The vacancy announcement deadline shall not be less than thirty (30) days from the date of announcement under paragraph 2 of this Article. The applicants must attach the respective documentation proving the eligibility requirements from Article 326 of this law.
4. The Commission for the Evaluation of Candidates (hereinafter the Evaluation Commission) shall be appointed by the Minister, which is composed as following:
 - 4.1. one (1) Supreme Court judge nominated by the Kosovo Judicial Council;
 - 4.2. two (2) enforcement agents nominated by the Chamber of private enforcement agents;
 - 4.3. one (1) representative of the Ministry of Justice who has at least ten (10) years of experience in the field of justice;

- 4.4. one (1) full professor of the civil law.
5. For the first batch of private enforcement agents until the establishment of the Chamber of private enforcement agents, members from sub-paragraph 4.2 of this Article shall be substituted by two (2) judges nominated by Kosovo Judicial Council.

Article 329

Organization of enforcement agent evaluation and examination

1. Evaluation commission, after evaluating the applications and documentation, shall provide the list of candidates nominated to be submitted to the minister.
2. Upon selection among high number of applicants, their results from private enforcement agents' exam.
3. The Minister shall issue a bylaw on the work of the Evaluation Commission.

Article 330

Appointment of private enforcement agents

1. The Minister, within thirty (30) days from the day of receiving the list with nominated candidates shall take a decision for appointment of private enforcement agents.
2. The Minister's decision for appointment shall be sent to the private enforcement agent and shall be published in the official website of the Ministry of Justice, and the decision may not subdue the administrative appeal; only administrative conflict may be initiated against the decision.
3. The Minister shall arrange the re-examination and repeating the appointment process within nine (9) months after prior examination if there are vacant positions that were previously announced but remained open or became vacant in this period of time.

Article 331

Oath and commencement of activity of the private enforcement agent

1. The person appointed as a private enforcement agent shall take an oath before the Minister, within thirty (30) days from appointment,
2. The text of the oath is as follows:
“I swear that I shall perform my enforcement actions with dignity, honor, and impartiality in accordance with the Constitution and laws of Republic of Kosovo and by defending the interests of parties.”
3. The private enforcement agent within sixty (60) days from taking the oath shall forward to the ministry all evidence proving the fulfillment of requirements from Article 332 of this law.
4. The minister shall assign the date for commencing the enforcement activity, while the private enforcement agent the Chamber of Enforcement Agents shall be duly notified.

Article 332
Requirements to be met after taking the oath

1. After taking the oath, the private enforcement agent:
 - 1.1. concludes an insurance agreement for damages that he/she may cause to third persons during the service;
 - 1.2. concludes an agreement insuring the premises and objects received for deposit in case of their damage, destruction or loss;
 - 1.3. opens a separate account in one of the commercial banks where only the money from the enforcement cases will be deposited and will be used exclusively for settlement of the creditors' debts;
 - 1.4. provides office space in the territory of the basic court where the seat will be located;
 - 1.5. provides necessary equipment for conduct of enforcement;
 - 1.6. shall have the official square and round seal and stamp;
 - 1.7. shall deposit his signature and initials with the basic court within the region he/she is appointed. In the event of relocation of his place outside the territory of the basic court, after the appointment of the enforcement agent for the new place, he shall deposit his signature and initials with the registry of the basic court in the territory where he/she is relocated.
2. The minimal technical and other conditions dealing with the equipment and premises under sub-paragraphs 1.4 and 1.5 of paragraph 1 of this Article shall be determined by the Minister.
3. It shall be considered that the private enforcement agent has not been appointed if:
 - 3.1. refuses to take the oath;
 - 3.2. does not respond to the invitation for taking the oath with no justifiable reasons;
 - 3.3. within the deadline from Article 331, paragraph 3 of this law does not provide the evidence for meeting the requirements provided for commencing the activity, or
 - 3.4. does not start exercising the activity in the date as set.
4. The Minister shall issue the decision on cases provided under paragraph 3. of this Article. Decision cannot be appealed in administrative procedure and no administrative conflict can be instituted against.

Article 333
Stamps and identification card of the private enforcement agent

1. The enforcement agent shall have the official stamp and round stamp (hereinafter: stamp). The certified stamp sample and certified signature of the enforcement agent shall be deposited to the Ministry and the basic court within which territory the enforcement agent is appointed.
2. The stamp contains the logo of Republic of Kosovo, enforcement sign, the personal name of the enforcement agent and the seat of the enforcement agent. The private enforcement agent uses the stamps only after commencing the duty of the enforcement agent and only for actions for which the enforcement agent has undertaken within his/her legal activity

3. The enforcement agent, the replacer enforcement agent and the deputy enforcement agent shall have the enforcement identification card, which is issued by the Minister. The enforcement agent, the replacer enforcement agent and the deputy enforcement agent use the card after the commencement of the duty and exhibit the card during the performance of enforcement actions.
4. The form and content of the identification card of the enforcement agent is determined by the Minister.

Article 334

Registration in the register of private enforcement agents

1. Private enforcement agents, the replacers and the deputy enforcement agents shall be registered in the register of private enforcement agents, based on notification and evidence from Article 332 of this law, on the day of commencing the exercising the activities.
2. Ministry and Chamber of Private Enforcement Agents shall publish data on registration and commencement date on their official websites.
3. Private enforcement agents cannot commence exercising the enforcement activities before the assigned commencement date.
4. The records shall contain the following data:
 - 4.1. registration ordinal number
 - 4.2. name and date of birth of private enforcement agent;
 - 4.3. personal number;
 - 4.4. territory of the court for which the enforcement agent has been appointed;
 - 4.5. number and date of appointment decision;
 - 4.6. data of taking the oath;
 - 4.7. date commencing the enforcement activities;
 - 4.8. disciplinary measures, which have been imposed against the private enforcement agent;
5. Data from paragraph 4 of this Article shall be also entered for replacers and the deputy enforcement agents, except information on territory of the court for which they have been appointed and official seat.
6. The private enforcement agent, the replacer or deputy private enforcement agent shall notify within fifteen (15) days the Ministry and the Chamber for changes of data in the official record.

TITLE III

EXAM FOR PRIVATE ENFORCEMENT AGENTS

Article 335

Organizing the exam for private enforcement agents

1. The exam for private enforcement agent may be attended by the individual who is graduated from the faculty of law, according to four year study program or holding masters degree, with at least three (3) years of legal experience.
2. The exam for private enforcement agent shall be organized in line with the bylaw on exam for private enforcement agents, issued by the Minister.

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3. Application for taking the exam for private enforcement agent, accompanied with evidence showing that conditions from paragraph 1 of this Article are met, shall be submitted to the minister. The minister shall issue a decision on organizing the exam for private enforcement agents to individuals who meet the requirements provided by the law.
4. After successful completion of the exam, certificate signed by the Minister shall be issued to the private enforcement agent.
5. Ministry shall hold records of individuals who have passed the exam for private enforcement agents.

Article 336

Private enforcement agents' Examination Committee

1. Exam for private enforcement agents shall take place before the private enforcement agents' Examination Committee (hereinafter: Examination Committee).
2. The composition of the Examination Committee shall be determined by the Minister through a decision.
3. The President, members and secretary of the Committee shall be entitled to reward for their work in the Commission at the amount set by the Minister.

TITLE IV

RIGHT AND OBLIGATIONS OF THE PRIVATE ENFORCEMENT AGENT

Article 337

Independence

1. The private enforcement agent is independent and shall carry out functions only in accordance with the law.
2. In case a private enforcement agent is arrested or charged as defendant for crime of general character, the Minister of Justice and the Chamber Council shall be notified.

Article 338

Partnership of Private Enforcement Agents

1. Partnership companies of private enforcement agents may be established only by private enforcement agents for conduct of business under the conditions and in accordance with the provisions of the Law on Business Organizations.
2. Private enforcement agents in partnership according to paragraph 1. of this Article shall keep both their joint and individual records.

Article 339

Performance of enforcement actions

1. The private enforcement agent shall be responsible for the performance of enforcement actions in accordance with the provisions of this law.

2. The private enforcement agent shall perform the enforcement actions himself/herself or according to his/her authorizations the deputy of the private enforcement agent or his/her employee. The authorized persons by the private enforcement agent shall act in the name and in account of the enforcement agent.
3. The private enforcement agent, if necessary, for several actions of the enforcement of enforcement, may engage a third person to assist in such actions.
4. The private enforcement agent shall be liable for damage caused by the persons as mentioned in paragraphs 2. and 3. of this Article during their conduct of certain enforcement actions.
5. Employees of the private enforcement agent shall keep official secrets under the conditions that apply to the enforcement agent himself.
6. The Minister shall set forth the form, content and manner of maintenance of records on the received enforcement applications.

Article 340 **Obligation for Enforcement**

1. The private enforcement agent shall at all times be required to perform the official acts to which he is authorized in the entire region in which his place of practice is located, unless:
 - 1.1. there are reasons for exclusions;
 - 1.2. enforcement proposer does not pay the advance for the performance of official acts as required for the private enforcement agent under this act.
2. If circumstances arise as referred to in paragraph 1 of this Article, the private enforcement agent, insofar as this is within his power, shall take the necessary measures to ensure that the enforcement actions can be performed locally if required. To this end the enforcement agent may request the Minister to appoint a replacer enforcement agent. He may recommend a replacer enforcement agent.
3. If the private enforcement agent has been prevented from fulfilling his office for more than thirty (30) days, he shall so inform the Minister, stating the measures referred to in paragraph 2 of this Article he has taken.

Article 341 **Duties of the private enforcement agent**

1. The private enforcement agent in the procedure of assigning and implementing enforcement, in line with provisions and restrictions foreseen with this Law:
 - 1.1. issues and implements the enforcement order in line with his/her authorizations;
 - 1.2. receives and acts according to enforcement proposals based on claims and proposals for implementing enforcement of claims and assigns the method of enforcement if the creditor has not provided the proposal;
 - 1.3. to serve acts and writs;
 - 1.4. to identify the parties and participants in the enforcement procedure;
 - 1.5. to collect the data for the property situation of the debtor;
 - 1.6. to draw conclusions, draft transcripts, requests and other official data in accordance with authorizations as provided by this law;

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- 1.7. to perform registration, property evaluation, sequestration and sale of movable property, and real estate rights;
- 1.8. to accept and preserve the registered and insured property of the debtor, order the transfer of ownership and perform the division of property and other monetary means realized by the property sale;
- 1.9. to perform the eviction and other enforcement actions for the purpose of enforcement of enforcement in accordance with this law and bylaws;
- 1.10. to mediate between debtor and creditor for purpose of reaching a settlement between them, following the request of the debtor or creditor;
- 1.11. to receive and transfer the monetary means in accordance with this law;
- 1.12. to maintain the records of cases in which he/she acts according to the form determined by the Minister;
- 1.13. to undertake other actions as provided for by this law, or the bylaws of the Chamber.

Article 342

Protection of Debtors rights

1. In his conduct of enforcement of claims, enforcement agent shall comply with this law, court decisions and requirements as set in the decision on enforcement, limiting enforcement to certain instruments and objects.
2. During the implementation of the enforcement the personal dignity of the debtors shall be preserved, and the enforcement shall be less cumbersome for the debtor.
3. Immediately upon completion of any enforcement action or activity concerning security of a claim, enforcement agent shall enter the enforcement activities in the records referred to in Article 349 of this law.

Article 343

Data Protection

1. The provisions of the Law on Private Data Protection are also applicable to the enforcement authority.
2. The enforcement authority should avoid processing data that is not necessary for this purpose.
3. The private enforcement agent shall keep the confidential data that he has access to during the conduct of his duty and may not use them to acquire personal gain or gain for other persons.
4. The duty referred to in paragraph 1. and 2. of this Article shall apply even after one terminates his service as enforcement agent.
5. Private enforcement agents shall be legally responsibility for maintaining confidentiality when secret, confidential or sensitive information comes to their attention in the course of enforcement proceedings. In case of a breach of this duty, measures of disciplinary liability are applicable, along with civil and criminal sanctions.

Article 344
Supplementary Activities

1. The private enforcement agent shall perform activities other than those referred to in Article 340 of this law only if they do not affect or obstruct the proper and independent discharge of his office or its reputation.
2. With regards to the interests referred to in paragraph 1. of this Article, the Minister may issue bylaws with regard to the performance of certain activities.
3. Through bylaw the Minister may prohibit certain activities of the enforcement agent, except with regard to:
 - 3.1. the collecting of moneys for third parties;
 - 3.2. inventories and valuations;
 - 3.3. drawing of a written statement regarding substantive facts observed by the private enforcement agent personally.

Article 345
Access to data

Organs of public administration, organs of central government and other organs in their subordination, banks, entrepreneurs and other legal persons, following the request of the enforcement agent, shall ensure access to data which are necessary for the performance of enforcement actions.

Article 346
Cooperation

1. In exercising his authorizations the private enforcement agent may request the cooperation from all state bodies, officials and organizations, who shall be obliged to provide the cooperation requested.
2. The Police department shall immediately provide cooperation to the private enforcement agent at his or her request. Enforcement agent may make such a request in case of obstruction of the discharge of his functions, but the Police shall not decline a request for cooperation or assistance filed by an enforcement agent.

Article 347
Liability for the damage

1. The private enforcement agent shall be liable for the damage inflicted during the performance of enforcement actions and as a result of his negligence or of the negligence of the persons working under his responsibility as mentioned in Article 338 of this law.
2. The private enforcement agent shall provide personal insure for the period of his activity and for the period not less than three (3) years following the transfer, revocation or retirement from profession, against the damages that may result from failure to accomplish his tasks or failure of individuals working under his responsibility as mentioned in Article 338 of this law.

3. Minimum required insurance policy the enforcement agent must hold for damages that the enforcement agent may cause against the creditor, debtor, third parties or any other person during his service, shall be one hundred thousand (100.000) Euro or ten percent (10%) of the total value of registered decisions but not concluded by his/her Office.

TITLE V MAINTAINING BUSINESS RECORDS

Article 348 The Official archive

1. Private enforcement agent shall maintain records of all received proposals for assigning and performing enforcements and other claims.
2. The private enforcement agent shall maintain records for the received and concluded cases in the official archive. The records shall include the following data:
 - 2.1. name of court ordering enforcement or settlement of claim;
 - 2.2. number of the enforcement case;
 - 2.3. number of enforcement object or object used for settling the claim;
 - 2.4. data about the creditor and debtor given in the enforcement decision;
 - 2.5. date of receipt of enforcement claim and collection of debt;
 - 2.6. date of decision assigning of the private enforcement agent and date of the receipt of the decision;
 - 2.7. object and mean of enforcement if such data can be found in the decision on enforcement;
 - 2.8. claimed amount;
 - 2.9. decisions taken during enforcement;
 - 2.10. amount of collected debt;
 - 2.11. time and outcome of conducted enforcement;
 - 2.12. data on persons settled and amount of settlement;
 - 2.13. final amount of reward and compensation of cost of the private enforcement agent.
 - 2.14. total number of cases per year handled by the private enforcement agent.
3. The records as mentioned in paragraph 1. of this Article shall be considered public records and shall form the official archive of the enforcement agent.
4. The bylaw to be issued by the Minister shall closely regulate the record taking from paragraphs 1. and 2. of this Article, access on records and handling of records in case of death, dismissal or rest of activity of the private enforcement agent.

Article 349 Business and personal records

1. The private enforcement agent shall keep records both with regard to his work and with regard to his business assets. These records shall at all times shall show his rights and obligations.

2. The private enforcement agent shall also keep records of his personal assets, also including the joint assets by marriage or entered into through registered partnership. Every year the enforcement agent shall draw a balance sheet both with regard to his business assets and his personal assets as well as a statement of incomes and expenditures with regard to his business.
3. The records regarding his work referred to in paragraph 1. of this Article shall relate to the official acts as well as the other activities referred to in Article 344 of this law carried out by the private enforcement agent.
4. The terms and procedure regarding the manner in which business and personal records shall be arranged and kept shall be specified in a Regulation of the Minister of Justice, issued after receiving an opinion of the Chamber.

Article 350

Duties Concerning Management and Disposition of Monetary Funds

1. The enforcement agent shall maintain at least one (1) bank account to be used exclusively for monetary deposits resulting from enforcement procedures.
2. Any money entrusted to the private enforcement agent in connection with his work for third parties shall be paid to this account. If such money has been paid to another enforcement agent's accounts by mistake, or if money has been paid erroneously to the special account, the enforcement agent shall pay such money to the correct account without delay. The same applies if the money is given to the enforcement agent in person. The erroneously enforcement agent shall state the number of the special account on his document.
3. The enforcement agent shall be exclusively authorized to administer and hold the special account. He may grant a power of attorney to a person working under his responsibility.
4. An enforcement agent shall forthwith supplement a deficit in the balance of the special account and shall be liable with regard to such deficit, unless he can demonstrate that he is not to blame for the deficit.
5. The right of all claimants whose funds are found on this account shall be computed pro rata to the amount that has been paid into the special account for his benefit.
6. Insofar as it is not born otherwise from the nature of his right, a rightful claimant shall at all times be entitled to payment of his share in the balance of the special account.
7. If the balance of the special account is inadequate to pay out the amount of his share to each rightful claimant, the enforcement agent may pay to the rightful claimant only such amount as the rights of the other rightful claimants allow. In that case the balance will be distributed among the rightful claimants pro rata to shares of each claimant, provided that if an enforcement agent is a rightful claimant, he shall be apportioned the amount remaining after all the other rightful claimants have received their shares to which they are entitled.
8. The funds kept on a special account may not be subject of seizure for the purpose of settling any debts of enforcement agent. If a garnishee order has been issued against the judicial agent on the share of a rightful claimant in the special account, the judicial agent who has made a statement in accordance with the provisions of

the law may pay the judgment creditor in accordance with the statement or order without so being instructed by the rightful claimant.

9. By a bylaw issued by the Minister the manner of computation shall be laid down, threshold amount under which the interest and payment of the interest on the moneys paid into the special account cannot be paid. No interest shall be due below the threshold to be determined by the Minister.
10. Enforcement agent shall also maintain separate accounts for rewards and refund of cost, as well as for any funds from additional activities referred to in this Article and Article 344 of this Law.
11. If several enforcement agents work together in a partnership, the special account may be held in the joint names of those private enforcement agents, the partnership or the company.
12. The private Enforcement Agent shall transfer to the creditor all funds due to creditor no later than three (3) days following the receipt.

Article 351

Training of private enforcement agents

1. Private enforcement agent, replacer and deputy private enforcement agent shall attend professional training.
2. The chamber shall keep records of seminars and other forms of professional trainings of private enforcement agents and reports to the Minister.

TITLE VI

STATEMENT OF EXPENSES

Article 352

Compensation for actions of enforcement

1. The enforcement agent is entitled to award for his work and refund of costs incurred in relation to his work in accordance with tariffs on awards and cost refund for enforcement agents.
2. Tariffs on enforcement agents, the calculation method and amount of reward and other costs relating to the procedures, and the transfer of cases and records from the dismissed private enforcement agent to another private enforcement agent shall be determined by the KJC upon proposal of the Chamber.
3. Debtor is not responsible for any compensation to the enforcement agent, or any recovery of expenses, in excess of the amounts defined by the tariff.

Article 353

Costs Incurred by Enforcement agent

1. The costs of private enforcement agent incurred in relation to the enforcement procedure shall be considered costs of that procedure.
2. The enforcement agent shall draw up a statement of expenses with regard to a case entrusted to him, which clearly shows how the expenses charged have been

computed and whether they relate to official acts or to other activities as referred to in Article 344 of this Law.

TITLE VII REPLACER AND DEPUTY PRIVATE ENFORCEMENT AGENTS

Article 354 Replacer private enforcement agent

1. The replacer private enforcement agent (hereinafter: the replacer) shall replace the enforcement agent when he/she is prevented from the performance of enforcement actions due to illness, absence or temporary revocation of the right to exercise the profession.
2. The following may be appointed as replacer private enforcement agent:
 - 2.1. private enforcement agent;
 - 2.2. a person who meets the requirements for appointment as enforcement agent, as mentioned in Article 326 of this law, with the exception of requirement upon paragraph 1 of this Article.
3. The Minister shall with the decision appoint the replacer private enforcement agent. The decision of the Minister on the appointment of the replacer private enforcement agent shall be final. The person from paragraph 2 of this Article who is appointed as replacer private enforcement agent for the first time, shall take an oath before the Minister.
4. The term of replacer shall end:
 - 4.1. upon return of the enforcement agent he was replacer;
 - 4.2. upon expiry of the term he was replaced for;
 - 4.3. upon removal by the Minister;

Article 355 The rights and duties of the replacer private enforcement agent

1. The person appointed as a replacer private enforcement agent shall have the same rights, duties and responsibilities as the private enforcement agent. The provisions of this law in relation to the commencement, image, and content of the legislation, performance of duties, responsibilities and disciplinary measures of the private enforcement agent, non-compliance with the enforcement actions, control of the work of the private enforcement agent and dismissal of the private enforcement agent shall also apply to the replacer enforcement agent.
2. The replacer enforcement agent shall be authorized to enforce an application for the performance of official acts directed at the private enforcement agent to be replaced. He shall inform the applicant of the replacement.
3. The enforcement agent to be replaced shall grant the replacer private enforcement agent access to his records insofar as required for the replacement.
4. In the event of replacement on account of death, illness or absence the replacer private enforcement agent may continue providing records of the private enforcement agent that was the object of agreement with the latter.

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5. After expiry of the replacement, paragraph 3. of this Article shall apply mutatis mutandis to the replacer private enforcement agent with regards to the replaced private enforcement agent.
6. When performing official acts, the replacer enforcement agent shall state his capacity. Except in the event of removal, he shall mention not only his own name, but also the name and place of practice of the private enforcement agent he replaces.

Article 356

The deputy enforcement agent

1. The private enforcement agent may have no more than two (2) deputy enforcement agents.
2. The person who fulfills the conditions provided for by this law for the appointment of the private enforcement agent may be appointed as deputy private enforcement agent.
3. The deputy private enforcement agent (hereinafter: the deputy) replaces the enforcement agent, on a daily base, when he/she is prevented from the performance of enforcement actions due to illness, holiday or temporary absence.
4. When acting in procedures of enforcement and security of claim deputy private enforcement agent shall use the seal and stamp of the private enforcement agent for whom he acts.
5. When acting in procedures of enforcement and settling of a claim, deputy private enforcement agent shall use his ID card and badge with his name and title “deputy private enforcement agent” inscribed.
6. The person appointed as a deputy private enforcement agent shall have the same rights, duties and responsibilities as the private enforcement agent.
7. The enforcement agent is responsible for the work of the deputy enforcement agent and shall with solidarity be liable for the damage caused by the work of the deputy enforcement agent.
8. The provisions of this law in relation to the commencement, image, and content of the legislation, performance of the duty, responsibilities and disciplinary measures of the private enforcement agent, non-compliance with the enforcement actions, control of the work of the private enforcement agent and dismissal of the private enforcement agent shall also apply to the deputy private enforcement agent.
9. The Ministry of Justice shall set in a special regulation the term for which the approval is valid, and the number of deputy private enforcement agents that may work simultaneously under the responsibility of one private enforcement agent.

Article 357

Appointment of Private Deputy Enforcement agent

1. The Minister shall with the decision appoint the deputy private enforcement agent following the proposal of the private enforcement agent.
2. The decision of the Minister on the appointment of the deputy private enforcement agent shall be final.

3. The person appointed as deputy private enforcement agent shall enter upon office on the day he takes and signs his oath before the Minister. The oath shall read as follows:
“I swear to observe the laws of Kosovo and perform the office of deputy private enforcement agent conscientiously, fairly, and impartially.”

Article 358

End of the mandate as a deputy private enforcement agent

1. The mandate as a private deputy enforcement agent shall end by:
 - 1.1. written notification to the Minister and the deputy private enforcement agent of the withdrawal of the designation by the private enforcement agent who made the designation;
 - 1.2. the dismissal from duty or death of the designating private enforcement agent;
 - 1.3. withdrawal of the approval or the expiry of the term for which the appointment was granted;
 - 1.4. appointment of the deputy private enforcement agent as enforcement agent.

TITLE VIII SUPERVISION

Article 359

Control over the work of private enforcement agents

1. Supervision over the lawfulness of work of enforcement agents and the Chamber shall be performed by the Ministry, through inspectors of the Ministry, ex officio or upon proposal of the President of respective court for the territory covering the activity of the private enforcement agent, President of the Chamber, and upon initiative of the parties and participants in procedure.
2. Ministry shall be authorized to:
 - 2.1. check the business books, evidence, scriptures and stored items;
 - 2.2. request all data on the business of public enforcement agent;
 - 2.3. obtain data on business of private enforcement agent from competent bodies and organizations;
 - 2.4. initiate the disciplinary procedure against public enforcement agent or replacer public enforcement agent;
3. Upon supervision of legality of work of private enforcement agent and the Chamber, the authorized person of the Ministry may order measures for remedying omissions in the work of private enforcement agent, and may assign the deadline to act upon such measures.

Article 360

Professional committee for evaluation of enforcement

1. In order to ensure that evaluation of enforcement is performed continuously and that oversight of the activities of the enforcement agents does not endanger their

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unhindered work, Minister appoints the Professional committee for evaluation of enforcement (hereinafter Committee) of seven (7) members and their deputies. Members and deputy members of the Committee are appointed for a period of four (4) years.

2. The Minister appoints members and deputy members of the Committee from the ranks of: basic court (two (2) members and deputy members); Court of Appeals (one (1) member and one (1) deputy member); Supreme Court (one (1) member and one (1) deputy member); Judicial Council (one (1) member and one (1) deputy member); Faculty of Law (one (1) member and one (1) deputy member); Ministry of Justice (one (1) member and one (1) deputy member).
3. Members and deputy members of the basic court, Court of Appeals and the Supreme Court are proposed by the Judicial Council.
4. The Chairperson of the Committee is elected by the members of the Committee in a secret ballot with majority of votes of the overall number of the members of the Committee, in its constitutive meeting.
5. For performance of the professional and administrative work for the Committee, the Ministry of Justice shall appoint officials from among the employees of the Ministry of Justice.

Article 361 Meetings

1. Committee works in meetings, which are attended by more than half of the overall number of the members of the Committee.
2. Committee decides with majority of votes of the overall number of members.
3. Participation during the works of the Committee is open, without the right to vote, to experts in issues that are on the agenda of the Committee, upon invitation by the Chairman of the Committee, representatives of other institutions and of the civil society when dealing with issues related to enforcement.
4. Committee, after receiving approval by the Minister, promulgates Rules of Procedure, by which it more closely regulates manner of work, convening and holding of meetings, public work and other issues important for the work of the Committee.

Article 362 Working conditions and tools

1. Ministry of Justice ensures necessary conditions for the work of the Committee, in compliance with the provisions of this law.
2. Members of the Committee are entitled to award for the work performed during the meetings, in accordance with a special decision of the Minister.

Article 363 Supervision or the work of private enforcement agent by the Chamber

1. Supervision over the work of private enforcement agent and replacer private enforcement agent shall also be conducted by the Chamber.

2. The Chamber shall conduct supervision ex officio, minimum once a year.
3. The Chamber may have access to the objects, data, and other archival material of the enforcement agent; bank accounts; management over stored objects and money placed as security; receipts for money collected as enforcement agent's reward or fee, as well as take all other measures in accordance with law and other legal acts and thereupon order the enforcement agent in question to remove irregularities and set a deadline for compliance.
4. The Chamber is authorized to order the enforcement agent to eliminate all the deficiencies in his/her work within the specified deadline and impose other disciplinary measures in accordance with the law and other provisions.
5. The Chamber shall submit the control report to the Ministry.
6. The Assembly of the Chamber shall decide on the way of performing the control, as per this Article.

Article 364

Report on the work of Enforcement agents

1. The enforcement agent shall submit the annual reports once in a year to the Ministry and the Chamber within three (3) months.
2. The bylaw on reporting methodology shall be issued by the Minister.
3. Annual reports shall include the following data:
 - 3.1. total number of handled cases;
 - 3.2. total number of disposed cases;
 - 3.3. total number of unprocessed cases at year end, and
 - 3.4. financial reports of incomes realized through enforcement and total amount of claims;
 - 3.5. data on annual report of the private enforcement agent shall be published in the official website of the Ministry and Chamber; Data from the report shall be public until the publication of data from next year.

Article 365

Disciplinary liability of private enforcement agents

1. The private enforcement agent has disciplinary liability if upon exerting the activities, infringes the provisions of this law and other provisions, if does not meet the obligations provided in the statute and other acts of the Chamber, and infringes the prestige of the profession of private enforcement agent.
2. Private enforcement agent in disciplinary procedure may be sentenced only with disciplinary measures provided by this law.
3. Liability for a criminal or civil offence does not exclude the disciplinary liability of private enforcement agents.

Article 366
Initiating Disciplinary Procedure

The proposal for initiation of the disciplinary procedure can be raised by the Ministry, by the president of the Chamber, based on submissions and initiatives of parties in the procedure, their representatives, and persons authorized of the parties. The proposal based on submissions and initiatives of parties in the procedure may be presented also by the president of competent court covering the territory of appointment of the private enforcement agent.

Article 367
Disciplinary violations

1. Disciplinary violations can be the following:
 - 1.1. if the private enforcement agent exceeds the authorizations entrusted by this law;
 - 1.2. if during the performance of actions within his/her activity, the enforcement agent does not abide by the law;
 - 1.3. if the private enforcement agent during the appointment has intentionally not disclosed any legal obstacle which is a condition on his/her appointment;
 - 1.4. if the private enforcement agent has violated the duties prescribed by this law by endangering the confidence in his/her impartiality and in the actions which he/she undertakes;
 - 1.5. if the private enforcement agent undertakes actions in the procedure despite reasons for exclusion;
 - 1.6. if the private enforcement agent violates the duty of keeping the official secret;
 - 1.7. if private enforcement agent requires award higher than prescribes by tariffs;
 - 1.8. if the private enforcement agent refuses professional training with no reasonable causes;
 - 1.9. if the private enforcement agent does not maintain records of the enforcement cases in which he/she works or records of cases which he/she maintains is not regular;
 - 1.10. violation of duties provided by other provisions;
 - 1.11. if the private enforcement agent does not pay the membership fee in line with the act of the Chamber.

Article 368
Disciplinary measures

1. The disciplinary measures for disciplinary violations are as follows:
 - 1.1. warning;
 - 1.2. public warning;
 - 1.3. fine in the range from five hundred (500) to three thousand (3000) Euro;

- 1.4. suspension on the exercise of profession in the period from three (3) months to one (1) year; and
- 1.5. dismissal from duty.
2. Minister may suspend the private enforcement officer during the disciplinary procedures.
3. Fines from sub-paragraph 1.3 of paragraph 1. of this Article shall be paid to the budget of Republic of Kosovo.
4. Upon sentencing disciplinary measure shall take into account all circumstances that may affect the type of measures, weight and impact of the violation, damage caused, level of responsibility and earlier disciplinary measures.
5. Data on imposed disciplinary measures referred to in sub-paragraphs 1.3 through 1.5 paragraph 1. of this Article shall be posted on the internet page of the Ministry and the Chamber.

Article 369 **Disciplinary Commission**

The Disciplinary Commission shall enforce the disciplinary procedure for setting the disciplinary responsibility of the private enforcement agent and shall sentence disciplinary measure in line with this law.

Article 370 **Composition of the Disciplinary Commission**

1. The Disciplinary Commission appointed by the Minister shall be composed of three (3) members:
 - 1.1. two (2) members among judges, nominated by the Kosovo Judicial Council, and
 - 1.2. one (1) member among private enforcement agents nominated by the Chamber.
2. Chair and members of disciplinary committee shall have their alternates. Members of disciplinary committee shall be appointed for two (2) years term, with the possibility of re-appointment.
3. Members of disciplinary committee are entitled to remuneration for their work, to be paid by funds of the Chamber, in amount set by the Minister as per proposal of the Chamber of Enforcement agents.
4. Provisions of this law on liability and disciplinary procedure of the private enforcement agents shall appropriately apply on replacers and deputy enforcement agents.

Article 371 **Exclusion and objection**

1. The provisions of the Law of Contested Procedure that apply to the dismissal of judges shall supplementarily apply to the exclusion of the members of the Disciplinary Commission.

2. The minister with a decision shall decide on dismissal from paragraph 1 of this Article. The decision of the Minister shall be final.

Article 372
Disciplinary procedure

1. Disciplinary Procedure is considered to be opened on the day of delivery of the proposal for initiation of disciplinary procedure against the enforcement agent.
2. Disciplinary Procedure shall send to the enforcement agent the proposal for initiation of the disciplinary procedure, which within fifteen (15) days has the right to file a written defense regarding the proposal.

Article 373
Hearing session

1. The chairman shall set the date of hearing session of the case. The Disciplinary Commission shall summon the private enforcement agent concerned and the complainant to appear at the hearing at least ten (10) days in advance.
2. To the proposer for initiation of the disciplinary procedure together with invitation is sent the written response.
3. If at the hearing the consideration of the case is postponed or suspended for a specific period of time, no new notification will be effected as referred to in paragraph 1 of this Article.
4. The hearing of the Disciplinary Commission shall be public. For important reasons the Disciplinary Commission may order that the hearing will be wholly or partially held without public..
5. The private enforcement agent concerned and the complainant may be assisted or represented by an attorney.
6. The Disciplinary Commission may refuse certain individuals as counsels who are not lawyers.
7. The Disciplinary Commission shall give the private enforcement agent concerned and the complainant, as well as their attorneys or others who assist them, ample opportunity to take note of the documents relating to the case.
8. The enforcement agent concerned and the complainant or their attorneys and others assisting them shall be given the opportunity to address the Disciplinary Commission and elaborate their position.
9. The Disciplinary Commission may call and hear witnesses and experts. One of the members of the Disciplinary Commission may be instructed to hear witnesses and experts. Anyone summoned to appear as witness or expert shall obey the summons. He shall furthermore be required to answer the questions asked, or to render the services requested. The provisions of the civil procedure Code shall apply mutatis mutandis to the witnesses and experts.
10. After applying the disciplinary procedure, the Disciplinary Commission shall issue a decision.
11. The disciplinary procedure shall be regulated in more details by a sub-legal act of the Ministry.

Article 374
The Decision of Disciplinary Commission

1. As a result of the decision of the Disciplinary Commission regarding a complaint against a private enforcement agent, the complaint shall be declared inadmissible, unfounded or founded. The decision shall state reasons and shall be rendered in public.
2. If the Disciplinary Commission declares the complaint to be wholly or partially founded, it shall impose the disciplinary measures as referred to in article 368 of this Law.
3. Disciplinary action shall be taken only after the decision has become final or at a later time determined in the decision.
4. Without delay the Disciplinary Commission shall forward the decision in writing to the Minister, the enforcement agent concerned and the Chamber. The decision shall be published in the official webpage of the Ministry and Chamber.
5. The decision of the Disciplinary Commission shall be final. An administrative conflict may be initiated against the decision of the Disciplinary Commission.

Article 375
Period of time within which disciplinary proceedings may be initiated

Disciplinary proceedings may commence within the six (6) months from the day of violation, but not later than one (1) year from violation.

TITLE IX
TERMINATION, SUSPENSION AND DISCHARGE FROM DUTY

Article 376
Reasons for the cessation of the function of the private enforcement agent

1. The function of the private enforcement agent shall cease:
 - 1.1. in the event of death;
 - 1.2. when turning seventy (70) years of age;
 - 1.3. in the event of written resignation;
 - 1.4. in the event of final court decision on conviction for criminal offence with imprisonment of over six (6) months, or any other violation that affects the image of the function of private enforcement agent;
 - 1.5. in the event of private enforcement agent not commencing his/her work within the period established by this Law;
 - 1.6. in the event of dismissal.
2. In cases under paragraph 1 of this article, the Minister shall issue a decision for the cessation of function of the private enforcement agent.
3. The Ministry shall notify the Chamber and the competent court covering the area of private enforcement agent, on cessation of the function of the private enforcement agent. Upon request of the Minister an enforcement agent shall carry out enforcement service over the following three (3) months until the Minister

renders a decision on the appointment of a new private enforcement agent or a replacer private enforcement agent.

4. Reasons for ceasing the function of private enforcement agent provided by paragraphs 1 and 2 of this Article shall appropriately apply for their replacers and deputies.

Article 377 Resignation

1. The private enforcement agent, at any time, may request to be relieved from his/her duty. The request shall be filed in writing to the Minister. The deadline for discharging him/her from the duty is three (3) months.
2. Following the expiry of the deadline under paragraph 1 of the present article, by which the duty of the private enforcement agent shall cease, the Minister does not set any other deadline. The Minister must take a decision before the expiry of the deadline provided under paragraph 1 of the present article.

Article 378 Dismissal of the private enforcement agent

1. The Minister with a decision shall dismiss the private enforcement agent if:
 - 1.1. it is proven that he/she does not fulfill the conditions for appointment of private enforcement agent;
 - 1.2. the private enforcement agent shall accept any function as described in article 323 and 324 of this Law;
 - 1.3. the enforcement agent shall begin using the age pension;
 - 1.4. the capacity to act of the private enforcement agent is taken or limited by a court decision;
 - 1.5. the private enforcement agent permanently loses the capacity to perform the function;
 - 1.6. the private enforcement agent is imposed a disciplinary measure of taking his/her authorizations for enforcement of enforcement and security of applications;
 - 1.7. if the private enforcement agent is convicted of criminal offence with the final verdict and sentenced to at least six (6) months imprisonment, which makes him unworthy to perform the function of enforcement agent.
2. The Chamber of private enforcement agents shall inform the Minister immediately after having learnt of the reasons for the dismissal of the private enforcement agent from paragraph 1 of this Article.

Article 379 Decision on dismissal

1. The decision for dismissal of the private enforcement agent shall be issued by the Minister. The decision of the Minister dismissing the private enforcement agent shall assign the replacer of the private enforcement agent.

2. The decision on ceasing the function of a private enforcement agent and the decision on dismissing a private enforcement agent cannot be appealed against in the administrative procedure – only administrative conflict may be initiated against such decisions.

TITLE X
THE KOSOVAR CHAMBER OF PRIVATE ENFORCEMENT AGENTS

Article 380
Organization of the Chamber of private enforcement agents

1. The Chamber of enforcement agents of Kosovo (hereinafter: the Chamber) is a professional association joining all private enforcement agent.
2. The seat of the Chamber shall be in Pristina.
3. The Chamber has the status of a legal person and conducts business as a non-profit organization.

Article 381
Representation

The Chamber shall be represented by the President and when he is absent – by his deputies in terms of seniority of legal experience.

Article 382
Authorizations of the Chamber

1. The Chamber:
 - 1.1. preserves the prestige, dignity and the rights of profession of private enforcement agent;
 - 1.2. issues the statute, Code of Ethics of the private enforcement agent and other acts in line with the law and Statute of the Chamber;
 - 1.3. represents the private enforcement agents to public institutions for the purpose of protecting the rights and interests of the profession;
 - 1.4. takes care that the private enforcement agents act with conscience and in accordance with the law;
 - 1.5. takes care of the professional advancement of private enforcement agents through organizing professional meetings, seminars and professional workshops on enforcement;
 - 1.6. establishes and maintains the cooperation with Chambers of private enforcement agents of other countries, and
 - 1.7. performs other duties as provided by the law and statute of the Chamber.

Article 383
Statute and general acts

1. The Chamber statute and other bylaws govern the organization and operation of the Chamber, as well as its bodies, their composition and their appointment procedures.

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2. Minister shall provide the consent over the Statute and other general acts of the Chamber.

Article 384
Bodies of the Chamber

The bodies of the Chamber are: Assembly of the Chamber, Executive Board, Control Council and President of the Chamber.

Article 385
Assembly

1. The Assembly of the Chamber, shall be composed of all private enforcement agents and deputy private enforcement agents registered in the registry of the Ministry.
2. The Assembly of the Chamber shall be competent for:
 - 2.1. issuance of the statute of the Chamber, rules of procedure of private enforcement agents and other general acts of the Chamber;
 - 2.2. selection of members of Executive Board of the Chamber and other members of other bodies of the Chamber;
 - 2.3. deciding on the amount of membership fee and manner of its payment;
 - 2.4. deciding on other issues provided for by the present law and Statute of the Chamber.

Article 386
Meeting of the Chamber's Assembly

1. Extraordinary meetings of the Assembly shall be convened in cases foreseen by the Statute of the Chamber.
2. Public works and other issues important for the work of the Chamber Assembly shall be regulated by the Statute of the Chamber.

Article 387
The executive board

1. The Executive Board shall have the powers to:
 - 1.1. select the President of the executive board among its members;
 - 1.2. proposes the draft statute and other general acts of the Chamber;
 - 1.3. prepare sessions and implements decisions of the Assembly of the Chamber;
 - 1.4. takes care of the business of the Chamber;
 - 1.5. decides on other issues in accordance with this law and statute of the Chamber.
2. Every year the board shall draw up a report of its activities for the Assembly of the Chamber. It shall forward the report to the Minister no later than March 31 of each year.
3. Every year the Board shall draw up an account for its financial policy as well as a

budget for the coming financial year, with explanatory notes and shall send those documents to the Assembly for approval.

Article 388
Composition of the Executive Board

1. The Executive Board of the Chamber shall consist of an odd number of at least seven (7) members.
2. The composition of the board shall as much as possible reflect the ratio within the assembly between enforcement agents and deputy enforcement agents.
3. The chairman and his deputy shall be private enforcement agents.
4. The members shall be appointed for a three (3) year' term and shall upon resignation be eligible for re-appointment once for the same period.

Article 389
President

1. The President of Chamber shall present and represent the Chamber. President of the executive board shall be the President of the Chamber.
2. The President of Chamber shall have the powers to:
 - 2.1. see that the principles of conscientious performance of private enforcement agent's duties are complied with;
 - 2.2. takes care that the Chamber works and conducts business in accordance with the law;
 - 2.3. implements the decisions of the body of the Chamber when it is provided for by the statute of the chamber;
 - 2.4. appoints the personnel of the Chamber; and
 - 2.5. performs other work as provided for by the Statute of the Chamber.
3. The president of the Chamber shall in this capacity be entrusted with the chair of the assembly.

Article 390
Control of the Council

1. The Control of the Council has three (3) members, with a mandate of three (3) years.
2. The Control of the Council conducts the control of the legality of the work and financial business of the chamber.
3. The Control of the Council shall account for its activity before the Assembly of the Chamber.
4. When the Control of the Council finds violations of the statute, the bylaws or of the decisions of the Assembly of the Chamber it shall prepare a report and introduce it to the Executive Board, respectively, to the Assembly of the Chamber.

Article 391
Property

1. The property of the Chamber shall consist of:
 - 1.1. the obligatory initial, annual and supplementary contributions of its members;
 - 1.2. service fees;
 - 1.3. donations and testaments;
 - 1.4. other sources.

Article 392
Annual and supplementary contributions to the Chamber

1. The Chamber shall bear all costs arising from the enforcement of the duties entrusted to it by the present Law. To cover those costs it may charge its members annual dues.
2. At the proposal of the Executive Board the Assembly shall determine the size of the dues for the financial year. The amount may be different for different categories of members.
3. The enforcement agent shall make the required payments to the Chamber following the terms and conditions specified in the bylaws of the Chamber and in compliance with the resolutions of the Assembly of the Chamber.

Article 393
Bylaws issued by the Chamber

1. Bylaws shall be adopted only with regard to subjects that pursuant to this Law must be (further) regulated by bylaw.
2. Bylaws shall not contain any obligations or requirements that are not strictly necessary to accomplish the objective envisaged by the bylaw.
3. Proposals for bylaws shall be put forward to the Assembly of the Chamber by the Executive Board.
4. The bylaws of the Chamber shall be binding only on its members and its bodies.
5. A bylaw may grant power to the Executive Board to lay down more detailed rules concerning the subject dealt with in the bylaw.

Article 394
Procedure

The proposal for a bylaw plus explanatory notes shall be notified to the members of the Chamber at least two (2) months prior to the date on which it will be discussed by the Assembly of the Chamber.

Article 395
Approval by the Minister

1. A bylaw shall require the approval of the Minister. The approval may be withheld if the proposal is contrary to the law or public interest.
2. After it has been approved the Executive Board shall arrange that the bylaw will become known by publication in the Official Gazette. The bylaw shall become binding only after publication. It will become operational with effect one (1) month after the publication or earlier as the board determines, on the understanding that at least ten (10) days must expire between the date of publication and the effective date.

Article 396
Exams

1. The content of the examination for the private enforcement agent shall be closely defined with regulation passed by the Minister of Justice, and shall ensure the knowledge of the private enforcement agents on all matters of public and private law and court procedure of relevance to their professional activities.
2. The examination shall be publicly announced at least one (1) month prior to its administration, and all members of the public shall be invited to participate.
3. The candidate who takes the examination for private enforcement agent shall compensate the expenses for taking the examination.
4. The Minister of Justice determines the amount of the realistic expenses for taking the examination, including the amount necessary for preparing and administering the written part of the examination, preparation and delivery of materials and invitations, preparation of certificates and compensation of the work of the members and the secretary of the examining committee.
5. If the expenses are not paid at the appropriate account of the Ministry of Justice prior to fifteen (15) days before the day schedule for the start of the examining session, the candidates will not be allowed to take the examination. If the candidate within one (1) year from the day of the payment of the examination cost has not taken the exam, the payment shall be returned to the candidate.
6. The Minister shall appoint to positions as agents the candidates with the highest scores on the examination, unless there is some specific disability among the criteria for appointment identified in this Law that renders their appointment inappropriate. The Minister shall inform candidates of the scores achieved on the examination and shall inform unsuccessful candidates of the specific reason for their non-appointment.
7. The Minister shall announce the appointments within one (1) month of the administration of the examination.

**TITLE XI
TRANSITIONAL AND FINAL PROVISIONS**

**Article 397
Pending cases prior 1 January 2014**

1. The pending cases instituted before coming into force of the present Law shall be completed in accordance with the provisions of this Law.
2. Cases filed prior to 1 January 2014 shall remain under the jurisdiction of the Court unless the creditor-enforcement proposer files a petition for transferring the case to the specific private enforcement agent.
3. In every case in which enforcement proceedings are pending on 1 January 2014, and in which the enforcement creditor has requested that the case be resumed with a specific private enforcement agent under paragraph 2 of this Article, the court shall complete all documents related to the enforcement case, specify the expenses charged by the court, and make a conclusion for delivering the enforcement case to the enforcement agent. The court shall forward the case to the private enforcement agent chosen by the creditor within eight (8) days after receiving such request.
4. The enforcement actions undertaken by the court are legally valid as if they were undertaken by the private enforcement agent who continues the enforcement. After the private enforcement agent receives the case, he shall notify the debtor that the enforcement initiated before the court continues with the private enforcement agent.
5. Competencies to assign and decide on enforcement according to the provisions of this law, from entry into force on 1 January 2014, until 30 June 2014, shall be held by the courts and private enforcement agents, depending on place of filing the enforcement proposal.

**Article 398
Procedures pending on 31 December 2013**

1. Enforcement proceedings against which objection or an appeal was filed prior 1 January 2014, shall be transferred to the court with jurisdiction to decide on those remedies in accordance with this Law.
2. The competent court shall, in considering the remedy, make its decision on the basis of the provisions of this Law.

**Article 399
Bylaws**

1. Within six (6) months from the day of entry into legal force of this Law, the Minister of Justice shall pass a bylaw regulating tariffs for enforcement agents. Debtors shall be required to compensate creditors for the expenses of enforcement as defined by the tariff.
2. Within the time limit of four (4) months from the day of entry into legal force of this Law, the Minister shall:

- 2.1. pass a bylaw defining the procedures and the means of the exams for private enforcement agents.
 - 2.2. a Regulation on the business plan as provided in article 318 paragraph 2 of this law;
 - 2.3. a bylaw that defines closely the shape and the manner of keeping records of the enforcement agents;
 - 2.4. a regulation that will define the shape and the content of the orders, minutes and other acts that are passed by the enforcement agent during the undertaking of the formal actions;
 - 2.5. issue a bylaw defining modes of inspection and control of private enforcement agents by the Ministry and chamber of enforcement agents. The shape, content and the means of issuing and suspension of the enforcement agent's ID card shall also be defined with this bylaw.
3. Within four (4) months from the day of entry into legal force of this Law, the Minister shall determine with a decision the number of private enforcement agents in the territory of each Basic Court in the Republic of Kosovo based on the Official Census and the terms of Article 327 of this Law.

Article 400 **Organization of exams**

1. The Ministry of Justice shall organize the sitting of an enforcement exam within five (5) months from the entry into force of the present law.
2. Pursuant to bylaws on the professional enforcement examination, the Ministry of Justice shall organize the first professional enforcement examination and shall appoint the first enforcement agents within six (6) months from the entry into force of the present law.

Article 401 **Establishment of the Chamber**

1. The Minister for the first-appointed enforcement agents, until the establishment of the Chamber, shall determine, with a decision, the day when the private enforcement agent shall start operating.
2. The Chamber shall be established when at least twenty (20) enforcement agents are appointed and commence their work.
3. Until the establishment of the Chamber, the Minister shall perform all the competencies of the chamber.
4. Until such time as the Chamber of Enforcement Agents has come into existence and enforcement agents are appointed, the requirement of paragraph 4.3 of Article 328 of this Law shall be suspended. Instead of such requirements, two (2) members of the Commission on the Examination of Candidates shall be two (2) civil judges proposed by the Kosovo Judicial Council and appointed by the Minister of Justice
5. The Minister of Justice shall within one hundred and twenty (120) days from the entry into legal force of the present law shall issue temporary bylaws which are

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provided for by the present law to be issued by the Chamber, which apply until the issuance of respective bylaws by the Chamber.

6. The constituting assembly of the Chamber shall be convened and chaired by the oldest private enforcement agent.

Article 402
Entry into force

1. Articles from 323 through 396 of this Law shall enter into force and shall be applied fifteen (15) days after publication in the Official Gazette.
2. Other provisions of this law shall enter into force on 1 January 2014.
3. On the effective date hereof, the Law on Executive Procedure of 2008 No 03-L-008 and the Law on Executive Procedure "Official Gazette of SFRY", no. 20/1978 shall cease to be valid.

Law No. 04/L-139
20 December 2012

Promulgated by Decree No. DL-001-2013, dated 03.01.2013, President of the Republic of Kosovo Atifete Jahjaga.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / No. 3 / 31
JANUARY 2013, PRISTINA

LAW No. 04/L-033
ON THE SPECIAL CHAMBER OF THE SUPREME COURT OF KOSOVO
ON PRIVATIZATION AGENCY RELATED MATTERS

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Assembly of Republic of Kosovo,

Pursuant to article 65 (1) of the Constitution of the Republic of Kosovo,

Approves

LAW ON THE SPECIAL CHAMBER OF THE SUPREME COURT OF
KOSOVO ON PRIVATIZATION AGENCY RELATED MATTERS

CHAPTER I
GENERAL PROVISIONS

Article 1
Special Chamber

1. As of the effective date of this law:
 - 1.1. the Special Chamber of the Supreme Court of Kosovo on Kosovo Trust Agency Related Matters previously established by the Special Chamber Regulation is hereby re-named as the “Special Chamber of the Supreme Court of Kosovo on Privatization Agency of Kosovo Related Matters”; and
 - 1.2. the jurisdiction and competencies of the Special Chamber, as well as the rules governing its organization and operation and the appointment of judges to serve thereon, shall be as established by and provided for in the present law, which supersedes and replaces the Special Chamber Regulation.
2. The seat of the Special Chamber shall be in Pristina. If the Special Chamber or any panel thereof so decides, hearings on a particular matter may be conducted in another location.
3. The Special Chamber is a part of the Supreme Court of Kosovo, as provided by Article 21 of Law No.03/L-199 “On Courts”.

Article 2

Definitions and References

1. Terms used in this law shall have the following meaning:
 - 1.1. **Agency** - the Privatization Agency of Kosovo established by the Law on the Privatization Agency of Kosovo;
 - 1.2. **Asset** - the meaning specified in Article 3 of the PAK Law.
 - 1.3. **Comprehensive Proposal** - the Comprehensive Proposal for the Kosovo Status Settlement dated 26 March 2007;
 - 1.4. **Corporation** - the meaning specified in Article 3 of the PAK Law.
 - 1.5. **Decision** - any determination, other than a Judgment, made or issued by a court or a panel, subpanel or single judge of the Special Chamber and shall include, but not be limited to, any ruling or order;
 - 1.6. **Enterprise** - the meaning specified in Article 3 of the PAK Law;
 - 1.7. **International Judge** - every judge of the European Security and Defense Policy Mission that has been appointed in accordance with the provisions of the Comprehensive Proposal for the Kosovo Status Settlement.
 - 1.8. **Judgment** - the final determination made or issued by a court or a panel, sub-panel or single judge of the Special Chamber establishing the rights and obligations of the parties in a case, even if such final determination is subject to appeal;
 - 1.9. **KTA** - the Kosovo Trust Agency, the predecessor of the Privatization Agency of Kosovo;
 - 1.10. **KTA Regulation** - UNMIK Regulation No. 2002/12 of 13 June 2002 on the Establishment of the Kosovo Trust Agency;
 - 1.11. **Person** - a natural person, an undertaking or a public authority;
 - 1.12. **Public Authority** - any governmental executive authority, public body, ministry, department, agency, or other such authority that exercises executive, legislative, regulatory, public administrative or judicial powers. The term “public authority” shall also include any otherwise private organization or establishment to that extent it exercises any of the afore-mentioned powers pursuant to a grant of authority under a law, regulation or sub-legal act or pursuant to a delegation of authority from another Public Authority;
 - 1.13. **PAK Law** - Law No. 03/L-067, “On the Privatization Agency of Kosovo” of 15 June 2008, including the annex thereto;
 - 1.14. **Shares** - the shares of, or other ownership interest in, an Enterprise or Corporation;
 - 1.15. **Special Chamber** - the Special Chamber of the Supreme Court of Kosovo on Privatization Agency Related Matters;
 - 1.16. **Special Chamber Regulation** - UNMIK Regulation 2002/13 of 13 June 2002 on the Establishment of a Special Chamber of the Supreme Court of Kosovo on Kosovo Trust Agency Related Matters; and
 - 1.17. **Undertaking** - any enterprise, corporation, partnership, joint venture, legal person, association, project, branch, office, or any other organization or establishment (regardless of ownership, domicile or place of business or establishment).

Law No. 04/L-033 on the special chamber of the supreme court of Kosovo on...

2. Words of any gender used in the present law shall include any other gender and words in singular number shall be deemed to include the plural and the plural to include the singular.
3. Unless the context clearly requires another interpretation, any reference in this law to another law, an UNMIK regulation or a sub-legal act, or any specific provision(s) thereof, shall be interpreted as including any and all amendments thereto. If such a law, regulation or sub-legal act is repealed and replaced with successor legislation governing the same subject matter, such reference shall – unless the context clearly requires another interpretation - be interpreted as meaning such successor legislation and, where applicable, the analogous provision(s) thereof.
4. Beginning on the effective date of the present law any reference in any element of the law of Kosovo to the Special Chamber Regulation or any specific provisions(s) thereof, shall be interpreted as meaning the present law and, where applicable, the analogous provision(s) of this law.

CHAPTER II COMPOSITION AND ORGANIZATION OF THE SPECIAL CHAMBER

Article 3 Composition, Organization and Appointment

1. The Special Chamber shall be composed of up to twenty (20) judges, twelve (12) of whom shall be citizens of Kosovo and eight (8) of whom shall be international judges. At least two (2) of the judges who are citizens of Kosovo shall be from minority communities.
2. The President of the Republic of Kosovo shall appoint, re-appoint and dismiss the judges of the Special Chamber who are citizens of Kosovo upon the proposal of the Kosovo Judicial Council. The appointment, re-appointment and dismissal of the judges who are citizens of Kosovo shall comply with the same process and requirements as are applicable to the appointment, re-appointment and dismissal of judges of the Supreme Court.
3. The European Security and Defence Policy Mission shall appoint, re-appoint and dismiss the international judges of the Special Chamber in accordance with the internal rules and procedures of the European Security and Defence Policy Mission.
4. Any person who is a citizen of Kosovo and who is appointed to serve as a judge on the Special Chamber shall be required to take the same oath as is required of the judges on the Supreme Court who are citizens of Kosovo.
5. The President of the Special Chamber shall be chosen by the judges of the Special Chamber.
6. All persons appointed to serve as judges on the Special Chamber shall have extensive and substantial professional legal education and experience in those legal subject areas covered by the various specialized panels of the Special Chamber.
7. With particular regard to the positions on the Special Chamber reserved for international judges, all candidates proposed for such positions shall be widely

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recognized by their respective legal communities for their competence and integrity. In addition, such candidates collectively shall have a broad range of extensive and substantial professional legal education and experience in the following areas:

- 7.1. property law;
 - 7.2. the law of, and the jurisprudence relating to, the European Convention on Human Rights;
 - 7.3. the bankruptcy and insolvency law of a jurisdiction that permits the debtor to remain in possession of, and to operate, an enterprise during reorganization proceedings;
 - 7.4. the law of business organizations and corporate governance; and
 - 7.5. commercial law.
8. The Special Chamber shall have five specialized panels and one appellate panel. The appellate panel shall have exclusive final appellate jurisdiction on all matters within the competence of the Special Chamber.
 9. The President of the Special Chamber shall assign each specialized panel primary jurisdiction within the Special Chamber over one of the following subject areas:
 - 9.1. claims and other matters related to the privatization process;
 - 9.2. claims and other matters related to entitlements of employees under Article 10 of UNMIK Regulation No. 2003/13 or any successor legislation dealing with such entitlements;
 - 9.3. general ownership and creditor claims;
 - 9.4. claims and other matters related to the liquidation of an Enterprise conducted by the KTA pursuant to the KTA Regulation or by the Agency pursuant to the Law on the Privatization Agency of Kosovo; and
 - 9.5. all claims and other matters arising under or within the scope of UNMIK Regulation No. 2005/48 or any successor legislation thereto, and all claims, matters, issues or proceedings arising in or related to a case under or within the scope of such regulation or successor legislation; this specialized panel may also be assigned to handle claims described in paragraph above.
 10. Each specialized panel shall be composed of one international judge and two judges who are citizens of Kosovo. For each specialized panel, the President of the Special Chamber shall, after consultation with the President of Kosovo and the European Security and Defence Policy Mission, appoint one judge to serve as its presiding judge. Any such presiding judge may, with the consent of the Presidium, temporarily delegate such function to another judge of the concerned specialized panel.
 11. The Special Chamber shall have a Presidium. The Presidium shall be comprised of the President and the presiding judges of the five specialized panels. The Presidium shall assign the other members of each specialized panel.
 12. The appellate panel shall be composed of five (5) judges, three (3) of whom must be international judges and two (2) shall be citizens of Kosovo. The President of the Special Chamber shall serve as the presiding judge of the appellate panel. The four (4) other members of the appellate panel shall be assigned by the President of the Special Chamber after consultation with the President of Kosovo and the European Security and Defence Policy Mission.

13. The President of the Special Chamber shall act as the presiding judge of the appellate panel. The President of the Special Chamber may temporarily delegate such function to another judge.
14. The appellate panel shall have final and exclusive appellate jurisdiction over all appeals from Decisions or Judgments of a specialized panel or any court with respect to matters or cases that have previously been referred to such court by the Special Chamber.
15. If a judge fails or is unable to regularly discharge his duties, the President of the Special Chamber shall immediately inform the President of Kosovo, the European Security and Defence Policy Mission and the Kosovo Judicial Council.
16. In the event of the resignation or removal of a judge, the appointment process for his replacement shall follow the same procedural requirements as were applicable to the appointment of the judge being replaced.

Article 4 **Jurisdiction**

1. The Special Chamber shall have exclusive jurisdiction over all cases and proceedings involving any of the following:
 - 1.1. a challenge to a decision or other action of the KTA or the Agency taken pursuant to, respectively, the KTA Regulation or the Law on the Privatization Agency of Kosovo.
 - 1.2. a claim against the KTA or the Agency arising from the failure or refusal of the KTA or the Agency to perform an act or obligation required by law or contract;
 - 1.3. a claim against the KTA or the Agency for financial losses alleged to have been caused by a decision or action taken by the KTA or the Agency pursuant to the administrative authority provided by the KTA Regulation or the Law on the Privatization Agency of Kosovo in respect of an Enterprise or Corporation;
 - 1.4. a claim against an Enterprise or Corporation that is alleged to have arisen during or prior to the time that such Enterprise or Corporation is or was subject to the administrative authority of the KTA, the Agency;
 - 1.5. a claim alleging a right, title or interest with respect to:
 - 1.5.1. any asset or property over which the Agency or the KTA has or has asserted administrative authority;
 - 1.5.2. the ownership of an Enterprise or Corporation;
 - 1.5.3. the ownership of any capital of an Enterprise or Corporation; or
 - 1.5.4. any property or asset in the possession or control of an Enterprise or Corporation if such right, title or interest is alleged to have arisen during or prior to the time that such Enterprise or Corporation is or was subject to the administrative authority of the KTA or the Agency;
 - 1.6. a claim or complaint challenging any aspect of an official list of eligible employees of an Enterprise issued by the KTA or the Agency under Article 10 of UNMIK Regulation No. 2003/13 or any successor legislation governing the establishment of such a list;

Civil laws

- 1.7. a claim related to the liquidation of an Enterprise conducted by the KTA pursuant to the KTA Regulation or by the Agency pursuant to the PAK Law;
 - 1.8. an application made by the KTA or the Agency pursuant to Article 21 of Annex A to the PAK Law for the voidance of a transaction of an Enterprise that has undergone or is undergoing liquidation by the KTA or the Agency.
 - 1.9. enforcement of a right or authority of the KTA or the Agency if the KTA or the Agency has submitted an application to the Special Chamber seeking such enforcement;
 - 1.10. a case or proceeding arising under or within the scope of UNMIK Regulation No. 2005/48 or any successor legislation thereto, or a claim, matter, issue or proceeding arising in or related to a case under or within the scope of such regulation or legislation;
 - 1.11. any application to review and decide the legality of, any Judgment or Decision issued by another court in Kosovo involving or relating to any claim or matter specified in this paragraph 1;
 - 1.12. the review of a decision made by the international members of the Agency's Board of Directors to suspend a decision of the Board pursuant to Article 14.9 of the PAK Law; and
 - 1.13. such other matters as may be assigned to the Special Chamber by law.
2. The Presidium of the Special Chamber shall assign every case or claim falling within the scope of paragraph 1. of this Article to the appropriate specialized panel, and such specialized panel shall then have primary jurisdiction within the Special Chamber over such claim or matter. If a specialized panel has been assigned a case that involves a claim that it believes to be outside its jurisdiction or competency, such specialized panel shall request the Presidium to assign such claim to the specialized panel having the required jurisdiction or competency.
 3. The appellate panel of the Special Chamber shall have exclusive jurisdiction to review and decide a matter involving a decision specified in sub-paragraph 1.12 of this Article, and shall conduct that review and issue that decision as a matter of urgency.
 4. As of the effective date of this law, neither the Special Chamber nor any panel or judge of thereof, shall have any further authority to refer any specific claim, matter, proceeding or case falling within its primary jurisdiction to another court of Kosovo. For any claim, matter, case or proceeding (collectively hereafter referred to in this paragraph as a "matter") so referred prior to the effective date of the present law: (i) if the court to which the matter has been referred has, as of the effective date of this law, not taken any substantive Decision with respect to the matter, such court shall no longer have any jurisdiction over the matter and shall return all concerned documents and case files to the Special Chamber; (ii) if the court to which the matter has been referred has, as of the effective date of this law, taken or issued a substantive Decision with respect to the matter, such court shall continue to have jurisdiction over the matter, and its Decisions and Judgment with respect thereto shall be subject to the review of the Special Chamber upon the timely submission of an application by a party or an affected third party; (iii) if the court to which the matter has been referred has, as of the effective date of this law,

issued a Judgment with respect to the matter, such Judgment shall be subject to review by the Special Chamber upon the timely submission of an application by a party or affected third party; provided, that, if the Special Chamber overturns such Judgment, in whole or in part, the concerned matter(s) shall be subject to re-litigation before the concerned specialized panel, and not the court that issued the Judgment. If the Agency is not named as a party to any matter that is properly pending before another court under this paragraph 4, the concerned court shall be required to name the Agency as a party, and the Agency shall have the right to fully participate in the case as an ex officio party and shall be immediately provided with a complete copy of all documents in the case file, and shall be immediately served with all written submissions, Decisions and Judgments filed or issued in the future in such case or proceeding. If a referred matter is pending before another court, such court shall not, and shall have no authority to, issue any Judgment or Decision that would violate or be inconsistent with the limits established by Article 11 of this law.

5. No court in Kosovo other than the Special Chamber shall have any jurisdiction or authority over any claim, matter, proceeding or case described in paragraph 1. of this Article except as specifically provide for in paragraph 4. above. If a court has exercised or has attempted to exercise jurisdiction or authority over a claim, matter, proceeding or case within the jurisdiction of the Special Chamber and such matter or claim is not within the jurisdiction of such court under paragraph 4:
 - 5.1. any Judgment or Decision issued by such a court with respect to such a claim, matter, proceeding or case shall, as a matter of law, be invalid and unenforceable; and the Special Chamber shall, upon the application of any person or on its own initiative, issue an order to such effect;
 - 5.2. the Special Chamber shall, upon the application of any person or on its own initiative, order such court to terminate its activities with respect to the concerned claim, matter, proceeding or case; and
 - 5.3. the Special Chamber shall, upon the application of any person or on its own initiative, order the concerned court to transfer the claim, matter, proceeding or case to the Special Chamber in accordance with paragraph 7. of this Article.
6. Nothing in this Article shall prejudice the rights of any person to pursue outside the Special Chamber a matter not described in paragraph 1. of this Article; provided, however, that the Special Chamber shall have the exclusive authority to determine whether or not any specific matter falls within the scope of paragraph 1. of this Article.
7. The Special Chamber shall have the authority and jurisdiction, upon application by any interested person or upon its own initiative, to issue an order requiring any court of Kosovo to transfer any claim, matter or proceeding or case pending in such court to the Special Chamber if:
 - 7.1. the subject matter of such claim, matter, proceeding or case is within the exclusive jurisdiction of the Special Chamber as specified in paragraph 1. of this Article; or
 - 7.2. an Enterprise, Corporation or the Agency has been named as a party to the concerned case or proceeding or should have – under the law of Kosovo – been named as a party to the concerned case or proceeding.

Article 5

Claimants and Respondents

1. Claimants in proceedings before the Special Chamber shall be:
 - 1.1. a person that claims ownership or possessory rights or interests in or to:
 - 1.1.1. an Enterprise or Corporation or the capital of an Enterprise or Corporation;
 - 1.1.2. assets owned by or in the possession of an Enterprise or Corporation, or
 - 1.1.3. assets in the possession, or under the administrative authority or trusteeship, of the Agency;
 - 1.1.4. a person that claims creditor, contractual or other legal rights:
 - 1.1.5. against an Enterprise, a Corporation or the Agency;
 - 1.1.6. in or to Assets owned by or in the possession of an Enterprise or a Corporation; or
 - 1.1.7. in or to Assets in the possession, or under the administrative authority or trusteeship, of the Agency;
 - 1.2. a person bringing a claim or complaint described in subparagraph 1.6 of Article 4 of this law;
 - 1.3. the Agency;
 - 1.4. an Enterprise;
 - 1.5. a Corporation; and
 - 1.6. any other person that the Special Chamber or any panel thereof deems necessary or appropriate to admit in order to ensure the full and complete adjudication of the concerned case or issue.
2. Respondents in proceedings before the Special Chamber shall be:
 - 2.1. with respect to a claim described in subparagraph 1.1, 1.2, 1.3, 1.6 or 1.7 of Article 4 of this law: the Agency.
 - 2.2. with respect to a claim described in subparagraph 1.4 or 1.5 of Article 4 of the present law: at the choice of the Agency, the concerned Enterprise/Corporation or the Agency acting on behalf of the concerned Enterprise/ Corporation;
 - 2.3. with respect to a voidance application made or submitted by the Agency and described in subparagraph 1.8 of Article 4 of this law: the person(s) having a material interest in the transaction that is the subject of such application;
 - 2.4. with respect to an enforcement application submitted by the Agency and described in subparagraph 1.9 of Article 4 of this law: the person(s) who are the subject of such application; and
 - 2.5. with respect to any case or issue before it: any person that the Special Chamber or any panel thereof deems necessary or appropriate to name or admit as a Respondent in order to ensure the full and complete adjudication of such case or issue.
3. Notwithstanding the foregoing provisions of this Article, in a case or proceeding described in subparagraph 1.10 of Article 4 of this law, the persons entitled to participate in such case or proceeding shall be those specified in UNMIK Regulation 2005/48 or the successor legislation thereto, whichever is then in effect.

Article 6

Period of Time to File a Claim Challenging Decisions or Actions of the Agency

1. Any person challenging a decision or action of the Agency that was taken prior to the effective date of the present law must file the concerned claim or complaint with the Special Chamber no later than nine (9) months after the date that such person knew or with reasonable diligence should have known of such decision or action. Any such claim or complaint must be accompanied by evidence that the person filing such claim or complaint has provided a written notice to the Chairman of the Board of the Agency, at least sixty (60) days prior to the date of filing, of such person's intention to file such claim or complaint. The Special Chamber shall not accept any such claim or complaint that is not accompanied by such evidence or that is filed after the referenced nine (9) month period has expired.
2. Any person challenging a decision or action of the Agency taken on or after the effective date of the present law must file the concerned claim or complaint with the Special Chamber no later than one hundred and twenty (120) days after the date on which the decision or action has been served on the concerned person or, if no such service is required by law or if such service has not been practicable or possible after a reasonable good faith attempt by the Agency, fully published in accordance with the Agency's operational policies and the requirements of Article 10.3 of the PAK Law. The Special Chamber shall not accept, and shall reject, any such challenge that is submitted after the expiration of the referenced one hundred and twenty (120) day period.
3. A person sued by the Agency or an Enterprise or Corporation may bring a counterclaim against the Agency or Enterprise or Corporation within the applicable time limits established by the law of Kosovo. The notice required by Article 30.2 of the PAK Law shall not apply to such counterclaim.
4. The foregoing provisions of this Article shall be inapplicable to claims and counterclaims falling within the scope of UNMIK Regulation 2005/48 or any successor legislation thereto. The requirements and time limits governing the filing of such claims and counterclaims shall be as provided for in that regulation or successor legislation, whichever is then in effect.

Article 7

Rules of Procedure before the Special Chamber

1. The rules of procedure of the Special Chamber shall be those provided for in the Annex to the present law. The Presidium of the Special Chamber shall have the authority to issue such additional procedural rules as it may deem necessary or advisable to facilitate the efficient and orderly conduct of proceedings; provided that such additional procedural rules shall be consistent with the present law and the Annex to the present law.
2. Notwithstanding paragraph 1. of this Article, the procedural rules governing proceedings under UNMIK Regulation 2005/48 or any successor legislation thereto shall be as specified in such regulation or successor legislation. The

Presidium of the Special Chamber, after consultation with the specialized panel assigned to handle such proceedings, shall have the authority to issue such additional procedural rules as it may deem necessary or advisable to facilitate the efficient and orderly conduct of such proceedings; provided that such additional procedural rules shall be consistent with UNMIK Regulation 2005/48 or successor legislation, whichever is then in effect.

3. Any additional procedural rules issued by the Presidium under paragraph 1 or 2 of this Article shall also be consistent with the applicable procedural justice requirements established by the jurisprudence of European Court of Human Rights under the European Convention on Human Rights.

Article 8 Production of Evidence

In any proceeding, a trial judge or a panel of the Special Chamber shall have the authority to order any person to submit or provide testimonial, documentary or physical evidence, or to otherwise provide relevant information, if the trial judge or panel reasonably believes the required evidence or information is material or relevant to the adjudication of any case or matter that is the object of, or any issue that arises during, such proceeding.

Article 9 Conduct of Proceedings By a Sub-Panel or Single Judge

1. Any specialized panel of the Special Chamber may issue an order delegating to one of its members or to a sub-panel consisting of two of its members the responsibility and authority to conduct any or all proceedings for a case within its subject-matter jurisdiction. Judgments and Decisions issued by such a single judge or sub-panel shall be deemed to be issued by the concerned specialized panel.
2. A party shall have the right to appeal any Decision or Judgment of such a judge or sub-panel, and all such appeals shall be made directly to the appellate panel in accordance with the provisions of paragraph 6. of Article 10 of this law governing the filing of appeals.

Article 10 Judgments, Decisions and Appeals

1. A Judgment in a case shall be rendered and served on the parties in writing within sixty (60) calendar days after the date on which the concerned proceedings have been concluded.
2. The internal deliberations of any panel regarding any Judgment or Decision shall be restricted and shall not be disclosed.
3. All Judgments and Decisions of a panel shall be adopted by a majority vote.
4. Every Judgment and Decision shall be in writing and shall:
 - 4.1. summarize the procedural background of the case or matter that is the object of such Judgment or Decision;

- 4.2. contain a statement setting forth all findings of fact that are material to the case or matter is the object of Judgment or Decision;
 - 4.3. provide a clear and detailed explanation of the legal bases and reasoning used in reaching such Judgment or Decision; and
 - 4.4. if such Judgment or Decision awards a remedy to any party, provide a clear and detailed separate explanation of the legal bases and reasoning used in making such award.
5. If a party has submitted a claim or complaint, and the concerned single judge, sub-panel or specialized panel determines, after assuming the truth of the allegations in the submission containing such claim or complaint, that no remedy can be awarded to such party on such claim or complaint as a matter of law, the concerned single judge, sub-panel or specialized panel shall issue, as appropriate, a decision dismissing such claim without conducting an evidentiary hearing or otherwise allowing or requiring the submission of evidence with respect to such claim.
 6. A party shall have the right to appeal any Judgment or Decision of a single judge, sub-panel or specialized panel - or of a court having jurisdiction over a claim, matter, proceeding or case under paragraph 4. of Article 4 of the present law - to the appellate panel by submitting to the appellate panel and serving on the other parties its appeal within twenty-one (21) days. The appeal shall also be submitted to the court, specialized panel, sub-panel or judge that issued the concerned Decision or Judgment within such twenty-one (21) day period. The prescribed time limit shall begin to run at midnight on the day the single judge, sub-panel, specialized panel or court has provided the concerned Decision or Judgment to the parties in writing. The appellate panel shall reject the appeal if the party fails to file within the prescribed time period.
 7. The concerned Judgment or Decision shall not be enforced or given effect until the twenty-one (21) day period specified in paragraph 6. of this Article has expired and no written appeal has been submitted within that period. If an appeal is timely submitted in accordance with paragraph 6., the concerned Judgment or Decision shall not be enforced or given effect until the appellate panel issues a Judgment or Decision with respect thereto. The enforceability or effectiveness, in whole or in part, of the Judgment or Decision that is the subject of such an appeal shall be subject to any Judgment or Decision issued by the appellate panel on the appeal.
 8. In the event a party submits an appeal within the time period prescribed by paragraph 6 of this article, any other party to the proceeding where the concerned Decision or Judgment was issued shall have twenty-one (21) days from the date it is served with the appeal to respond to such appeal or any aspect thereof by submitting to the appellant panel, and serving on the appellant and the other parties, its response to the appeal.
 9. When the appellate panel receives an appeal, it shall first determine whether appeal merits review. If the appellate panel decides that the appeal does not merit review, it shall issue and serve upon the parties its written Judgment rejecting the appeal and a detailed explanation of the legal reasoning justifying such rejection; in such event, the Judgment or Decision that is the subject of the appeal shall become final and non-appealable, except as provided in paragraph 15. of this Article.
 10. Where the appellate panel decides to accept an appeal, it may – subject to

paragraph 11. of this Article - confirm, annul or alter, in whole or in part, the Judgment or Decision that is the subject of the appeal. The appellate panel may also remand the Judgment or Decision, in whole or in part, to the concerned court (if permitted by paragraph 4. of Article 4), specialized panel, sub-panel or single judge for further proceedings, including evidentiary proceedings. And the Appellate Panel may order the claim, matter, proceeding or case to be re-tried, in whole or in part, by the same court (if permitted by paragraph 4. of Article 4), panel, sub-panel or single judge that issued the concerned Decision or Judgment or by another specialized panel, sub-panel or single judge.

11. When the appellate panel has accepted and is deciding on an appeal, the following rules shall be strictly observed:
 - 11.1. the appellate panel shall not modify, annul, reverse or otherwise change, in any manner, any finding of fact made by a court, specialized panel, sub-panel or single judge unless the appellate panel determines that such finding of fact is clearly erroneous. A finding of fact shall not be determined to be clearly erroneous if such finding of fact is supported by any reasonable interpretation of the record of the trial proceedings and the evidence submitted during such proceedings; and
 - 11.2. the appellate panel shall conduct a de novo review of each issue of law raised by the appellant or a respondent in their written submissions.
12. If a court, specialized panel, sub-panel or single judge fails to issue a Decision or Judgment within the time period established by law or, if no such time period has been established by law, within a reasonable time, the appellate panel shall, upon the application of any party, order the concerned court, specialized panel, sub-panel or single judge to issue the concerned Judgment or Decision within ten (10) business days. If a court having jurisdiction over a claim, matter, proceeding or case in accordance with paragraph 4. of Article 4 of the present law fails to comply with such an order, the appellant panel shall, upon the application of any party or on its own initiative, order such case to be immediately transferred to back to the Special Chamber.
13. All Judgments and Decisions shall be in writing and made available to the public. If a court, panel, sub-panel or single judge makes an oral ruling or issues an oral order ruling, any party shall have the right to require such ruling or order to be put in writing and served on the parties.
14. All Judgments and Decisions of the appellate panel are final and not subject to any further appeal.
15. Nothing in the present law shall be interpreted or applied as limiting or attempting to limit the constitutional right of any person to petition the Constitutional Court of Kosovo, in accordance with the law and procedural rules governing such a petition, to review the constitutionality of any Decision or Judgment issued by the Special Chamber or another court.

Article 11 Remedies

1. The power and authority of the Special Chamber to award remedies and other relief relating to any Enterprise, any Corporation, any Asset in the ownership or

possession of an Enterprise or Corporation, or any other Asset previously or currently under the administration of the KTA or the Agency pursuant to the authority established by the KTA Regulation or the PAK Law shall be subject to the limitations set out in this Article.

2. The Special Chamber shall, as of the effective date of the present law, observe and comply with the principle stated in Annex VII, footnote 5, point 3 of the Comprehensive Proposal that “the principle of compensation instead of physical restitution shall continue to be applied.” When determining the remedy to be awarded in any particular case, the Special Chamber shall also take due account the applicable provisions of the PAK Law, including the public purposes served by that law as set out in its preamble.
3. Where the Special Chamber determines that a party has a right, title or interest in or to any share(s) of, or ownership interest in, an Enterprise or Corporation, an Asset in the possession of an Enterprise or Corporation or another asset over which the KTA or the Agency has asserted its administrative authority, and the concerned share(s), ownership interest or Asset (or any right or interest therein) have been transferred to a third party by the KTA or the Agency pursuant to a good faith and reasonable exercise or discharge of its administrative authority and responsibilities under the KTA Regulation or the PAK Law:
 - 3.1. such transfer shall, as a matter of law, nevertheless be valid and binding, and no aspect of such transfer shall be affected by such determination; and
 - 3.2. such party shall be entitled solely to an award of adequate monetary compensation for the loss of such right, title or interest. The amount of such award shall be determined on the basis of the value of the transaction conducted by the KTA or the Agency involving the concerned share(s) or Asset; and the satisfaction of such award shall be subject to the applicable provisions of the PAK Law.
4. For the purposes of paragraph 3, if the KTA or the Agency – pursuant to a good faith and reasonable exercise or discharge of its administrative authority and responsibilities under the KTA Regulation or the PAK Law – has transferred the share(s) of, or the ownership interest(s) in, an Enterprise or Corporation to a third party, all Assets in the possession of the Enterprise or Corporation at the time of such transfer shall be deemed to be the lawful property of such Enterprise or Corporation as of the date of such transfer unless such possession has been acquired pursuant to the terms of a written contract that clearly indicates that the Asset is not the property of the Enterprise or Corporation.
5. No person shall be entitled to or granted any remedy or relief that would require or involve the rescission, nullification, impairment or modification of a transaction or contract (or any right, benefit or obligation arising from or based on a transaction or contract) concluded or entered into with a third party by the KTA or the Agency pursuant to the good faith exercise of the authority provided by the KTA Regulation or the PAK Law.
6. Awards against the Agency acting directly in its own capacity shall be subject to the provisions of Article 18 of the PAK Law.
7. Notwithstanding any other provision of the present law, it is expressly provided that if an Enterprise or Corporation is subject to proceedings under UNMIK

Regulation 2005/48 or any successor legislation thereto, the remedies and relief that may be awarded or imposed by the Special Chamber with respect to such Enterprise or Corporation, or any Asset owned or in the possession of such Enterprise or Corporation, shall be limited to the remedies and relief specified in such regulation or successor legislation.

Article 12
Costs

Each Judgment issued by a single judge, specialized panel or sub-panel shall allocate the costs of the concerned proceedings among the parties as may be just and reasonable under the circumstances. The costs so allocated may include court costs and the reasonable attorney's fees and other costs reasonably incurred by a party in connection with the pursuit or defense of a claim, counterclaim or other matter in the concerned proceedings. Such allocation may require an unsuccessful party to pay the costs reasonably incurred by the prevailing party in pursuing or defending such a claim, counterclaim or other matter. In addition to the provisions on the calculation and allocation of costs contained in the procedural rules set forth in the Annex to the present law, the Presidium may issue more detailed rules on costs pursuant to the authority provided by Article 7 of the present law.

CHAPTER III
TRANSITIONAL AND FINAL PROVISIONS

Article 13
Extensions of Specified Time Limits

Any panel, sub-panel or single judge, may, but only in highly exceptional circumstances and only for very good cause shown, extend any time limit or period provided for in this law or in the Annex attached hereto for any period of time that is reasonable under the circumstances.

Article 14
Repeal of Prior Legislation; Conflicts; Interpretation

1. The law repeals and replaces the Special Chamber Regulation and all secondary legislation issued pursuant thereto, which – as of the effective date of this law - shall not have or be given any further force or effect; provided, however, that if a case pending before the Special Chamber on the effective date of this law has reached an advanced procedural stage and the proper adjudication of that case requires the continued application of procedural provisions of the Special Chamber Regulation or of the secondary legislation issued pursuant thereto, then the Special Chamber may apply such procedural provisions to the extent necessary to achieve such proper adjudication.
2. The provisions of the present law shall prevail over any inconsistent provision in any other regulation, law or piece of secondary legislation; including, but not

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limited to, Law No. 03/L-053 "On the Jurisdiction, Case Selection and case Allocation of Eulex Judges and Prosecutors in Kosovo"; provided, however, that in the event of any conflict between the present law and UNMIK Regulation No. 2005/48 or any successor legislation thereto, UNMIK Regulation No. 2005/48 or its successor legislation, whichever is then in effect, shall prevail.

3. Executive Decision No. 2008/34 "On a Temporary Suspension of All Activities Relating to the Kosovo Trust Agency" issued by the Special Representative of the Secretary General of UNMIK shall have no further force or effect as of the effective date of this law.
4. In interpreting and applying this law, where necessary to resolve a procedural issue not sufficiently addressed in this law, the Special Chamber shall apply, mutatis mutandis, the relevant provision(s) of the Law on Contested Procedures.

Article 15 **Entry into Force**

This law enters into force on 1 January 2012.

Law No. 04/L-033
31 August 2011

Promulgated by Decree No.DL-026-2011, dated 31.08.2011, President of the Republic of Kosovo Atifete Jahjaga.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / No. 20 / 22
SEPTEMBER 2011, PRISTINA

**ANNEX OF THE LAW No.04/L-033
OF THE SPECIAL CHAMBER OF THE SUPREME COURT OF KOSOVO
ON PRIVATIZATION AGENCY MATTERS**

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**RULES OF PROCEDURE
OF THE SPECIAL CHAMBER OF THE SUPREME COURT OF KOSOVO
ON PRIVATIZATION AGENCY MATTERS**

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Scope of Application**

The rules of procedure set forth in this Annex shall govern the proceedings of the Special Chamber of the Supreme Court of Kosovo on Privatization Agency Matters conducted in connection with cases and matters within its jurisdiction as specified in Article 4 of the Special Chamber Law.

**Article 2
Definitions and References**

1. For the purpose of interpreting and applying this Annex the terms and associated definitions provided in Article 2 of the Law on the Special Chamber of the Supreme Court of Kosovo on Privatization Agency Matters shall be applied.

2. In addition, the following defined terms shall have the indicated meaning:
 - 2.1. **Appellate Panel**, shall mean the appellate panel of the Special Chamber established pursuant to paragraph 7 of Article 3 of the Special Chamber Law;
 - 2.2. **Claimant**, shall mean a person referred to in paragraph 1 of Article 5 of the Special Chamber Law who has filed a claim or complaint with the Special Chamber;
 - 2.3. **Party**, shall mean a Claimant or Respondent;
 - 2.4. **President**, shall mean the President of the Special Chamber chosen in accordance with paragraph 4 of Article 3 of the Special Chamber Law;
 - 2.5. **Presidium** shall mean the Presidium of the Special Chamber established pursuant to paragraph 10 of Article 3 of the Special Chamber Law;
 - 2.6. **Presiding Judge** shall mean: with respect to the Appellate Panel, the President of the Special Chamber as provided for in paragraph 12 of Article 3 of the Special Chamber Law or the international judge to whom such function has been temporarily delegated pursuant to the second sentence of that paragraph; and, with respect to a Specialized Panel, the international judge appointed as the presiding judge of such Specialized Panel pursuant to paragraph 9 of Article 3 of the Special Chamber Law or the international judge to whom such function has been temporarily delegated pursuant to the third sentence of that paragraph;
 - 2.7. **Single Judge**, shall mean a single international judge to whom a specialized panel has delegated, pursuant to paragraph 1 of Article 9 of the Special Chamber Law, the responsibility and authority to conduct proceedings for a case within its subject matter jurisdiction;
 - 2.8. **Special Chamber Law**, shall mean the law to which this Annex is attached;
 - 2.9. **Specialized Panel**, shall mean a specialized panel of the Special Chamber established pursuant to paragraph 7 of Article 3 of the Special Chamber Law;
 - 2.10. **Sub-panel**, shall mean a sub-panel of Specialized Panel to which the Specialized Panel has delegated, pursuant to paragraph 1 of Article 9 of the Special Chamber Law, the responsibility and authority to conduct proceedings for a case within its subject matter jurisdiction;
 - 2.11. **Respondent**, shall mean a person referred to in paragraph 2 of Article 5 of the Special Chamber Law; and
 - 2.12. **UNMIK Regulation 2003/13**, shall mean UNMIK Regulation 2003/13 of 9 May 2003, on the Transformation of the Right of Use to Socially-Owned Immovable Property.
3. Words of any gender used in this Annex shall include any other gender and words in singular number shall be deemed to include the plural and the plural to include the singular.
4. Unless the context clearly requires another interpretation, any reference in this Annex to another law or UNMIK regulation or any specific provision(s) thereof, shall be interpreted as including any and all amendments thereto. If such a law or regulation is repealed and replaced with successor legislation governing the same subject matter, such reference shall – unless the context clearly requires another

- interpretation - be interpreted as meaning such successor legislation and, where applicable, the analogous provision(s) thereof.
5. Beginning on the effective date of the Special Chamber Law any reference in any element of the law of Kosovo to UNMIK Administrative Direction No. 2008/6 or any specific provisions(s) thereof, shall be interpreted as meaning this Annex and, where applicable, the analogous provision(s) of this Annex.
 6. Any reference in this Annex to “successor legislation” shall mean legislation adopted by the Assembly of the Republic of Kosovo and promulgated in accordance with the Constitution of the Republic of Kosovo.

CHAPTER II JUDGES OF THE SPECIAL CHAMBER

Article 3 Judges of the Special Chamber

The judges of the Special Chamber, including its President shall meet the minimum requirements for professional competence and expertise established by paragraphs 5 and 6 of Article 3 of the Special Chamber Law.

Article 4 Incompatibilities and Recusal

1. A judge of the Special Chamber shall not hold any other public or administrative office. A judge of the Special Chamber shall not hold any office or position in any political party or engage in any political activities or activities of a political party. A judge of the Special Chamber shall not engage in any other activity or occupation of a professional nature, regardless as to whether such activity or occupation is compensated, or otherwise engage in any activity that is incompatible with his or her functions.
2. No judge of the Special Chamber may take part in any case or proceedings in which he or she:
 - 2.1. has previously taken part as an agent or advisor;
 - 2.2. has previously been employed by, acted for or provided services to one of the parties;
 - 2.3. has, except as judge of the Special Chamber, previously participated as a member of a court, tribunal, or commission of inquiry, or has acted in another similar capacity;
 - 2.4. is related by blood or marriage to a party or, in the case of a party that is an undertaking, is related by blood or marriage to any person who is an owner or creditor of such undertaking or any person who is a member of the board or management of such undertaking; or
 - 2.5. has or acquires a direct or indirect interest in any undertaking that is a party to the case or proceedings or in any entity seeking an ownership interest in an undertaking that is party to the case or proceedings; or
 - 2.6. is subject to any other real or apparent conflict of interest that would impair,

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or appear to impair, his/her ability to professionally and objectively adjudicate the case or proceedings.

3. A judge shall have an absolute duty to apply for recusal if any of the conditions specified under paragraph 2. are present.
4. The Presidium of the Special Chamber in pursuance of its authority under Article 10 of this Annex may recuse any judge of the Special Chamber from taking part in the adjudication of a case or proceeding, either upon the request of that judge or upon the application of any party. An application for the recusal of a judge may be made at any time during the conduct of the case or proceedings.
5. A request for recusal by a judge shall be addressed to the Presiding Judge who shall bring the request to the attention of the Presidium. If the request for recusal is made by the Presiding Judge it shall be addressed directly to the Presidium. If the Presidium grants a recusal request, the judge concerned shall be replaced for the particular case or proceedings by a substitute judge, who shall be transferred for this purpose from the ranks of serving judges. The substitute for an international judge shall be an international judge, and the substitute for a local judge shall be a local judge.

CHAPTER III REGISTRY

Article 5 Registry

1. The Special Chamber shall have its own Registry separate from the registry of the Supreme Court of Kosovo.
2. A register shall be kept in the Registry in which a record shall be made of all pleadings and supporting documents in the order in which they are filed.
3. Any person may consult the register at the Registry and may obtain copies or extracts of the register, except for entries subject to a confidentiality order issued by the Special Chamber, on payment of a charge on a scale fixed by the Presidium.
4. The Registry of the Special Chamber may request and shall be granted assistance from any other court in Kosovo for the fulfillment of its duties.

Article 6 Duties of the Registrar of the Special Chamber

1. The Registrar and the Deputy Registrar shall be selected and appointed by the Kosovo Judicial Council.
2. Before taking office, the Registrar and Deputy Registrar shall take the following oath or make the following solemn declaration before the Special Chamber: "I solemnly declare that I will exercise loyally, discretely, and conscientiously, the functions conferred upon me as Registrar/Deputy Registrar of the Special Chamber of the Supreme Court of Kosovo on Privatization Agency Related Matters, and that I will keep secret and confidential all and any information that may come to my knowledge in the exercise of my functions."

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3. Under the authority of the President of the Special Chamber the Registrar and the Deputy Registrar shall assist the Special Chamber in the performance of its functions and shall be responsible for the organization and activities of the Registry. They shall also have responsibility to supervise the preparation of minutes by court recorders of proceedings of the Special Chamber.
4. The Registrar and the Deputy Registrar shall have the custody of the court stamp of the Special Chamber and the archives of the Special Chamber, and shall be the channel for all communications and notifications made by, or addressed to the Special Chamber in connection with cases brought or to be brought before it.
5. Subject to the duty of discretion attaching to this office, the Registrar and the Deputy Registrar shall reply to requests for information concerning the work of the Special Chamber.
6. General instructions drawn up by the Registrar and the Deputy Registrar and approved by the Special Chamber shall regulate the work and organization of the Registry.
7. The Presidium of the Special Chamber may require other employees working for the Special Chamber to take an oath or make a solemn declaration in accordance with paragraph 2. of this Article.

CHAPTER IV ORGANIZATION OF THE SPECIAL CHAMBER

Article 7 Organization; Permanent Session

The Special Chamber shall be organized in accordance with the requirements of Article 3 of the Special Chamber Law and shall remain permanently in session.

Article 8 Administration Subject to Direction of Presidium

The Presidium of the Special Chamber shall direct the administration of the Special Chamber and, unless otherwise provided in this Annex, its judicial business.

Article 9 The Presiding Judges

Every Specialized Panel and the Appellate Panel of the Special Chamber shall have a Presiding Judge pursuant to paragraphs 9 and 12 of Article 2 of the Special Chamber Law. Presiding Judges shall direct the judicial business of the panel and preside at hearings and deliberations except as may be otherwise specifically provided in this Annex.

Article 10 The Presidium of the Special Chamber

1. The Presidium shall:

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- 1.1. issue rules for and make determinations on the allocation of cases to Specialized Panels as far as this is not determined by the provisions of the Special Chamber Law, Law No. 03/L-053 “On the Jurisdiction, Case Selection and Case Allocation of EULEX Judges and Prosecutors in Kosovo”, or this Annex;
 - 1.2. issue instructions on the substitution of judges, decide on applications to recuse a judge and lay down criteria to be followed by a Specialized Panel when assigning the conduct of proceedings to a Sub-panel or Single Judge;
 - 1.3. in accordance with paragraph 1 of Article 7 of the Special Chamber Law, adopt and issue additional rules and practice directions; in particular with respect to special proceedings under Articles 68 through 70 of this Annex;
 - 1.4. issue procedural rulings for matters or issues not expressly covered by this Annex which clarify or supplement this Annex or those issued under sub-paragraph 1.3 of this Article; and
 - 1.5. perform the other functions assigned to the Presidium by the Special Chamber Law.
2. Procedural rules on the manner in which cases are distributed to Specialized Panels in accordance with sub-paragraph 1.1 shall be issued for each calendar year by the Presidium at the beginning of that calendar year. Such rules shall only be amended during the calendar year if a Specialized Panel becomes unduly burdened due to the long-term absence from duty of one or more of its judges.
 3. The Presidium shall take decisions by a simple majority of a quorum. A quorum shall exist if three or more members of the Presidium are present. If the Presidium is not able to reach a decision in time, the President shall take such decision and present it to the Presidium for approval. Any decision taken by the President shall be in force until the Presidium decides otherwise.
 4. A determination made by the Presidium on the manner in which case are distributed between the Specialized Panels shall be set out in a concise document that is shared with the Registrar. The Registrar shall publish the document as soon as it is received from the Presidium.
 5. Procedural rulings of the Presidium under sub-paragraph 1.4 of this Article shall take the form of a procedural Judgment issued by Special Chamber which may not be appealed.
 6. The Registrar shall immediately publish on the Special Chamber’s web-site any additional rules, procedural rulings or practice directions issued by the Presidium pursuant to subparagraphs 1.3 or 1.4 of this Article.

Article 11

Sub-Panels and Single Judges

1. A claim, complaint or matter that is filed with the Special Chamber shall be allocated immediately to the most appropriate Specialized Panel in accordance with Article 12 of this Annex and the procedural rules issued by the Presidium pursuant to Article 10 of this Annex. The Presiding Judge shall determine whether the conduct of the proceedings is to be delegated to a Sub-panel or Single Judge in accordance with Article 9 of the Special Chamber Law. If, after observing the

criteria specified in sub-paragraph 1.2 of Article 10 of this Annex, the Presiding Judge decides to assign the proceedings to a Sub-panel or Single Judge, the Presiding Judge shall issue an order setting out the extent of the responsibilities and authority of the Sub-panel or the Single Judge, including an indication of the extent of the authority of the Sub-panel or Single Judge to issue Decisions and Judgments in the assigned proceedings.

2. In a Sub-panel, the international judge shall act as Presiding Judge. All Decisions and Judgments issued by a Sub-panel shall be adopted by consensus. If a consensus cannot be reached, either member of the Sub-panel may refer the matter to the full Specialized Panel.
3. A Single Judge may issue such Decisions and Judgments as may be within his/her authority as specified in the order of the Presiding Judge assigning the concerned proceedings to the Single Judge.
4. Any Judgment or Decision of a Sub-panel or a Single Judge shall be considered the Judgment or Decision of the concerned Specialized Panel and shall be subject to appeal to the Appellate Panel in accordance with the relevant provisions of this Annex or, if applicable, the additional rules issued pursuant to subparagraph 1.3 of Article 10 of this Annex.

CHAPTER V PRIMARY COMPETENCE OF SPECIALIZED PANELS

Article 12 Primary Competences and Case Allocation

1. A case shall be assigned to the Specialized Panel having primary competence over such case as set out in paragraph 8. of Article 3 of the Special Chamber Law. Following this competence:
 - 1.1. cases involving a claim or complaint arising from or related to the conduct of the privatization process by the KTA or the Agency shall be referred to the Specialized Panel having competence for privatization-related matters;
 - 1.2. cases involving a claim or complaint related to entitlements of employees under Section 10 of Regulation No. 2003/13, or any successor legislation thereto, or general employment matters of an Enterprise or Corporation shall be referred to the Specialized Panel having competence for employee entitlement matters;
 - 1.3. cases involving a general ownership or creditor claim with respect to an Enterprise or Corporation not falling within the scope of subparagraph 1.1 of this Article shall be referred to the Specialized Panel having competence for general ownership and creditor claims;
 - 1.4. cases involving a complaint or other matters related to or arising in connection with the liquidation of an Enterprise or its assets shall be referred to a Specialized Panel having competence for matters related to the liquidation of Enterprises; and
 - 1.5. cases involving the reorganization or restructuring of an Enterprise pursuant to Regulation No. 2005/48, or any successor legislation thereto, shall be

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referred to the Specialized Panel having competence for the reorganization and restructuring of Enterprises.

2. Cases involving a claim or complaint over which no Specialized Panel has primary competence or for which a Specialized Panel has not yet been established at the time when the claim or complaint is filed, shall be dealt with by a Specialized Panel as determined under the additional rules established pursuant to subparagraph 1.3 of Article 10 of this Annex.
3. The additional rules established by the Presidium pursuant to subparagraph 1.3 of Article 10 of this Annex may permit the allocation of a case to a Specialized Panel other than that designated under paragraph 1 of this Article if special circumstance warrant such allocation, and such special circumstance are specified in detail in such additional rules.

CHAPTER VI GENERAL POWERS OF THE COURT

Article 13 The Powers of Case Management

1. The powers given to the Special Chamber or any Panel, Sub-panel or Single Judge under this Annex are in addition to any powers provided thereto by any other element of the law of Kosovo.
2. Except where this Annex specifically provided otherwise, any Panel, Sub-panel or Single Judge may take any of the following actions in connection with any case or proceeding being handled or conducted by such Panel, Sub-panel or Single Judge:
 - 2.1. where compelling circumstances exist justifying such action: extend the time for compliance with a Decision, even if an application for extension is made after the time for compliance has expired;
 - 2.2. adjourn or bring forward a hearing;
 - 2.3. require a party or party's legal representative to attend the court;
 - 2.4. during a hearing, receive evidence by telephone or by using any other method of direct oral communication;
 - 2.5. direct that parts of any proceedings to be dealt with as separate proceedings or consolidate separate proceedings;
 - 2.6. where compelling circumstances exist justifying such action: stay a case or proceeding or the applicability of any Decision or Judgment either generally or until the occurrence of a specified date or event;
 - 2.7. try more than one claim on the same occasion;
 - 2.8. direct a separate trial on any matter;
 - 2.9. decide the order in which matters are to be tried;
 - 2.10. exclude a matter from consideration;
 - 2.11. dismiss or adjudicate any claim after having made a Decision on a preliminary matter;
 - 2.12. order any party to file and serve an estimate of costs; and
 - 2.13. make any Decision or take any other step for the purpose of managing the case and furthering the overriding objective.

3. When any Panel, Sub-panel or Single Judge issues a Decision, it may
 - 3.1. make such Decision subject to such conditions as may be necessary or appropriate under the circumstances, including a condition to pay an amount of money into court; and
 - 3.2. specify the consequences of a failure to comply with the Decision or any aspect thereof.
4. Any Panel, Sub-panel or Single Judge may order a party to pay an amount of money into court if that party has, without good reason, failed to comply with a Decision or Judgment. When exercising its power under this paragraph 4. of this Article, the Court shall take into account the amount in dispute, the costs which the parties have incurred so far or may incur further, and the financial abilities of the parties involved. Where a party pays money into court in compliance with such an order, the money so paid shall be security for any sum that is or may be payable by that party to another party.

Article 14 **Sessions and Deliberations**

1. The dates and times for sessions of a Specialized Panel and the Appellate Panel shall be fixed by the concerned Presiding Judge. A Panel may decide to hold one or more sessions in a place other than that in which the Special Chamber has its seat.
2. All Panels shall deliberate in closed sessions. The Registrar and other court staff may be present during deliberations, but only if the Presiding Judge of the Panel so permits.
3. All Judgments and Decisions by a Panel shall be decided by an affirmative vote of:
 - 3.1. in the case of a Specialized Panel, two judges; and
 - 3.2. in the case of the Appellate Panel, three judges.
4. The issuance of Judgments and Decisions by a Sub-panel or Single Judge shall comply with, respectively, paragraph 2 and paragraph 3 of Article 11 of this Annex.

Article 15 **Referrals to Other Courts**

Paragraph 4 of Article 4 of the Special Chamber Law shall govern all issues relating to the referral of claims and other matters to other courts.

Article 16 **Transfer of Actions Pending in Other Courts in Kosovo**

1. If the Special Chamber determines that another court in Kosovo is exercising or attempting to exercise jurisdiction over a claim, matter, proceeding or case involving subject matter within the jurisdiction of the Special Chamber in violation of paragraph 5 of Article 4 of the Special Chamber Law, the Special Chamber shall, upon the application of any person or on its own initiative, order the

- concerned court to transfer the claim, matter, proceeding or case to the Special Chamber in accordance with paragraph 7 of Article 4 of the Special Chamber Law.
2. An order issued by the Special Chamber pursuant to paragraph 7 Article 4 of the Special Chamber Law shall be final and binding on the concerned court and all parties to the concerned proceeding. The order shall be served on the concerned court, the parties and the Agency. The order shall require the concerned court to immediately transmit to the Special Chamber the complete case file, including, but not limited to, all orders, minutes, pleadings and other documents relating to the concerned claim, matter, proceeding or case.
 3. The claim, matter, proceeding or case that is the subject of such an order shall be entered in the register of the Special Chamber. The concerned Specialized Panel shall have the authority to either initiate the case de novo or to resume the concerned proceedings in accordance with this Annex. In the latter case, the concerned Specialized Panel shall have the authority to take whatever actions, and issue whatever orders, as may be necessary or appropriate to remedy any substantive or procedural irregularities or errors that may have occurred at the transferring court prior to the date of transfer and to ensure the just and lawful disposition of the claim, matter, case or proceedings in accordance with the Special Chamber Law and this Annex.

CHAPTER VII SERVICE

Article 17 Address for Service

1. A Claimant shall provide in its claim or complaint the name and address of a person in Kosovo who is to serve as the authorized agent of the Claimant for the purposes of service. If the Claimant is a natural person resident in Kosovo, he/she may serve as his/her own agent.
2. A Claimant shall also provide in its claim or complaint the name of each person specifically identified as a Respondent. The Claimant shall also undertake reasonably diligent efforts to ascertain and provide the last known address of each such person and include such information in its claim or complaint.
3. Any person filing a response or otherwise seeking to participate as a party in proceedings before the Special Chamber shall provide the name and address of a person in Kosovo who is to serve as the authorized agent of such Respondent or person for the purposes of service. If such Respondent or person is a natural person resident in Kosovo, he/she may serve as his/her own agent.
4. A party may agree to the service of pleadings, notices and Decisions by telefax or other electronic means of communication. In such case, the party shall submit to the Special Chamber all information necessary to effect service using telefax or other electronic means of communication.

Article 18 **Effecting Service**

1. Where this Annex requires that a document be served on a party, the Registrar – or the party submitting the document - shall ensure that the document is delivered to the address for service of that party either by the dispatch of a copy of the document by registered mail with a form for acknowledgement of receipt or by personal service of such copy against a receipt.
2. Where a party has agreed, in accordance with paragraph 4 of Article 17 of this Annex that service may be effected by telefax or other electronic means of communication, any procedural document other than a Judgment may be served by the transmission of a copy of the document by such means. Where, for technical reasons or on account of the nature or length of the document, such transmission is impossible or impracticable, the document shall be served on the party in accordance with the procedure set forth in paragraph 1 of this Article 18 of this Annex, and a notice of such service shall be provided to the concerned party by telefax or other electronic means of communication.
3. Service shall be deemed to have been effected:
 - 3.1. in the case of dispatch of a copy of the document by registered mail pursuant to paragraph 1 of Article 18 of this Annex, on the day on which the addressee acknowledges receipt or, if the addressee has refused to accept the document or to sign the receipt, on the fifth day following the mailing of the registered letter at the post office of the place where the Special Chamber has its seat;
 - 3.2. in the case of personal service of the document pursuant to paragraph 1 of this Article 18, on the day on which the addressee acknowledges receipt. If the addressee has refused to accept, or is avoiding receiving, the document or if the addressee has refused or is avoiding to sign the receipt, the date of service shall be the date of the actual or attempted service. In such event, the person charged with serving the document shall prepare a certificate of attempted service specifying the time, date and place of the attempted service and a description of the facts demonstrating that the addressee refused or avoided service and/or the signing of the receipt. The person charged with serving the document shall return the certificate of attempted service to the Registry;
 - 3.3. in the case of transmission of the document by using telefax or other electronic means of communication pursuant to paragraph 2 of this Article 18, on the day the transmission was successfully completed and documented or, if the inability to successfully complete said transmission was due to the deliberate fault of the receiver, on the day that the attempt to transmit was made.
4. After service of the initial claim is effected, a panel or sub-panel may require or permit a party to serve additional pleadings and documents on the other parties without the assistance of the court. In addition to the proof of service or certificate of attempted service, the serving party shall always file with the court copies of any pleadings or documents served or attempted to be served on another party without the assistance of the court.

5. Where the specific identity and/or address of a party or necessary person cannot, after reasonably diligent efforts, be definitively ascertained, the Court shall allow for constructive service by such means as may be reasonable under the circumstances. Such means may include service by publication or service on a known relative or business associate.

Article 19 **International Legal Cooperation**

1. For the purposes of the present section, the term “International Legal Cooperation” means assistance relating to legal proceedings provided by Kosovo authorities to foreign authorities or provided by foreign authorities to Kosovo authorities.
2. A request by the Special Chamber - or by a court in Kosovo to which a claim, matter, proceeding or case has been referred by the Special Chamber - for international legal cooperation in matters falling within the primary jurisdiction of the Special Chamber shall comply with the following guidelines:
 - 2.1. the request shall be sent in writing to the Minister of Justice, setting out clearly the nature of the request, the identities of the concerned foreign authorities, and the time by which a response is requested;
 - 2.2. the Minister of Justice shall send the request, via official diplomatic channels, to the relevant foreign authorities outside Kosovo; and
 - 2.3. the Minister of Justice shall transmit any and all responses received with respect to such request to the Special Chamber or the concerned court.
3. A request by a foreign court for international legal cooperation in matters falling within the primary jurisdiction of the Special Chamber shall be processed as follows:
 - 3.1. the request shall be in writing, setting out clearly the nature of the request and the time by when a response is requested and shall include an undertaking that any materials provided in response to such request shall only be used for the purposes specified in the request;
 - 3.2. the request shall be submitted to the Minister of Justice who shall forward the request to the Registrar of the Special Chamber. A request for mutual legal assistance received directly by any court in Kosovo from a foreign authority shall immediately be returned to the foreign authority with a letter advising the sender that the request must be submitted through the Ministry of Justice;
 - 3.3. if the request relates to a claim that has been referred by the Special Chamber to another court of Kosovo, the Registrar shall transmit the request to that court for action; and
 - 3.4. any response to such a request shall be submitted by the Special Chamber or the concerned court to the Registrar, who shall immediately forward such response to the Minister of Justice, and the Minister of Justice, shall then send the response, via official diplomatic channels, to the requesting foreign authorities.

CHAPTER VIII PERIODS AND TIME-LIMITS

Article 20 Calculation of Time Periods

1. A period of time prescribed by the Special Chamber Law or this Annex shall be calculated as follows:
 - 1.1. where a period of time is to begin when a specific event occurs, the period of time shall begin at midnight on the day that such event occurs.
 - 1.2. unless the concerned period is explicitly expressed in business days, the period shall include all calendar days.
2. If the period would otherwise end on a Saturday, Sunday or on an official holiday, it shall be extended until the end of the first following business day.

Article 21 Expiry of Time Periods

1. Without prejudice to its responsibility to handle matters before it expeditiously, the Special Chamber may in exceptional cases, and if the interest of justice so requires, extend a time period prescribed by law or this Annex if it determines that it is not reasonably practicable for a party or the Special Chamber to dispose of the matter at hand within the time period prescribed by law or this Annex.
2. If a party seeks an extension of time, such party shall submit an application for the extension prior to the expiration of the concerned time period. The Presiding Judge may grant the extension if the application sets forth circumstances and reasons that the Presiding Judge considers sufficient to justify the extension and the Presiding Judge determines that no other party would be seriously prejudiced by the extension.
3. A party shall submit an application for an extension as soon as that party becomes aware of the circumstances and reasons that the party believes justify the extension. In no event may an application be submitted after the expiry of the prescribed time period. At the same time as it submits the application, the party shall provide all other parties with a copy of the application.
4. The Presiding Judge may grant the extension only for such additional time as the circumstances set forth in the application may warrant.

CHAPTER IX GENERAL PROVISIONS

Article 22 Proceedings

The proceedings before the Special Chamber shall be based on written filings and oral proceedings.

Article 23
Obligations of Parties in Proceedings

1. Each party shall set forth in its written submissions a comprehensive statement of facts that alleges all facts that the party knows or reasonably believes to be relevant or material to the concerned claim, matter, proceeding or case. The Special Chamber shall only conduct an *ex officio* investigation of the facts in exceptional circumstances.
2. The Special Chamber shall encourage the parties to reach a negotiated settlement prior to and during any proceedings.
3. In all stages of the proceedings the parties shall act in truthfully.
4. Each party shall set forth in its written submissions a detailed statement of the facts and the legal reasoning upon which it bases its positions and arguments.
5. Where a party alleges a fact, such party shall be required to produce evidence, physical and/or testimonial, supporting such allegation.

Article 24
Representation before the Special Chamber

1. Every Claimant and Respondent shall be represented by a member of a bar association or a chamber of advocates.
2. Notwithstanding the foregoing, a natural person may be permitted to represent himself or herself unless the Presiding Judge issues an order under paragraph 3 of this Article.
3. Upon application by any party or upon his or her own motion, the Presiding Judge may order that a natural person be represented by a member of a bar association or a chamber of advocates if the Presiding Judge is satisfied that such an order is required for the protection of that person's rights and interests or for the orderly conduct of proceedings or is otherwise in the interests of justice. The Presiding Judge shall not make such an order unless he or she is satisfied that:
 - 3.1. such person is reasonably able to afford legal representation; or
 - 3.2. legal aid will be made available to that person to cover the costs of legal representation. For this purpose the Presiding Judge may write to any person or body recommending the grant of legal aid to provide representation and requiring that person or body to state whether or not such legal aid will be provided.
4. A lawyer acting for a party must submit to the Registry a copy of the power of attorney granting the authority to represent such party in the proceedings before the Special Chamber.
5. The Special Chamber shall immediately notify a party who is not represented by a lawyer of the provisions of this Article 24.

Article 25
Filing of Pleadings

1. The original of every pleading must be signed by the party or by the party's lawyer, if that party has legal representation. The original, accompanied by all

- annexes referred to therein, shall be filed at the Registry together with four complete and exact copies for the Special Chamber and one complete and exact copy for every other party to the proceedings. The Registrar shall immediately ensure that every other party to the proceedings are served with a copy.
2. When a document is filed, the Registrar shall make a note of the date of filing on the original.
 3. Once a pleading is filed, with the Registry, any calculation of procedural time limits that commence as a result of the filing shall begin at midnight on the date of filing as required by Article 20 of this Annex.
 4. If a party chooses to file a pleading by telefax or other electronic means with the Registry, the pleading so filed must be accompanied by all annexes referred to therein, and:
 - 4.1. the filing party must simultaneously send a copy the entire pleading, including the annexes referred to therein, by the same means to all other parties;
 - 4.2. the requirements of paragraph 1 of this Article must be satisfied within the next ten (10) days; and
 - 4.3. If the requirements of this paragraph 4 are met, the date of filing shall be the date of electronic or telefax transmission; provided, however, if the time of electronic or telefax transmission is after 16:00 hours Kosovo time, the date of filing shall be the following business day.
 5. The first pleading of an undertaking shall be accompanied by a document, signed by the person granting the power of attorney to the undertaking's lawyer, certifying that such person has the lawful authority to grant such power of attorney.
 6. Except as specifically provided by paragraph 7 of this Article, any person shall have the unrestricted right to immediately obtain copies of any pleadings, documents, Judgments or Decisions filed or entered with respect to any claim, matter, proceeding or case before the Special Chamber or that has been referred by the Special Chamber to another court. The Special Chamber shall fix and publish a copying fee that shall be paid by any person obtaining such copies; such copying fee shall be on a "per page" basis and shall be no greater than 15 Euros.
 7. The Special Chamber may, acting pursuant to a justified request of the filer of a pleading or document, but never on its own initiative, designate specific information contained in such pleading or document as confidential. Any request for confidential treatment of information in a pleading or document must be accompanied by a compelling written justification demonstrating that public access to such information would cause serious harm to the party or person submitting such information. When considering such a request, the Special Chamber shall give serious consideration to the compelling public interest in maintaining an open and transparent judicial process. The Special Chamber shall not grant such a request if the concerned information is readily accessible by the public elsewhere. If the Special Chamber grants such a request, it shall ensure that public access is only restricted with respect to the specific concerned sensitive information, and the Special Chamber shall ensure that the publicly accessible files at the Special Chamber contain a redacted version of the concerned document or pleading. Judgments and Decisions shall never be designated as confidential.

8. Pleadings and supporting documents may be submitted in either the Albanian or Serbian language and accompanied by an English translation. Such translation shall be at the expense of the person or party submitting such pleading or document.
9. A natural person may submit an application to the Presiding Judge for assistance in developing the English translation of pleadings and supporting documents. Such application shall be submitted with the pleadings and include a statement of the party's financial means and any supporting evidence that the party wishes the Presiding Judge to take into account.
10. The Presiding Judge may direct that the translation of pleadings and supporting documents required by paragraph 8 of this Article be undertaken at the expense of the Special Chamber where he or she determines that it is reasonable to so direct having regard to the means of the natural person. If the Presiding Judge rejects such an application, he or she shall so inform the natural person by decision in writing and shall order that person to provide English translations at such person's expense within a period to be specified in the decision. If such translations are not so provided within that period, the Special Chamber shall order that translations be undertaken and that the costs thereof be assessed against that person.

Article 26

Withdrawal, Amendment, Acknowledgement and Settlement

1. A Claimant may at any time withdraw its claim or complaint if the Special Chamber consents. In granting its consent the Special Chamber shall consider the interests of all other parties. A Decision consenting to the withdrawal may include an order requiring the withdrawing party to pay the costs of the proceedings incurred prior to the withdrawal. Such a Decision shall not preclude such party from re-filing the claim or complaint.
2. A party may, with the consent of the Presiding Judge, amend its pleadings at any time before the conclusion of the proceedings. The Presiding Judge shall decide whether to accept the request for amendment, taking into account whether such amendment serves the interest of justice and any harm that may be suffered by the other parties.
3. A Respondent may at any stage of the proceedings accept the claim or complaint filed against it in whole or in part.
4. A negotiated settlement reached by the parties during the proceedings and confirmed in writing shall become final and binding upon the parties.

CHAPTER X

WRITTEN PROCEEDINGS

Article 27

Initiation of Proceedings

1. A claim or complaint shall be submitted to the Special Chamber in writing.
2. A claim or complaint shall state:
 - 2.1. the name and address of the Claimant(s);

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- 2.2. the name and address for service of the lawyer, if any, acting for the claimant;
- 2.3. to the extent required by paragraph 2 of Article 17 of this Annex, the name(s) and address(es) of Respondent(s);
- 2.4. the subject-matter and all material facts pertaining to the claim or complaint, the grounds for the primary jurisdiction of the Special Chamber over the claim or complaint, the legal arguments on which the claim or complaint is based and a list of the evidence that the claimant intends to produce;
- 2.5. where monetary compensation is sought, a schedule of damages setting out the nature of the loss or damage, the amount of money claimed for each type of loss or damage, and the evidence that is to be offered in support of that type of loss or damage; and
- 2.6. where non-monetary relief is sought, the Claimant(s) shall specify the nature of such relief, taking into account the provisions of Article 11 of the Special Chamber Law. The Claimant(s) shall also provide the amount of monetary compensation (supported by the schedule of damages required by subparagraph 2.5 of this Article) that it seeks in the event the Special Chamber determines it cannot or will not award such non-monetary relief.

Article 28 Admissibility of Claim/Complaint

1. Upon receipt and registration of a claim or complaint and its assignment to the competent Specialized Panel pursuant to Article 12 of this Annex, the Specialized Panel shall determine whether the claim/complaint is admissible.
2. A claim/complaint shall only be admissible if:
 - 2.1. the Special Chamber has jurisdiction pursuant to Article 4 Special Chamber Law;
 - 2.2. the Claimant has the right to initiate proceedings pursuant to paragraph 1 of Article 5 of the Special Chamber Law;
 - 2.3. the claim/complaint is brought against a party who may be a Respondent in proceedings before the Special Chamber pursuant to paragraph 2 of Article 5 of the Special Chamber Law;
 - 2.4. the claim/complaint has been filed within the period set forth in paragraph 1 of Article 6 of the Special Chamber Law;
 - 2.5. the Claimant has given the notice required by paragraph 1 or paragraph 2, whichever is applicable, of Article 6 of the Special Chamber Law; and
 - 2.6. the claim/complaint was filed in accordance with Article 25 of this Annex and conforms to the requirements of Articles 27 of this Annex.
3. If the Specialized Panel determines that the requirements set forth in paragraph 2 of this Article are not met, it shall reject the claim/complaint on the grounds of inadmissibility and shall specify with particularity the legal grounds for such rejection. If the claim/complaint is rejected solely for failure to comply with subparagraph 2.6 of this Article, the Specialized Panel shall issue an order to the Claimant specifying a reasonable period of time during which the Claimant may correct the concerned deficiencies and resubmit.

4. Any Respondent may at anytime file a written pleading challenging the claim or complaint as failing, as a matter of law, to state a claim on which relief or compensation may be awarded. If such a challenge is filed, the Claimant shall have fourteen (14) days to file its written response thereto. The Specialized Panel shall then schedule an oral hearing on the issue.
5. If, after considering the written and oral arguments of the parties, the Specialized Panel determines that no relief or compensation can be awarded in respect of the claim/complaint as a matter of law, it shall issue a Judgment rejecting the claim/complaint on that basis. If the Specialized Panel determines that the claim or complaint does state a claim on which relief or compensation may be awarded as a matter of law, it shall issue a Decision dismissing the Respondent's challenge. Any such Judgment or Decision shall be appealable to the Appellate Panel in accordance with the rules governing such appeals.

Article 29 **Defense of the Respondent**

1. Within one month after the Respondent has been served with a claim/complaint, the Respondent may file a defense. The defense shall contain:
 - 1.1. the name and address of the Respondent;
 - 1.2. the name and address for service of the lawyer acting for the Respondent;
 - 1.3. the Respondent's response to the facts alleged by the Claimant;
 - 1.4. the Respondent's counter arguments to the legal arguments advance by the Claimant; and
 - 1.5. the Respondent's response to the request for relief and/or compensation sought by the Claimant.
2. The one month period specified in paragraph 1 of this Article may be extended by a Decision issued by the Specialized Panel or, if applicable, the Single Judge or Sub-Panel, upon a reasoned application by the Respondent.

Article 30 **Claimant's Response and Respondents' Counter Response.**

1. The Claimant shall have fifteen (15) days after being served with a Respondent's defense to file Claimant's response to that defense.
2. A Respondent shall have fifteen (15) days after being served with the Claimant's response to the Respondent's defense to file its counter response thereto.

Article 31 **Counterclaims**

1. A Respondent must file any counterclaim(s) it may have within the same time period allowed for the filing of its defense.
2. Counterclaims shall be subject to the same admissibility requirements established by paragraph 2 of Article 28 of this Annex for claims/complaints. A Claimant against whom a counterclaim has been filed may apply to the Specialized Panel to

sever the counterclaim from the proceedings on the grounds that the facts in dispute between the parties with respect to Claimant's claim/complaint do not materially relate to the counterclaim. The Specialized Panel shall grant such application if it determines that the interests of justice would be served thereby. Where the counterclaim is severed, it shall proceed as a new and separate case with a separate entry in the register, and:

- 2.1. the counterclaim shall be deemed the claim/complaint in that new case;
- 2.2. the Respondent in the original case shall be the Claimant in that new case; and
- 2.3. the Claimant in the original case shall be the Respondent in the new case.

Article 32 **Closing of Written Proceedings**

1. Written proceedings are closed:
 - 1.1. if the Respondent has not timely filed a defense, at midnight on the date that such defense is due;
 - 1.2. if the Respondent has timely filed a defense but the Claimant has not timely filed a response to that defense, at midnight on the date such response is due;
 - 1.3. if the Claimant has timely filed a response to the defense, at midnight on the date the Respondent's counter response is due.

Article 33 **Procedural Directions on the Hearing of Claims**

1. At any time during the proceedings, the Special Chamber may order that two or more claims/complaints concerning the same subject matter be joined for the purposes of the written and/or oral proceedings or the Judgment. Prior to the issuance of a Judgment on all claims/complaints so joined, any of such claims/complaints for which a Judgment has not yet been issued may be severed.
2. At any time, the Special Chamber may order that one or more issues be adjudicated before the adjudication of any other issue if the Special Chamber determines that this will serve the interests of justice, judicial economy or the speedy resolution of proceedings.
3. The Special Chamber may at any time summon the parties to an oral hearing for the purpose of issuing directions and/or schedules governing the further conduct of the proceedings.

Article 34 **Preliminary Report of the Single Judge**

1. If a Specialized Panel has delegated proceedings to a Single Judge pursuant to Article 11 of this Annex, the Specialized Panel shall establish a date on which the Single Judge is to present a preliminary report to the Specialized Panel. Such date shall be as soon as practicable but not later than thirty (30) days after closure of the written proceedings.

2. The preliminary report shall contain the Single Judge's summary of the case, the material facts that have been agreed or that appear not to be in dispute, the material facts and legal issues that are in dispute, the procedural status of the case, and the proposed schedule for its further conduct.
3. Based upon the preliminary report, the Specialized Panel may issue an order to dispense with the collection of evidence if it determines that there remain no genuine disputes of material fact necessary to decide the case or issue concerned.
4. Before issuing an order pursuant to paragraph 3 of this Article, the Specialized Panel shall inform the parties that it is considering issuing such an order and shall invite the parties to make submissions and present arguments on whether such an order should be issued. The Specialized Panel may issue such an order only if it determines that all parties have had a reasonable opportunity to make such submissions and present such arguments.
5. If an order to dispense with the collection of evidence is issued pursuant to paragraph 3 of this Article, the provisions of Chapter XI of this Annex shall not apply to the case or issue that is the subject of such order.

CHAPTER XI EVIDENCE AND HEARING

Article 35

Delegation of Collection of Evidence to Sub-Panels or Individual Judges

1. The collection of evidence may be delegated by the Presiding Judge to a Single Judge or a Sub-panel.
2. The collection of evidence by a Specialized Panel, Sub-panel or Single Judge shall proceed in accordance with this Annex.

Article 36

General Rules on Evidence

1. A party may submit evidence by:
 - 1.1. producing, or requesting the judge(s) in the case or proceeding to order the production of, the original of a document that is relevant to one or more legal issues or factual allegations in the case or proceeding; the judge(s) may accept a copy of such a document in lieu of the original, but only if the submitting party provides an acceptable explanation as to why the original cannot be provided;
 - 1.2. producing, or requesting the judge(s) in the case or proceeding to summon, witnesses to provide factual testimony or other evidence during the oral proceedings; however, if the party intends to produce such a witness, that party shall provide such judge(s) and the other parties with the name and address of each such witness at least five (5) days prior to the date on which such witness is to testify;
 - 1.3. producing experts to provide expert reports and expert testimony during the oral proceedings; however, the party intending to produce any such expert

shall provide the judge(s) in the case or proceeding and the other parties with the name and address of each such expert, and a description of his her area(s) of expertise, at least five (5) days prior to the date on which such witness is to testify;

- 1.4. producing a physical item relevant to a factual issue in the case or proceeding;
 - 1.5. producing treatises, articles and other written materials authored by persons having special expertise or knowledge on a subject matter that is material to a factual or legal issue in the case or proceeding;
 - 1.6. requesting the judge(s) in the case or proceeding to order a visit to a site to or the inspection of an object; any such a request shall be accompanied by an explanation indicating the facts that such visit or inspection is expected to assist in establishing; and
 - 1.7. producing any other evidence as may be permitted by the judge(s) in the case or proceeding, if the judge(s) first determine that the party has sufficiently demonstrated that such evidence may reasonably be expected to be material to a factual or legal issue in the case or proceeding.
2. The party alleging a fact or an event shall have the burden of proving the truth of such allegation through the submission or production of material evidence (documentary, physical and/or testimonial). Every other party shall be given a reasonable opportunity to challenge the legitimacy or veracity of such evidence through the submission or production of other evidence (documentary, physical or testimonial) tending to disprove the legitimacy or veracity of such evidence. Where evidence is produced by a party in the form of an affidavit or testimony, every other party shall be given a reasonable opportunity to question the person making such affidavit or providing such testimony either in court or at a deposition under oath that is video/audio-taped and transcribed.
 3. A party alleging a fact or an event shall be given a reasonable opportunity to submit or produce material evidence in support of such allegation. If such party fails to submit or produce any such evidence, the party shall be determined to have not discharged its burden of proof with respect to that allegation.
 4. The judge(s) shall have a duty to independently assess the credibility of any and all evidence (documentary, physical and testimonial) submitted or produced in a case or proceeding.

Article 37

Orders Compelling the Appearance of Witnesses

1. Upon application of a party, and for good cause shown in such application, the judge(s) in the case or proceeding shall order a person to appear in court or at a deposition for the purpose of providing testimony and/or producing documents (including documents in electronic form) or other items material to the case or proceeding.
2. Such an application shall contain the following information:
 - 2.1. the name and last known address of such person and any other information available to the applicant that may assist in identifying the location of the person;

- 2.2. if the person is to testify, a general indication of the material facts about which the person is reasonably believed to possess knowledge;
 - 2.3. if the person is believed to have material documents (including documents in electronic form) or other items in his/her possession, a general description of those documents; and
 - 2.4. a commitment by the party making such application to pay the reasonable expenses of the person as determined in accordance with Article 41 of this Annex; if such party ultimately prevails in the case or proceeding, the judge(s) may order the other party to pay these expenses.
3. The judge(s) may, after considering the application, decide that the applying party has not shown sufficient cause for the order to be issued.
 4. If the judge(s) decide to issue the order, either the Registrar or the applying party shall be directed to serve the order on the witness. However, if the witness is not physically present in Kosovo and does not maintain a residence in Kosovo, a request for the service of the order shall be made in accordance with paragraph 2 of Article 19 of this Annex.
 5. A witness who is physically present in Kosovo at the time of service or who maintains a residence in Kosovo and who has been duly and timely served with such an order shall have a strict obligation to comply fully with such order. If the witness is unable to appear at the time specified in the order, the witness shall, prior to the time for appearance specified in the order, submit a request to the judge(s) explaining why he/she cannot appear at that time and specifying the times he/she is available to appear. Upon the timely receipt of such a request, the judge(s) may modify the order accordingly and have that order served upon the witness.
 6. If a witness fails to comply with an order, the judge(s) in the case or proceeding shall impose upon the witness a fine of not less than one thousand Euros (€ 1000) and not more than five thousand Euros (€ 5000). The judge(s) shall then issue a second order to be served upon the witness. If the witness fails to comply with the second order, the judge(s) shall impose an additional fine on the witness of five thousand Euros (€ 5000), find the witness to be in contempt of court, and issue an arrest warrant requiring the Kosovo Police Service to arrest the witness and bring the witness before the court.
 7. A witness who is fined under paragraph 6 of this Article may request that the fine be reduced if the witness can demonstrate that the amount is disproportionate to his or her means.

Article 38 **Testimony**

1. A person who is to provide testimony shall not be present during any oral submissions or during the testimony or examination of any other witness, unless such person is a party.
2. The parties shall have the right to be present during the testimony and examination of witnesses.
3. At the beginning of the examination, the identity of a witness shall be established by the Presiding Judge. The witness shall be informed of the criminal

- consequences of giving false evidence and shall be required to take an oath or solemn declaration that the testimony given by the witness is true.
4. After the witness has given his/her testimony, questions may be put to the witness by the judge(s). Subject to the control of the Presiding Judge or the judge delegated to collect evidence, questions may also be put to witnesses by the lawyers of the parties.
 5. A witness may refuse to give evidence on:
 - 5.1. statements made by or to the witness during a religious confession;
 - 5.2. if the witness is a doctor of medicine, a lawyer or a licensed professional practitioner of some other occupation where the maintenance of confidentiality with respect to client communications is essential to the proper practice of that profession:
 - 5.2.1. statements made to the witness by a patient/client or by the witness to a patient/client, whether orally or in writing, but only to the extent such statements are directly connected to the performance of professional services by the witness for the patient/client; and
 - 5.2.2. information obtained by the witness about a patient/client if such information was obtained for a purpose directly connected to the performance of professional services by the witness for the patient/client;
 - 5.3. information that would tend to incriminate the witness, the witness's spouse, or the children or parents of the witness or the witness's spouse.
 6. The Presiding Judge or the judge delegated to collect evidence shall inform witnesses of their right to refuse to give evidence as indicated in paragraph 5 of this article.
 7. Before giving evidence the witness shall take the following oath: "I, _____, solemnly declare that I shall speak the truth, the whole truth and nothing but the truth."
 8. The court recorder shall take verbatim minutes in order to accurately reflect the statement of the witness. The minutes shall be signed by the Presiding Judge or by the judge responsible for conducting the examination of the witness and by the court recorder.

Article 39

Appointment of Independent Experts

1. The judge(s) in the concerned case or proceeding may, on the judge(s)' own initiative or the application of a party, appoint an independent expert to prepare an expert report and to testify on factual matters that are material to the case or proceeding. The order appointing an expert witness shall define the expert's tasks and set a time-limit within which the expert witness is to prepare the concerned report.
2. A person may not be appointed or serve as such an independent expert in any case or proceeding if he or she:
 - 2.1. has previously taken part, directly or indirectly, in such case or proceeding in any capacity;

- 2.2. has previously been engaged as an employee or contractor by one of the parties;
 - 2.3. is related by blood or marriage to any of the parties or, in the case of a party that is an undertaking or other body, is related by blood or marriage to a person who is an employee, contractor or owner, who is a member of the board of such entity or who holds major managerial functions in such entity;
 - 2.4. has or acquires a direct or indirect interest in any entity that has asserted a right or interest in an undertaking that is party to the proceedings; or
 - 2.5. has any other identifiable relationship, affiliation, position or pecuniary interest that could reasonably be expected to impair his/her ability to discharge his/her expert duties in an independent, unbiased and professional manner.
3. A court-appointed independent expert shall receive a copy of the order, together with all evidence in the court's possession material to carrying out the expert's task. The expert shall be under the supervision of the judge(s) in the case or proceeding.
 4. The judge(s) in the case or proceeding shall require the parties to pay a deposit with the Registry of the Special Chamber in an amount sufficient to cover the estimated reasonable fees and expenses related to the preparation of the report by the expert witness.
 5. Court-appointed experts may give their opinion only on those factual issues that have been expressly referred to them by the concerned order.
 6. A court-appointed expert shall submit copies of his/her written report directly to the concerned judge(s) and to the Registry, which shall immediately serve copies of such report on the parties.
 7. The judge(s) shall require the expert to be examined at a hearing. The judge(s) may put questions to the expert witness. Subject to the control of the Presiding Judge, questions may also be put to the expert by the lawyers of the parties.
 8. Before taking up their appointment, an expert witness shall be required to take or make the following oath:
 9. "I, _____, solemnly declare that I shall conscientiously and impartially carry out my task; that I have no relationship, affiliation, position or pecuniary interest that will impair my ability to discharge my duties in an independent, unbiased and professional manner. I shall provide to the Court copies of all the evidence upon which I shall base my opinion; that I shall base my opinion only on facts that I believe to be true; and that I honestly and in good faith shall hold the opinion that I provide to the Court."
 10. The selection of an expert witness by the judge(s) shall not be subject to the Law on Public Procurement of Kosovo. Nevertheless, the judge(s) shall select, from the available experts who are not ineligible under paragraph 2 of this Article, that expert who is most qualified to render the concerned opinion. The judge(s) shall also ensure that any arrangement with respect to the payment of the fees and expenses of the expert is reasonable.

Article 40
Objections against Witnesses and Expert_Witnesses

1. Any party may object to the competence or eligibility of any proposed witness or expert by requesting the judge(s) hearing the concerned case or proceeding to bar the witness or expert from providing evidence, either entirely or on a specific matter.
2. Any party may also object to any part of the testimony or other evidence given or produced by a witness or expert on the grounds that such testimony or evidence is not relevant or material or that the witness or expert is not competent to give such testimony or provide such evidence. Such an objection may be made either before or after the testimony is given or the evidence produced. If the objection is made before the concerned testimony is given or the evidence is produced, the judge(s) may – if they find the objection to be well-founded - bar the witness or expert from providing the concerned testimony or evidence. If the objection is made after the concerned testimony has been made or after the concerned evidence has been produced, the judge(s) may – if they find the objection to be well-founded - order that the concerned testimony and/or evidence to be disregarded and stricken from the record.
3. The party making such an objection shall be required to state its reasons for such objection. Every other party shall be given an opportunity to support or oppose the objection and to provide their reasons for such position; provided, however, that if the objection is raised during the conduct of an oral hearing, only the parties present at such hearing shall be given such opportunity.
4. An objection to a witness or to an expert must be raised promptly.
5. The judge(s) may, at any time, require the parties to make written submissions on an objection that has been raised. If the judge(s) take such action, the parties shall be given no more than five (5) business days to make such submissions. The objection shall be upheld until such time as the judge(s) issue a Decision on the objection, and such Decision shall be issued within five (5) business days after the deadline for the parties written submissions.
6. Except as provided in paragraph 5 of Article 38 of this Annex, if any person appears or is brought before the court to serve as a witness or an expert, and such person refuses to testify or produce evidence or answer a question when ordered by the court, or refuses to make an oath or solemn declaration when ordered by the court, the judge(s) in concerned case or proceeding shall impose upon such person a fine of not less than one thousand Euros (€ 1000) and not more than five thousand Euros (€ 5000), find the witness to be in contempt of court, and issue an arrest warrant requiring law enforcement to detain such person until such person agrees to comply with, and does comply with, the concerned order. This paragraph 6 shall not apply however where there is a reasonable basis to believe that the requirement to provide such testimony or evidence would, violate a constitutionally protected right of the witness

Article 41
Reimbursement of Witnesses and Experts

1. Witnesses and experts shall be entitled to reimbursement of their reasonable travel and other expenses. The judge(s) in the concerned case or proceeding may authorize the Registry to make advance payments to a witness or experts for such expenses.
2. Witnesses shall be entitled to compensation for documented loss of earnings, and experts shall be entitled to a reasonable fee for their services. Such compensation or fee shall be paid only after the judge(s) in the concerned proceeding or case have certified to the Registry that the witness or expert has fulfilled his/her obligations to the court and authorized the payment of such compensation or fee. The amount to be paid shall be determined by the judge(s) in the concerned case or proceeding and specified in the payment authorization provided to the Registry.

Article 42
Production of Documents or other Physical Evidence

1. A party may offer physical evidence by producing documents or physical items in the party's possession or control.
2. If a party has or obtains a document that is material to the determination of a factual issue in the case or proceeding, that party is required to submit the original thereof – or if the party does not possess the original, a copy – to the court at the earliest practicable stage in the proceedings. Where a copy is submitted, the judge(s) in the case or proceeding may order the person in possession of the original, if known, to submit such original to the court or to appear at a hearing and to produce such original at the hearing.
3. If a party has or obtains a physical item, other than a document, that is material to the determination of a factual issue in the case or proceeding, that party is required to submit such item or a photograph thereof to the court at the earliest practicable stage of the proceedings. The judge(s) in the case or proceeding may order the party in possession of the item to produce such item at a hearing.
4. If evidence for a particular fact is contained in a document or physical item that a party believes is in the possession or control of another party or person, such party may make a written request to the court for an order compelling such other party or person to submit the document or item to the court or an affidavit under oath denying that such other party or person has possession or control of such document or item and providing any information that such other party or person may have with respect to the location of such document or item.
5. If a party or person fails to comply with an order issued under paragraph 4 of this Article fails to produce the document or item or to otherwise respond to the order within the time specified in the order, the court shall impose the applicable penalties specified in paragraph 6 of Article 37 and paragraph 6 of Article 40 of this Annex.

Article 43
Site Visits or Inspection of Objects

1. A visit to a site or an inspection of an object may be requested upon the application of any party where the fact to be proven cannot be proven by means of witness examination, expert reports or the presentation of documents or other physical items.
2. Evidence by way of a visit of a site or an inspection of an object shall be offered by the party that bears the burden of proof for a particular fact through identification of the particular site or object and the fact that shall be proven by such visit or inspection.
3. If the site or object is in the possession of a person not party to the proceedings, the party bearing the burden of proof may apply for an order against such person to grant access to the site or object concerned.

Article 44
Public Hearings

Oral proceedings shall be open to the public. The Special Chamber may order that the public be excluded from a hearing, provided that such exclusion is warranted by the safety of any of the parties or of their lawyers or by considerations of public safety and order.

Article 45
Orderly Conduct at Hearings

1. Any party, lawyer, witness or other participant in oral proceedings whose conduct towards the Special Chamber, a judge or the Registrar or any other officer of the Special Chamber is incompatible with the dignity of the Special Chamber, or who acts offensively towards another party or such party's lawyer, or who uses his or her rights for purposes other than those for which they were granted, may at any time be excluded from the proceedings by an order from the Special Chamber. The person concerned shall be given the opportunity to defend himself or herself. The order shall have immediate effect.
2. Where a lawyer for a party is excluded pursuant to paragraph 1 of this Article, the proceedings shall be suspended for a period fixed by the Presiding Judge in order to allow the party concerned to appoint a new lawyer.
3. The Presiding Judge may exclude from oral proceedings any observer, whose conduct is incompatible with the dignity of the Special Chamber or who disturbs the oral proceedings.

Article 46
Notice of Hearing

1. The parties shall be summoned to the first hearing by written notice. The notice shall contain the date, time and venue of the hearing and shall be served on the parties no later than two weeks before the date of the hearing.

2. Upon application by any of the parties, the Presiding Judge shall postpone a hearing, if the party shows that it is prevented from appearing at the hearing for an important reason. The other party may be given an opportunity to comment on the request. The Presiding Judge shall decide on the postponement of the hearing and such decision shall be served on the parties. When granting a request for postponement, the Presiding Judge may order that the requesting party pay the costs which that party has caused the other party or parties to incur.

Article 47 **Proceedings at Hearings**

1. A Sub-panel shall be presided over by an international judge, who shall discharge the duties conferred on the Presiding Judge by this Annex. The Presiding Judge shall be responsible for the proper conduct of the hearing. At the beginning of each hearing, the Presiding Judge shall ascertain the attendance of the parties and their lawyers.
2. A party that is represented in a proceeding by a lawyer may address the Special Chamber only through its lawyer, unless a judge puts a question directly to a party.
3. After the opening of the first hearing, the Presiding Judge shall give a short introduction to the claim, giving particular regard to the facts in dispute. The parties may be given the opportunity to give a brief oral presentation of their arguments. The parties shall confine their presentations to facts and legal issues material to the claim.
4. The judge(s) shall then conduct evidentiary proceedings for the collection and examination of evidence.
5. The parties shall be given an opportunity to present oral submissions on facts and law material to the claim. The Special Chamber may limit the period of time allocated to each party for such submissions.
6. Once the parties have presented their closing oral submissions, the oral proceedings shall end. Whenever possible, oral proceedings shall take place during a single hearing. Additional hearings shall be scheduled only if all evidence and submissions could not be presented at one hearing.
7. The Registrar shall ensure that verbatim minutes of all hearings are taken and recorded by the court reporter. Such minutes shall be signed by the Presiding Judge.
8. Where an order has been made to dispense with the collection of testimony or other evidence pursuant to paragraph 3 of Article 34 of this Annex, the parties shall be given an opportunity to present oral submissions on the law material to the claim, and paragraph 4 of this Article shall not apply.

CHAPTER XII JUDGMENT

Article 48 Judgment

1. A decision of the Special Chamber adjudicating a claim shall be set forth in a Judgment which shall meet the requirements of Articles 10 and 11 of the Special Chamber law. The Special Chamber shall base a judgment upon an analysis of the evidence and the written and oral submissions presented during proceedings and the law of Kosovo.
2. Any relief awarded by the Special Chamber shall not exceed the relief sought by the Claimant.
3. If the Respondent accepts the claim, the Special Chamber shall deliver a judgment in favor of the claimant.
4. An original of the Judgment, signed by the judge presiding over the case, shall be stamped and deposited at the Registry. Each party shall be served with a copy of the judgment within five (5) business days of its adoption.
5. The Judgment shall be in Albanian and Serbian and accompanied by an English translation.
6. The Judgment shall be binding from the day of its service on the parties, and shall be enforceable as a final judgment of the Supreme Court of Kosovo according to the provisions of the law of Kosovo.
7. If a final Judgment can be appealed, the Appellate Panel may upon application of the appellant postpone enforcement of such judgment until it has given its decision on the appeal.

Article 49 Rectification of Clerical Errors

1. The Special Chamber may, upon its own initiative or upon application by a party made within two weeks of the service of a Judgment, rectify any clerical and calculation errors in the judgment.
2. A rectification order shall be attached to the original of the rectified Judgment.

Article 50 Omissions

1. If the Special Chamber omits to give a decision on a specific part of a claim or on costs, any party may, within fifteen (15) days of service of the judgment, apply to the Special Chamber to supplement its judgment.
2. The application for a supplement to the judgment shall be served on the opposing parties, and the Presiding Judge shall prescribe a period within which the parties may file opposing arguments in writing, if any. After the expiry of the prescribed period, the Special Chamber shall decide on the application.

Article 51
Publications of Decisions

The Registrar shall publish on the Special Chamber's web-site all Decisions and Judgments issued by any panel, Sub-panel or Single Judge. The publication shall be in Albanian and Serbian and an English translation.

CHAPTER XIII
DEFAULT JUDGMENTS

Article 52
Default Judgment

1. If a Respondent on whom a claim has been duly served fails to file a defense to the claim in the proper form within the time prescribed pursuant to Article 29 of this Annex, or if the Respondent does not appear at a hearing for which it has duly and timely received notice, the concerned judge(s) may, acting *ex officio* or upon application of the Claimant, render a default Judgment against the Respondent.
2. If a duly summoned Claimant fails to appear at a hearing or otherwise abandons the proceedings, the concerned judge(s) may, upon application of the Respondent, render a default Judgment against the Claimant dismissing the claim and ordering the Claimant to pay all costs of the proceedings.
3. Before granting a default Judgment to a Claimant, the concerned judge(s) shall consider whether the claim is admissible and whether facts alleged by the Claimant support the claim.
4. A default Judgment shall be enforceable as a final Judgment, unless or until set aside pursuant to Article 53 of this Annex. A default Judgment cannot be appealed.
5. The Special Chamber may postpone enforcement of a default Judgment until it has given its decision on any application to nullify the default Judgment.

Article 53
Application to Nullify a Default Judgment

1. Any party against whom a default judgment was entered by the Special Chamber may file an application with the Special Chamber to nullify the default Judgment.
2. An application to nullify a default Judgment must be made within one month of the date of service of the default Judgment on the concerned party. The application shall be served on the other parties.
3. After the application has been served, the Presiding Judge shall prescribe a period within which the other party may submit an opposing argument in writing, if any.
4. In making its Decision on an application to nullify a default Judgment, the Special Chamber shall:
 - 4.1. uphold the default Judgment and reject the application for its nullification; or
 - 4.2. nullify the default Judgment and order the continuation of the proceedings.
5. A Decision on an application to nullify a default Judgment shall be attached to the original of the default Judgment and a copy of the Decision shall be served on the parties.

6. Any Decision on an application to nullify a default Judgment can be appealed.

CHAPTER XIV PROVISIONAL REMEDIES

Article 54 Suspension of Enforcement of a Penalty

Upon application by a party to set aside a penalty imposed by the Agency pursuant to Article 27 of the Law on the Privatization Agency of Kosovo, the Special Chamber may suspend the enforcement of the penalty, pending the final decision on the claim.

Article 55 Preliminary Injunctions

1. Upon application by a party, the Special Chamber may issue a preliminary injunction provided the applicant gives credible evidence that immediate and irreparable damage will result to the party if no preliminary injunction is granted. Damage shall only be deemed to be “irreparable” if it cannot reasonably be compensated with an award of monetary compensation. The request for a preliminary injunction is to be submitted together with a claim, or if submitted subsequent to a claim that has been filed, shall refer to that claim.
2. The Special Chamber may decide on an application for a preliminary injunctive relief without a hearing after the other party has had an opportunity to file opposing arguments in writing. Where exigent circumstances exist requiring the Special Chamber to act on the application immediately, the Special Chamber may decide on the application for a preliminary injunction without serving the application to the other party. Preliminary injunctions shall only be granted for a limited period of time and may be extended upon application.
3. A Decision granting a preliminary injunction shall be in writing and shall:
 - 3.1. summarize the factual and procedural background of the proceedings, as far as they relate to the preliminary injunction;
 - 3.2. state the nature of the damage the applicant party will suffer if the preliminary injunction is not granted and the reasons why the Special Chamber determined such damage to be irreparable;
 - 3.3. provide the Special Chamber’s findings of fact and legal reasoning for granting the preliminary injunction; and
 - 3.4. specify the time at which the preliminary injunction will expire.
4. The Special Chamber, before issuing a preliminary injunction, may require the applicant to deposit with the Special Chamber monetary security in such amount as the Special Chamber deems appropriate for the reimbursement of the costs and damages that may reasonably be incurred or suffered by any party that is the subject of the preliminary injunction and who may subsequently be determined to have been wrongfully subjected to the injunction.
5. A Decision granting injunctive relief to a party shall be binding upon all parties involved and may be immediately appealed to the Appellate Panel.

CHAPTER XV COSTS

Article 56 Decision on Costs

1. A final Judgment on a claim or complaint shall include a decision with respect to the allocation of the costs of the case among the parties.
2. The unsuccessful party shall be ordered to pay such costs as may be determined in the final Judgment. If there are several unsuccessful parties, the Special Chamber shall decide on how the costs are to be shared.
3. Where each party succeeds on some claims and fails on others, or in exceptional circumstances, the Special Chamber may order that the costs be shared or that the parties bear their own costs.
4. The Special Chamber may order a party, even if successful, to pay any costs that the Special Chamber considers that party to have unreasonably caused another party to incur.
5. If costs are not claimed by the successful party or the Special Chamber so decides, each party shall bear its own costs. Where a claim does not proceed to Judgment the costs shall be apportioned as agreed between the parties, or if not agreed, at the discretion of the Special Chamber.

Article 57 Calculation of Costs

1. The calculation of costs shall include court expenses, reasonable lawyer fees, compensation for loss of earnings of witnesses, reasonable fees of experts, reasonable travel and other reasonable expenses of witnesses and experts, as incurred.
2. The court expenses that may be imposed on the parties to a proceeding shall be established in a written schedule by the Presidium and submitted to the Kosovo Judicial Council for approval. The schedule shall not be effective until approved by the Kosovo Judicial Council.

CHAPTER XVI APPELLATE PROCEEDINGS

Article 58 General Provisions

1. As provided in paragraph 6 of Article 10 of the Special Chamber Law, a party shall have the right to appeal any Decision or Judgment of a Single Judge, Sub-panel or Specialized Panel – or of any court to which a claim, matter, proceeding or case has been referred pursuant to paragraph 4 of Article 4 of the Special Chamber Law - directly to the Appellate Panel.
2. The rules of procedure and evidence that govern proceedings in the Specialized

Panels shall apply *mutatis mutandis* to appellate proceedings before the Appellate Panel. The Presiding Judge of the Appellate Panel may issue practice directions, in consultation with the Presidium, addressing detailed aspects of the conduct of proceedings before the Appellate Panel.

Article 59 Filing of Appeal

1. A party making an appeal shall submit and serve its appeal in the manner and within the time period prescribed by paragraph 6 of Article 10 of the Special Chamber Law within the time periods specified in that paragraph.
2. Upon receipt of the notice of appeal, the court, Specialized Panel, Sub-panel or Single Judge that issued the concerned Decision or Judgment shall transmit the case file to the Appellate Panel.

Article 60 Content of Appeal

1. The appeal shall:
 - 1.1. identify the case or proceeding in which the Judgment or Decision that is the subject of the appeal was issued;
 - 1.2. provide the name of the appellant and the name and address of the appellant's agent for service;
 - 1.3. provide the names of the other parties and the names and addresses of the other parties' agents for service;
 - 1.4. provide the date on which the appellant was served with the Decision or Judgment that is the subject of the appeal;
 - 1.5. provide a very brief summary of the nature of the appeal;
 - 1.6. attach a copy of the Decision or Judgment that is the subject of the appeal.
 - 1.7. specify any case name and number that may have been assigned by the Appellate Panel to the appeal;
 - 1.8. set forth in detail the issue(s) being raised in the appeal and appellant's legal arguments on those issue(s);
 - 1.9. set forth in detail the nature of the relief sought by the appellant, taking into account the provisions of paragraphs 10 and 11 of Article 10 of the Special Chamber Law and Article 11 of the Special Chamber Law.
2. Within ten (10) days after receipt of the appeal, the Appellate Panel shall make the determination required by paragraph 9 of Article 10 of the Special Chamber Law. If the Appellate Panel decides that the appeal does not merit review, it shall reject the appeal by issuing and serving a Decision to that effect that complies with the requirements of paragraph 9 of Article 10 of the Special Chamber Law. If such a Decision is issued, the appellate proceedings shall terminate. If the Appellate Panel determines that the appeal merits review, it shall issue and serve a Decision to that effect on the parties.

Article 61
Response to Appeal

1. As provided in paragraph 8 of Article 10 of the Special Chamber Law, any party may submit a response to the appellant's appeal within twenty-one (21) days after such party is served with the appellant's memorandum of law.
2. Such a response shall:
 - 2.1. specify any case name and number that may have been assigned by the Appellate Panel to the appeal;
 - 2.2. provide the name of the respondent and the name and address of the respondent's agent for service;
 - 2.3. provide the names of the appellant and the other parties and the names and addresses of their agents for service;
 - 2.4. provide the date on which the respondent was served with the appeal;
 - 2.5. set forth in detail the respondent's legal arguments that respond to those contained in the appeal;
 - 2.6. set forth in detail the nature of the relief sought by the respondent, taking into account the provisions of paragraphs 10 and 11 of Article 10 of the Special Chamber Law and Article 11 of the Special Chamber Law.

Article 62
Appellant's Response and Respondent's Counter-Response

As provided in paragraph 8 of Article 10 of the Special Chamber Law, the appellant shall have twenty-one (21) days after being served with a response to its memorandum of law to submit and serve its own response to that response; and, if the appellant submits such a response, the concerned other party shall have twenty-one (21) days after being served with the appellant's response to submit such other party's counter-response thereto.

Article 63
Closing of Written Appellate Proceedings

1. Written Appellate Proceedings are closed:
 - 1.1. if no party timely submits a response to the appellant's appeal, at midnight on the date occurring twenty-one (21) days after all other parties have been served with the appeal.
 - 1.2. if one or more parties have timely submitted a response to the appeal, but the appellant has not timely submitted any response thereto, at midnight on the date occurring twenty-one (21) days after the appellant has been served with all timely responses to its appeal.
 - 1.3. if the appellant has timely submitted a response to another party's response to its appeal, at midnight on the date after which no counter response may be filed.

Article 64
Oral Appellate Proceedings

1. The Appellate Panel shall, on its own initiative or the written application of a party, decide to whether or not to hold on or more oral hearings on the concerned appeal. The Appellate Panel shall take into account any application for oral proceedings submitted by any of the parties setting forth its reasons for requesting oral proceedings. Such an application must be filed prior to the closing of written appellate procedures.
2. During oral hearings, the appellate panel shall be presided over by its Presiding Judge. The Presiding Judge shall be responsible for the proper conduct of the hearing. At the beginning of each hearing, the Presiding Judge shall ascertain the attendance of the parties and their lawyers.
3. A party that is represented in a proceeding by a lawyer may address the Appellate Panel only through its lawyer, unless a member of the Appellate Panel puts a question directly to a party.
4. At the opening of the oral hearings, the Presiding Judge shall give a short introduction to the appeal, the legal issues in dispute and any finding of fact made by the issuer of the concerned Decision or Judgment that a party has alleged to be “clearly erroneous”.
5. At an oral hearing, the parties shall be given the opportunity to give oral presentations of their legal arguments. The parties shall confine their presentations to the facts and evidence reflected in the record that are material to the appeal and to the legal issues that are material to the appeal. The Appellate Panel may impose a reasonable limit on the period of time allocated to each party for such presentations.
6. Except as specifically permitted pursuant to Article 65 of this Annex, the judge(s) shall not conduct evidentiary proceedings.
7. The Registrar shall ensure that verbatim minutes of all oral appellate hearings are taken and recorded by the court reporter. Such minutes shall be signed by the Presiding Judge.

Article 65
Submission of New Evidence

In exceptional circumstances and for good cause shown, the Appellate panel may permit a party to present to the Appellate Panel new evidence that was not available to the party during the evidentiary portion of the first instance proceedings. A written application for such permission must first be submitted to the Appellate Panel and served on the other parties not less than fifteen (15) days before the date of the hearing where such evidence is proposed to be presented. The Appellate Panel may authorize the presentation of such new evidence if it considers it to be in the interests of justice.

Article 66
Disposal of Appeal

The Appellate Panel may dispose of an appeal by taking any of the actions specified in paragraph 10 of Article 10 of the Special Chamber Law.

Article 67
Costs

1. In its Decision or Judgment on an appeal, the Appellate Panel shall make a decision as to costs, both as to the proceedings at first instance and at appeal. The provisions of Articles 56 and 57 of this Annex shall apply *mutatis mutandis*.
2. In its decision on costs the Appellate Panel shall calculate separately costs for the proceedings at first instance and at appeal.

CHAPTER XVII
COMPLAINTS UNDER PARAGRAPH 1.6 OF ARTICLE 4
OF THE SPECIAL CHAMBER LAW

Article 68
Complaints Related to a List of Eligible Employees

1. The procedure for cases based on complaints falling within the scope of paragraph 1.6 of Article 4 of the Special Chamber Law shall, except as specifically provided in this Article 68, generally follow the other procedural rules set forth in this Annex, which the Special Chamber shall apply *mutatis mutandis* as the Special Chamber deems necessary and in the interest of justice.
2. Upon receiving a list of eligible employees pursuant to Section 10 UNMIK Regulation 2003/13, or any successor legislation governing the establishment of such a list, the Agency shall publish such list together with a notice to the public of the right of any person to file a complaint with the Agency within twenty (20) days after the date of publication requesting inclusion in such list and/or challenging the inclusion of one or more other persons in such list. The person filing any such request or challenge shall include therein a statement of the facts and the legal arguments supporting such request or challenge; such person shall have the burden of proving all facts alleged in the request and/or challenge.
3. The notice to the public referred to in paragraph 2 of this Article shall contain a copy of a form for filing a request and/or challenge. Such form shall indicate the information that must be provided to enable the Agency to evaluate the request and/or challenge.
4. Upon receipt of any request and/or challenge relating to a list of eligible employees, the Agency may require the submitter to provide such additional evidence and/or information as may be necessary to enable the Agency to properly evaluate the requests and/or challenge. The Agency may decide to conduct evidentiary hearings, which shall be duly recorded, for all who wish to give testimony or provide other evidence. After a reasonable opportunity has been

provided for the giving of testimony and the submission of evidence, the Agency shall allow any person or his/her lawyer to present arguments in support of the request and/or challenge.

5. After having duly addressed all requests and challenges, the Agency shall if necessary adjust the list of eligible employees accordingly, and by a decision of its Board of Directors in conformity with Section 10.2 of UNMIK Regulation 2003/13, or any successor legislation governing the establishment of such a list, the Agency shall officially establish its final list of eligible employees. Such decision shall contain a reasoned justification:
 - 5.1. for the inclusion of each person on the list;
 - 5.2. for the exclusion of any person who was on the list as originally published;
 - 5.3. for any refusal to include a person who sought to be included on such list after its original publication; and
 - 5.4. for any acceptance or refusal of any other challenges to the list.
6. The Agency shall publish its final list of eligible employees established pursuant to paragraph 5 of this Article in conformity with Section 10.6 of UNMIK Regulation 2003/13, or any successor legislation governing the establishment of such list, together with a notice to the public of the right of any person to file a complaint with the Special Chamber within twenty (20) days after the date of publication challenging such list and/or the Agency's distribution of escrow funds to the persons identified therein. The complainant(s) filing any such complaint shall include therein a statement of the facts and the legal arguments supporting such complaint; the complainant(s) shall have the burden of proving all facts alleged in the complaint.
7. Such a complaint shall be submitted to the Special Chamber in writing before the expiration of the referenced twenty (20) day period and shall:
 - 7.1. provide the name or names of the person or persons submitting such complaint or on whose behalf the complaint is submitted;
 - 7.2. provide the name and address of each such person's agent for service;
 - 7.3. set forth a detailed statement of the facts supporting such complaint; and
 - 7.4. provide a detailed statement of the legal arguments supporting such complaint.
8. A copy of any such complaint shall be served by Registrar of the Special Chamber on the Agency within five (5) business days after it is submitted to the Special Chamber.
9. The Agency shall be a Respondent in any case or proceeding based on such a complaint. The Agency shall submit to the Special Chamber, within fifteen (15) business days after being served with such a complaint, its response to the complaint together with all documents in the possession of the Agency that directly relate to its establishment of such list. The Agency shall submit its response and such documents in the language of the complaint together with an English translation thereof.
10. A copy of the response and documents submitted by the Agency shall be served by the Registrar of the Special Chamber on the complainant(s) within five (5) business days after their submission to the Special Chamber.
11. The concerned Specialized Panel, acting on its own initiative or pursuant to a

Law No. 04/L-033 on the special chamber of the supreme court of Kosovo on...

written request of the complainant(s) or the Agency, may decide to hold one or more oral hearings on the matter. If an oral hearing is to be held, the Specialized Panel shall cause the Registrar to serve on the parties, at least five (5) days in advance of such hearing, a written notice of the time and date of such hearing.

12. The Special Chamber shall arrange, if necessary, for the translation into English of the complaint and any subsequent submissions made by the complainant. Such translations shall be served on the complainant(s) and the Agency as soon as they are available. If a hearing is to be held where the concerned documents are to be discussed, such hearing shall be held no sooner than seven (7) days after the translations have been served on the parties.
13. The Judgment of the concerned Specialized Panel shall be issued and served on the complainant(s) and the Agency not later than ninety (90) days after the date on which the complaint was submitted to the Special Chamber. All Decisions and Judgments of such Specialized Panel shall be appealable in accordance with the applicable provisions of the Special Chamber Law and this Annex.
14. The Appellate Panel shall dispose of all such appeals as a matter of urgency.

CHAPTER XVIII REORGANIZATION AND LIQUIDATION PROCEEDINGS

Article 69 Reorganization and Liquidation Proceedings

The procedure for challenges to decisions taken by the Agency, its predecessor (the KTA), an Administrator, or a liquidation committee pursuant to UNMIK Regulation 2005/48 or any successor legislation thereto shall be governed by such regulation or successor legislation (whichever is then in effect). The conduct of cases or proceedings with respect to such challenges shall, in the first instance, be assigned to the Specialized Panel handling matters within the scope of subparagraph 8.5 of Article 3 of the Special Chamber Law. With respect to matters not covered in such regulation of successor legislation, the most appropriate provisions of this Annex shall be applied *mutatis mutandis*; and such Specialized Panel shall regularly delegate the conduct of the proceedings to a Single Judge who has special expertise in such matters.

Article 70 Review of Liquidation Decisions

1. The procedure before the Special Chamber for a challenge to the decision of a Liquidation Authority conducting the liquidation of an Enterprise or Asset pursuant to the Law on the Privatization Agency of Kosovo, shall be governed by this Article.
2. A creditor of the Enterprise who has timely filed a claim with the Agency and who is prejudiced by a decision of a Liquidation Authority may challenge such decision by filing a complaint against the Agency with the Special Chamber within thirty (30) days after being served with such decision. Any such complaint must be based on an allegation that the liquidation process has not complied with the Law on the

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Privatization Agency of Kosovo. The complainant shall comply with the requirements of paragraph 2 of Article 27 of this Annex and attach a copy of the decision being challenged.

3. The conduct of cases or proceedings with respect to such complaints shall, in the first instance, be assigned to a Specialized Panel handling liquidation matters.
4. The other general procedural provisions contained in Articles 13 - 67 of this Annex shall apply to cases and proceedings based on such complaints. The concerned panel, Sub-Panel or Single Judge may issue a Judgment upholding, invalidating or modifying the decision of the Liquidation Authority.

**OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / No. 20 / 22
SEPTEMBER 2011, PRISTINA**

LAW No. 04/L-115
ON AMENDING AND SUPPLEMENTING THE LAWS RELATED
TO THE ENDING OF INTERNATIONAL SUPERVISION
OF INDEPENDENCE OF KOSOVO

Assembly of Republic of Kosovo;

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

Approves

LAW ON AMENDING AND SUPPLEMENTING THE LAWS RELATED
TO THE ENDING OF INTERNATIONAL SUPERVISION
OF INDEPENDENCE OF KOSOVO

Article 1
Purpose

1. The purpose of this Law is to amend and supplement the following laws on ending the International Supervision of Independence of Kosovo:
 - 1.1. Law No. 03/L-121 on the Constitutional Court of the Republic of Kosovo;
 - 1.2. Law No. 03/L-075 on the Establishment of the Office of the Auditor General of Kosovo and the Audit Office of Kosovo;
 - 1.3. Law No.04/L-034 on the Privatization Agency of Kosovo;
 - 1.4. Law No. 03/L-079 on Amending UNMIK Regulation 2006/50 on the Resolution of Claims Relating to Private Immovable Property, Including Agricultural and Commercial Property;
 - 1.5. Law No. 04/L-033 on the Special Chamber of the Supreme Court of Kosovo on Privatization Agency Related Matters;
 - 1.6. Law on amending and supplementing Law No. 04/L-101 on Pension Funds of Kosovo;
 - 1.7. Customs and Excise Code of Kosovo No. 03/L-109;
 - 1.8. Law No. 03/L-222 on Tax Administration and Procedures;
 - 1.9. Law No. 03/L-199 on Courts;
 - 1.10. Law No.03/ L -223 on Kosovo Judicial Council;
 - 1.11. Law No.03/ L -224 on Kosovo Prosecutorial Council;
 - 1.12. Law No. 02/ L -31 on Freedom of Religion in Kosovo;
 - 1.13. Law No. 03/ L -139 on Expropriation of Immovable Property;
 - 1.14. Law No. 03/ L -047 on the Protection and Promotion of the Rights of Communities and their Members in Kosovo;
 - 1.15. Law No. 03/ L -041 on Administrative Municipal Boundaries;

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- 1.16. Law No. 03/ L -068 on Education in the Municipalities of the Republic of Kosovo;
- 1.17. Law No. 03/ L -034 on Citizenship of Kosovo;
- 1.18. Law No.03/ L –237 on Population and Housing Census;
- 1.19. Law No. 03/ L -046 on Kosovo Security Force;
- 1.20. Law No. 03/L-082 on Service in the Kosovo Security Force;
- 1.21. Law No. 03/L-033 on Status, Immunities and Privileges of Diplomatic and Consular Missions and Personnel in Kosovo and the International Military Presence and its Personnel.

Article 2

Amending and Supplementing the Law No. 03/L-121 on the Constitutional Court of the Republic of Kosovo (the Law)

1. Article 15 of the basic Law, after paragraph 1 there is added a new paragraph 2 with the following text:
 2. International judges appointed in accordance with the Constitution and this Law shall continue to receive the salary specified in their appointment decision. The Government of Kosovo shall participate in providing funding for international judges for the determined period equivalent to the salary of national judges.
2. Article 55 of the basic Law, paragraph 1 and 2 shall be deleted from the text of the Law and there shall be added a new paragraph as following:
Mandate of international judges appointed in accordance with the Constitution shall continue under the terms and conditions specified in the appointment decision.

Article 3

Amending and Supplementing the Law No. 03/L-075 on the Establishment of the Office of the Auditor General of Kosovo and the Audit Office of Kosovo (the Law)

1. Article 8 of the basic Law shall be reworded with the following text:

Article 8

The Auditor General appointed in accordance with the Constitution and this Law shall continue in his position until the termination of his mandate with the compensation specified in the specific terms of his appointment. The Government of Kosovo shall provide funding in the amount determined in the agreement between the Government of Kosovo and the Office of the Auditor General.

Article 4

Amending and Supplementing the Law No. 04/L-034 on the Privatization Agency of Kosovo (the Law)

1. Article 3 of the basic Law, paragraph 1.12 which defines the International Civilian Representative shall be deleted from the text of the Law.

Law No. 04/L-115 on amending and supplementing the laws related to the ending of...

2. Article 12 of the basic Law, paragraph 3 shall be reworded with the following text:
 3. The Assembly, upon nomination by the Government, shall appoint three (3) international members as Directors of the Board. The Board shall also appoint a citizen of Kosovo as Director of the Executive Secretariat of the Board who shall not be a member of the Board. The Board shall also appoint one of its members, other than the Chairman, to serve as Vice Chairman. The appointment, removal or change in the terms of reference of the Director of the Executive Secretariat shall require the affirmative vote of a majority of the Board Directors. The term of appointment of the international members shall be until 31 August 2014.
3. Article 14 of the basic Law, paragraphs 7 and 9 shall be applicable till the end of mandate of international members of the Board.
4. Article 31 of the basic Law, after paragraph 5 there is added a new paragraph 6 with the following text:
 6. If an international board member appointed in accordance with Article 31(5) resigns from the Board, and, if such resignation or removal takes place before 31 August 2014 he/she shall be substituted by another international.

Article 5

Amending and Supplementing the Law No. 03/L-079 on Amending UNMIK Regulation 2006/50 on the Resolution of Claims Relating to Private Immovable Property, Including Agricultural and Commercial Property (the Law)

1. Article 4 of the basic Law amending Article 5.2 of the Regulation shall be reworded as following:
 - 5.2. The Supervisory Board shall be composed of five (5) members, appointed by the Assembly upon nomination by the Prime Minister.
2. Article 8 of the basic Law amending Article 6.1 of the Regulation shall be reworded with the following text:
 - 6.1. The Executive Secretariat shall have a Director and a Deputy Director who shall be appointed by the Assembly upon the nomination by the Prime Minister.
3. Article 10 of the basic Law amending Article 7.1 of the Regulation shall be reworded with the following text:
 - 7.1. The Commission shall be composed of three (3) members that shall be appointed by the Assembly upon nomination by the President of the Supreme Court of the Republic of Kosovo.
4. Article 13 of the basic Law shall be reworded with the following text:

Article 13

The Assembly, in consultation with the Commission, may establish additional panels of the Commission, members of which shall be appointed based on Articles 7.1 and 7.2.

5. Article 16 of the basic Law amending Article 12.8 of the Regulation shall be reworded as following:

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- 12.8. The Supreme Court of Kosovo shall decide on appeals in a panel of three (3) judges who shall be appointed by the President of the Supreme Court of Kosovo.
6. After Article 27 of the basic Law, there is added a new Article 27A with the following text:

Article 27A

1. The mandate of the three (3) international members of the supervisory Board (including the Chairman), the Director of the Executive Secretariat, two (2) international members of the Committee (including the Chairman) and two (2) international judges in the appeals panels of the Supreme Court appointed in accordance with the Constitution, shall continue under the terms and conditions specified in the appointment decision.
2. International members and judges appointed in accordance with the Constitution and this Law shall continue to receive the salary specified in their terms of their appointment.
3. The Government of Kosovo shall provide funding for the Director of the Executive Secretariat equivalent to the salary of a national member of the Supervisory Board.
4. If an international board member appointed in accordance with the Constitution resigns from his/her position, and, if such resignation or removal takes place before 31 August 2014 he/she shall be substituted by another international nominated by the Prime Minister for the positions of members of the Supervisory Board of the Property Agency and Director of the Executive Secretariat as well as nominated by the President of the Supreme Court for the positions of members of Property Claims Commission and members of the Appeals Panel of the Supreme Court, after consultations with the EUSR.

Article 6

Amending and Supplementing the Law No. 04/L-033 on the Special Chamber of the Supreme Court of Kosovo on Privatization Agency Related Matters (the Law)

1. Article 2 of the basic Law, paragraph 1.3 shall be deleted from the text of the Law.
2. Article 2 of the basic Law, paragraph 1.7 shall be reworded with the following text:
 - 1.7. International judge - every judge of the European Mission for Security and Defense Policies that has been appointed in accordance with this Law.
3. Article 11 of the basic Law, paragraph 2 of the Law shall be reworded with the following text:
 2. Upon entry into force of this law, the Special Chamber shall continue to implement and comply with the principle of compensation instead of physical restitution. When determining the remedy to be awarded in any particular case, the Special Chamber shall also take due account of the applicable provisions of the Law No.04/L-034 on Privatization Agency of Kosovo, including the public purposes as set out in the preamble of that Law.

Article 7

Amending and Supplementing Law No. 04/L-101 on Pension Funds of Kosovo

1. Article 4 of the basic Law, paragraph 4.6 shall be reworded with the following text:
 - 4.6. Selection Committee shall propose candidates to the Assembly for vacancies for the membership or re-appointment of members of the Governing Board. The Selection Committee shall consist of the Governor of CBK-Chairperson, the Auditor General and the Minister of Finance. The term of each appointed Governing Board member shall be three (3) years, with the possibility of reappointment. If the Board Members term has expired and no new member has been appointed, then the existing Board Members will continue their mandate for ninety (90) days.

Article 8

**Amending and Supplementing the Customs and Excise Code of Kosovo
No. 03/L-109 (the Code)**

1. Article 309 of the basic Law which regulates the appointment of General Director of Customs upon consent by the ICR shall be deleted from the text of the Law.
2. Article 1 of Annex D of the Code shall be deleted and reworded with the following text:

Article 1

This Annex provides for special exemptions as defined in this Annex to be granted to religious communities as defined by applicable legislation, including legislation on religious freedoms, in accordance with the Constitution of the Republic of Kosovo.

Article 9

**Amending and Supplementing the Law No. 03/L-222 on Tax Administration
and Procedures (the Law)**

1. Article 1 of the basic Law, paragraph 1.32 which defines the ICR shall be deleted from the text of the Law.
2. Article 8 of the basic Law, paragraph 2 in the third line the word “and ICR” shall be deleted.
3. Article 88 of the basic Law shall be deleted from the text of Law.

Article 10

Amending and Supplementing the Law No. 03/L-199 on Courts (the Law)

1. Article 10 of the basic Law, paragraph 11 shall be reworded with the following text:
 11. If there is no basic court in one of the new municipalities established according to the Law on Administrative Boundaries of Municipalities, the

Municipality, with a decision of the Municipal Assembly, may submit a request to Kosovo Judicial Council (KJC) to decide for the establishment of a basic court in its territory, or for one of existing basic courts in the territory of another municipality to have jurisdiction over the territory of the new municipality. The same right applies for the existing municipality, where majority of population belongs to non-majority community in Kosovo, and where there is no basic court.

- 11.1. KJC shall approve such requests, unless it is considered that caseload for that jurisdiction is insufficient to justify the existence of a separate court.
 - 11.2. When KJC approves a request for establishing a new basic court, the competent authorities shall undertake all necessary measures to ensure that such new court is established and is operational within a period of six (6) months from the date decision is taken.
 - 11.3. If KJC does not approve the request for establishment of a new basic court, or when municipality requests an existing court to have jurisdiction over its territory, the competent authorities shall undertake all necessary measures to improve access of local communities to justice, which is difficult due to geographic isolation, lack of security, or for other relevant factors. These measures may include establishment in the territory of new municipality of a department of existing basic court which was requested by the new municipality to have a jurisdiction over its territory, or that the basic court enables sessions to be held in the territory of new municipality.
2. Article 17 of the basic Law, paragraph 3 shall be reworded with the following text:
 3. The composition of the Court of Appeals shall reflect the ethnic diversity of the Republic of Kosovo and principles of gender equality. In accordance with the Constitution of the Republic of Kosovo and respective applicable legislation and in order to ensure community participation in the judiciary, fifteen percent (15%) of the total seats on the Court of Appeals, but in no case fewer than ten (10) seats, shall be guaranteed to judges from communities that are not in the majority in Kosovo.

Article 11

Amending and Supplementing the Law No. 03/L-223 on the Kosovo Judicial Council (the Law)

1. Article 2 of the basic Law, paragraph 1.2 shall be deleted from the text of the Law.
2. Article 4 of the basic Law, paragraph 1.3 shall be reworded with the following text:
 - 1.3. In order to ensure that courts reflect the ethnic composition of their area of jurisdiction in accordance with Article 104 (3) of the Constitution and the relevant applicable legislation, the Council shall consider filling vacancies or reserving seats for members of the Communities that are not majority in Kosovo.
3. Article 7 of the basic Law shall be reworded with the following text:

Article 7
Mandate of Council members

Council members are elected for a term of five (5) years, as provided in Article 108(6) of the Constitution and this Law. A member may be elected for one additional non-consecutive mandate of five (5) years.

4. Article 16 of the basic Law, paragraph 3 shall be reworded with the following text:
 3. In accordance with Article 104(3) of the Constitution, the Council shall implement targeted recruitment actions and other measures that it considers necessary and appropriate to ensure that a court or a court branch reflects the ethnic composition of their area of jurisdiction.
5. Article 17 of the basic Law, paragraph 1 shall be reworded as following:
 1. The Kosovo Judicial Council shall take necessary measures to increase the number of judges from communities that are not in the majority in Kosovo among judges serving in Kosovo. To fulfill its responsibilities, the Council shall, inter alia, give preference, among equally qualified applicants to serve as judges, to members of Communities that are not in the majority in Kosovo as provided for in Article 108 of the Constitution.
6. Article 17 of the basic Law, after paragraph 5, there shall be added three new paragraphs 6, 7 and 8 with the following text:
 6. The Kosovo Judicial Council shall develop a special regulation to outline the process of appointment and reappointment of judges from communities that are underrepresented among judges serving in Kosovo.
 7. Preference given to equally qualified applicants from under-represented communities shall be applicable for as long as the percentage of judges of non-majority communities in Kosovo is under fifteen percent (15%) and/or far as long as percentage of judges who are members of Serbian community in Kosovo is under eight percent (8%).
 8. The mandate of two (2) international members of the Council appointed in accordance with the Constitution shall continue under the terms and conditions specified in the appointment decision. International members appointed in accordance with the Constitution and this Law shall continue to receive their salaries.
9. Article 52 of the basic Law shall be deleted from the text of the Law.

Article 12
Amending and Supplementing the Law No. 03/L-224 on the Kosovo Prosecutorial Council (the Law)

1. Article 2 of the basic Law, paragraph 1.7 shall be deleted from the text of the Law.
2. Article 4 of the basic Law, paragraph 1.3 shall be reworded with the following text:
 - 1.3. Ensuring that prosecution offices reflect the ethnic composition of their area of jurisdiction in accordance with Articles 109(4) and 110(3) of the Constitution.
3. Article 17 of the basic Law, paragraph 3 shall be reworded with the following text:

3. The Council shall implement recruitment actions and other measures that it considers necessary to ensure that a prosecution office reflects the ethnic composition of its area of respective jurisdiction.
4. Article 17 of the basic Law, after paragraph 3 there is added a new paragraph 4 with the following text:
 4. The Council shall develop a special regulation to outline the process of appointment and reappointment of prosecutors from Kosovo communities that are currently underrepresented among prosecutors serving in Kosovo.
5. Article 18 of the basic Law, paragraph 1 shall be reworded with the following text:
 1. The Council shall take necessary measures in order to increase the number of prosecutors from non-communities in Kosovo. The Council shall give preference, among equally qualified applicants to serve as prosecutors to members of Communities that are underrepresented in Kosovo as provided in Articles 109(4) and 110(3) of the Constitution.
6. Article 18 of the basic Law, after paragraph 5, there is added a new paragraph 6 with the following text:
 6. Preference given to equally qualified applicants from under-represented communities shall be applicable for as long as the percentage of prosecutors of non-majority communities in Kosovo is under fifteen percent (15%) and/or for as long as percentage of prosecutors who are members of Serb community in Kosovo is under eight percent (8%).

Article 13

Amending and Supplementing the Law No. 02/L-31 on Freedom of Religion in Kosovo (the Law)

1. First part of preamble of the Law shall be reworded with the following text:
Based on Article 65 (1) and in compliance with transitional and final provisions of Chapter XIII and XIV of the Constitution of Republic of Kosovo.
2. After Article 7 of the basic Law, a new Article 7A shall be added with the following text:

Article 7A

Status of the Serbian Orthodox Church

1. The Serbian Orthodox Church in Kosovo shall be considered as an integral part of the Serbian Orthodox Church (SOC).
2. The name and the internal organization of the Serbian Orthodox Church, including its hierarchy and activities shall be respected.
3. There will be no arbitrary prohibition of entry in Kosovo, or residence within Kosovo for priests, candidates for priesthood, monks, nuns and visitors.
4. Article 7 of the basic Law paragraph 7.3 words “**establish and**”, shall be deleted from the text of the Law.
5. Article 8 of the basic Law, paragraph 1 shall be reworded with the following text:
 1. Buildings and premises belonging to religious communities dedicated to the

Law No. 04/L-115 on amending and supplementing the laws related to the ending of...

performance of religious ceremonies are considered inviolable with regard to governmental authorities' intervention and they shall be entered only upon consent of the respective religious institution, unless a judicial order is issued due to illegal activities or in the case of imminent danger to life or health.

6. Article 12 of the basic Law, after paragraph 12.4, a new paragraph 12.5 shall be added with the following text:

12.5. In addition to the aforementioned exemptions, religious communities enjoy customs duty and tax privileges for economic activities, specific to their financial self-sustainability, as will be defined in the sub-legal law to be issued by the Minister of Finance. Such privileges shall cover import and purchase of relevant products, materials, tools and livestock; and export of products resulting from the above mentioned activities.

Article 14

Amending and Supplementing the Law No. 03/L-139 on Expropriation of Immovable Property (the Law)

1. Article 2 of the basic Law paragraph 1. definition “**the Comprehensive Status Proposal**” shall be deleted from the text o the law.
2. Article 3 of the basic Law, paragraph 3 shall be reworded with the following text:
 3. The object of an expropriation within the scope of this law may be private ownership and other private rights in or to immovable property, with the exception of rights in or to immovable property that falls with a class of property that the Constitution specifically provides, shall not be subject to expropriation.
3. Article 3 of the basic Law, paragraph 3, a new sub-paragraph 3.1. shall be added with the following text:
 - 3.1. Movable and immovable property and other asset of the Serbian Orthodox Church shall be indefensible and shall not be subject to expropriation.

Article 15

Amending and Supplementing the Law No. 03/L-047 on the Protection and Promotion of the Rights of Communities and their Members in Republic of Kosovo (the Law)

1. After Article 3 of the basic Law, a new Article 3.A shall be added with the following text:

Article 3A

Rights of Refugees and Internally Displaced Persons

1. All refugees from Kosovo and internally displaced persons shall have the right to return and claim their property and personal possessions in accordance with national and international laws. Each individual shall have the right to make a free decision and to be informed about his/her place of return.
2. Institutions of the Republic of Kosovo shall take all necessary measures to facilitate and to create favourable atmosphere conducive to the safe and dignified return of refugees and displaced persons, based upon 'their free and informed

decisions, including efforts to promote and protect their freedom of movement and protection from intimidation.

3. Conditions for return of displaced persons and mechanisms of cooperation with relevant international institutions shall be defined by the institutions of Republic of Kosovo in accordance with the Constitution and applicable laws.

Article 16

Amending and Supplementing the Law No. 03/L-041 on Administrative Municipal Boundaries (the Law)

1. Article 7 of the basic Law, paragraph 3 shall be reworded with the following text:
 3. The Board shall consist of eleven (11) members, with five (5) representatives selected by each municipality, and one (1) representative selected by the Prime Minister.
2. Article 7 of the basic Law paragraph 4 shall be reworded with the following text:
 4. The Chairman of Board shall be appointed by the Prime Minister.
3. Article 14 of the basic Law the term “**the ICR will undertake**” shall be deleted and replaced by the term: “**undertakes**”.
4. In Annex 1 (Cadastral Zone) of the Law, denomination of municipality Hani i Elezit in Serbian and English language shall change as follows: Elez Han.

Article 17

Amending and Supplementing the Law No. 03/L-068 on Education in the Municipalities of the Republic of Kosovo (the Law)

1. Article 13 of the basic Law, paragraph 1, sub-paragraph (c) shall be reworded with the following text:
 - (c) One (1) member, selected by Prime Minister.
2. Article 14 of the basic Law, paragraph (b), sub-paragraph (iv) shall be reworded with the following text:
 - (iv) One (1) member, selected by Prime Minister.

Article 18

Amending and Supplementing the Law No. 03/L-034 on Citizenship of Kosovo (the Law)

1. The title of Article 29 of the basic Law shall be reworded with the following text:

Article 29

Registration and Determination of Citizenship

Article 19

Amending and Supplementing the Law No. 03/L-237 on Population and Housing Census (the Law)

1. Article 12 of the basic law, paragraph 4.12. shall be reworded with the following text:
 - 4.12. One (1) representative from Public Universities, member;

Article 20

Amending and Supplementing the Law No. 03/L-046 on the Kosovo Security Force (the Law)

1. Article 9 of the basic Law paragraph 3 shall be reworded with the following text:
 3. The Kosovo Security Force is structured and prepared to fulfill security functions not appropriate for the police or other law enforcement organizations.
2. Article 10 of the basic Law, paragraph 2 shall be reworded with the following text:
 2. The Kosovo Security Force shall be lightly armed and shall not have heavy weapons, such as tanks, heavy artillery or offensive air capability. A full review of these limits shall be conducted not earlier than five (5) years from the date this Law No.03/L-046 on Kosovo Security Force enters into force. The initial tasks of the Kosovo Security Force shall be:
3. Article 4 of the basic Law, paragraph 2, item (e) shall be deleted from the text of the Law.

Article 21

Amending and Supplementing the Law No. 03/L-082 on Service in the Kosovo Security Force (the Law)

1. Article 5 of the basic Law shall be deleted from the text of the Law.

Article 22

Amending and supplementing the Law No. 03/L-033 on the Status, Immunities, and Privileges of Diplomatic and Consular Missions and Personnel in Kosovo and of the International Military Presence and its Personnel

1. Article 3 of the basic Law, paragraph 2, item (a) shall be reworded with the following text:
 - (a) International Civilian Office and Special Representative of the European Union.
2. Article 3 of the basic Law paragraph 3 shall be reworded with the following text:
 - 3.3. Individuals appointed by the International Civilian Representative, pursuant to the Comprehensive Proposal on Kosovo Status Settlements, dated 26 March 2007, whose mandate has not been terminated before the ending of supervised independence shall enjoy the status, privileges and immunities as defined under the basic Law.
3. Article 4 of the basic Law paragraph 6 shall be reworded with the following text:
 - 4.6. Minister of Foreign Affairs may not declare the EUSR or a member of his personnel, members of the ICO personnel, including individuals defined under Article 3.3 of the basic Law or members of EULEX mission, persona non grata.
4. Article 4 of the basic Law, paragraph 7 shall be deleted from the text of the Law.

Article 23

1. All international members appointed by the International Civilian Representative, in compliance with the Constitution of Republic of Kosovo, with the exception of Privatization Agency of Kosovo, Kosovo Property Agency, international judges of the Appeals Panel of the Supreme Court and two judges of the Property Claims Commission, if for any reason they leave their positions before 31 August 2014, they shall be replaced by a local member.
2. If any of the applicable laws in the Republic of Kosovo uses terms ICO or ICR, the same shall be abrogated and replaced with respective local institutions.

II. FINAL PROVISIONS

Article 24

Entry into force

This Law shall enter into force upon entry into force of Constitutional amendments on ending international supervision of independence.

Law No. 04/L-115
31 August 2012

Promulgated by Decree No.DL-036-2012, dated 04.09.2012, President of the Republic of Kosovo Atifete Jahjaga.

**OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / No. 25 / 07
SEPTEMBER 2012, PRISTINA**

**LAW No. 02/L-75
ON ARBITRATION**

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The Assembly of Kosovo,

Pursuant to the Chapters 5.1 (d), and 9.1.26 (a) of the Constitutional Framework for Provisional Self-Government in Kosovo (UNMIK Regulation No. 2001/9 of 15 May 2001),

For the purpose of establishing a set of modern rules, that govern arbitration and the recognition and enforcement of arbitration awards made inside and outside of Kosovo, and that are in line with recognized European and international arbitration standards,

Hereby adopts the following:

LAW ON ARBITRATION

**Chapter I
GENERAL PROVISIONS**

**Article 1
Scope of Application**

The present Law sets forth the rules that apply to arbitration agreements, arbitration proceedings and the recognition and enforcement of arbitral awards made inside and outside of Kosovo.

**Article 2
Definitions**

“**Arbitration Agreement**” shall mean an agreement between two or more persons to

Civil laws

submit to arbitration all or certain legal disputes, which have arisen or which may arise between them.

“**Award**” shall mean all orders issued by the arbitral tribunal whether interim, partial, procedural, substantial or final as to all matters including costs.

“**Consumer**” shall mean any natural person who concludes a contract for purposes which are outside his trade, business or profession.

“**Person**” shall include natural and legal persons. The term “legal persons” shall include legal persons of private law and legal persons of public law.

“**Court**” is used in the present Law, reference is made to the court designated in the arbitration agreement or, in the absence of such determination, to the Economic Court.

“**Tribunal**” shall mean the Arbitral Tribunal.

Article 3 Jurisdiction of Courts

No court in Kosovo may intervene in arbitration proceedings, unless otherwise provided for in this Law.

Article 4 Notice and Calculation of Periods of Time

- 4.1. Any notice, including a notification, communication or proposal, is deemed to have been received if it is delivered physically or by registered mail to the addressee or if it is delivered at his/her habitual residence, place of business or mailing address. If none of these can be found after making reasonable inquiry, a notice shall be deemed received at the addressee’s last known residence or place of business. A notice shall be deemed to have been received on the day it is so delivered. The provisions of this paragraph shall not apply to notices and communications in court proceedings.
- 4.2. Any period of time referred to in this Law shall begin to run on the day following the day when a notice is received. If the last day of such period is an official holiday or a non-business day at the residence or place of business of the addressee, the period shall be extended until the first business day which follows. Official holidays or non-business days occurring during the running of the period of time shall be included in calculating the period.

Chapter II ARBITRATION AGREEMENT

Article 5 Arbitrability

- 5.1. One dispute can be settled by the arbitration only if it exists in the party’s agreement, whereby they accept the dispute to be settled by the arbitration.
- 5.2. All disputes related to the civil-judicial and economic-judicial requests may be the subject of an arbitration agreement, unless prohibited by law.

Article 6 **Arbitration Agreement**

- 6.1. The arbitration agreement shall be concluded in writing.
- 6.2. This requirement is deemed to have been respected even if the conclusion of the arbitration agreement is recorded by means of an exchange of letters, telefaxes, telegrams or other means of telecommunication or electronic communication, by means of a bill of lading if the latter contains an express reference to an arbitration clause, or in the event of an exchange of statements of claim and defence, in which the existence of an agreement is alleged by one party and not denied by the other.
- 6.3. If a consumer is a party to an arbitration agreement, the arbitration agreement is considered to be concluded in writing only if all parties to the arbitration agreement personally sign the document containing the arbitration clause. The signature referred to in this paragraph may be substituted by an electronic signature subject to compliance with the relevant legislation on electronic signatures.
- 6.4. Any non-compliance with the form requirements set out in Paragraph 2 and 3 of this Article shall not be considered by an arbitration tribunal if the parties initiate arbitration proceedings.

Article 7 **Claims before Courts**

A court before which an action is brought concerning a matter that is the subject of an arbitration shall reject the action as inadmissible if the defendant in his statement of defense invokes the arbitration agreement, unless the court finds that the arbitration agreement is null and void or that the disputed subject matter is not covered by the arbitration agreement.

Article 8 **Preliminary Orders**

Irrespective of an arbitration agreement or the commencement of arbitration proceedings, a court of competent jurisdiction may issue a preliminary order if this is requested by a party who gives credible evidence that immediate or irreparable injury, loss or damage will result to the party if no preliminary order is granted.

Chapter III **COMPOSITION OF THE ARBITRAL TRIBUNAL**

Article 9 **Number and Appointment of Arbitrators**

- 9.1. The arbitral tribunal shall be composed of either a single arbitrator or a panel of arbitrators, provided that the panel is composed of an odd number of arbitrators.
- 9.2. The parties may agree on a procedure for appointing the arbitrator or arbitrators.
- 9.3. If the parties do not agree on the number of arbitrators or on the procedure for

the appointment of the arbitrator or arbitrators within fifteen days after the receipt by the respondent of the notice of arbitration, the arbitral tribunal shall consist of a panel of three arbitrators to be appointed pursuant to paragraphs 4 of this Article.

- 9.4. In the event referred to in paragraph 3 above, each party shall appoint one arbitrator. The two arbitrators thus appointed shall appoint the third arbitrator who shall act as the chairman of the arbitral tribunal. If a party fails to appoint the arbitrator within thirty days of the receipt of a request to do so, or if the two arbitrators fail to agree on the third arbitrator within thirty days of their appointment, the relevant appointment shall be made by the Court upon the request of a party.
- 9.5. Unless otherwise agreed by the parties, shall be bound by its appointment of an arbitrator from the moment the other party has received notice of the arbitrator appointment.
- 9.6. When appointing an arbitrator, the Court shall have due regard to the qualifications an arbitrator is required to have pursuant to the arbitration agreement and it shall make sure that the appointed arbitrator is independent, impartial and does not have a conflict of interest.

Article 10 Challenge of Arbitrators

- 10.1. A prospective arbitrator when approached by a party or a Court shall disclose any circumstances likely to give rise to justifiable doubts as to his impartiality or independence. An arbitrator, once appointed, shall disclose such circumstances to the parties unless they have already been informed by him of these circumstances.
- 10.2. Any arbitrator may be challenged by either party if circumstances exist that give rise to justifiable doubts as to the arbitrators impartiality or independence, or if the arbitrator does not have the qualifications agreed to by the parties. A party may challenge the arbitrator appointed by it only for reasons of which it becomes aware after the appointment has been made. The relevant party must make the challenge as soon as it becomes aware of the circumstances giving reason for the challenge.

Article 11 Procedure for the Challenge of Arbitrators

- 11.1. The parties may agree on a procedure for challenging an arbitrator. Paragraphs 2, 3 and 4 of this Article shall apply, if the parties do not agree on such procedure.
- 11.2. The party which intends to challenge an arbitrator shall within fifteen days after the appointment of the arbitrator or after the circumstances listed in Article 10, paragraph (2), became known to that party send notice of its challenge to the other party and the other members of the arbitral tribunal. The notification shall be in writing and shall state the reasons for the challenge.

- 11.3. Unless the challenged arbitrator withdraws from office or the other party does not agree to the challenge, the Arbitral Tribunal shall decide on the challenge.
- 11.4. If a challenge under any procedure agreed upon by the parties or under the procedure of Paragraph (2) and (3) of this Article is not successful, the challenging party may request, within fifteen days after having received notice of the decision rejecting the challenge, the Court to decide on the challenge, which decision shall not be subject to appeal. While such a request is pending, the arbitral tribunal, including the challenged arbitrator, may continue the arbitral proceedings and make an award.

Article 12 Failure to Act

- 12.1. If an arbitrator becomes de jure or de facto unable to perform his functions or for other reasons fails to act without undue delay, his mandate shall terminate if he resigns or if the parties agree on the termination his mandate. If the arbitrator does not resign or if the parties do not agree on the termination, upon the request of any party or member of the tribunal, the Court shall decide on the termination of the arbitrator's mandate. Against the Court decision the claim is not allowed.
- 12.2. If, under Paragraph 1 of this Article or Article 11, Paragraph (2), an arbitrator withdraws from office or a party agrees to the termination of the mandate of an arbitrator, this shall not imply acceptance of the validity of any ground referred to in this Article or Article 11, paragraph 2.

Article 13 Replacement of an Arbitrator

In the event the mandate of an arbitrator is terminated in accordance with Articles 11 or 12 or because of the arbitrator's resignation from office, a replacement arbitrator shall be appointed in compliance with the provisions applicable to the appointment of an arbitrator, unless the parties agree on another procedure.

Chapter IV JURISDICTION OF THE ARBITRAL TRIBUNAL

Article 14 Jurisdiction

- 14.1. The arbitral tribunal shall determine whether it has jurisdiction over the dispute presented to it and whether the arbitration agreement is valid. For that purpose, an arbitration clause, which forms part of a contract, shall be treated as an agreement independent of the terms of the contract.
- 14.2. An objection that the arbitral tribunal does not have jurisdiction shall be raised by a party not later than with the submission of the statement of defense. A party shall not be precluded from raising such an objection because it has appointed or has participated in the appointment of an arbitrator.

- 14.3. An objection that the arbitral tribunal has exceeded its jurisdiction shall be raised by a party as soon as the matter became known to that party.
- 14.4. In the cases referred to in Paragraphs (2) and (3) of this Article, the arbitral tribunal may admit a later objection if it considers that the party has reasonable justification for the delay.
- 14.5. Any party may request the Court to review the decision of the arbitral tribunal that it has or has not jurisdiction over the dispute. Such request shall be made to the court within thirty days after having received written notice of the decision. Such request shall not prevent the arbitration tribunal from continuing, where appropriate, with the arbitral proceedings and from making an award.

Article 15 Preliminary Orders

- 15.1. Unless otherwise agreed by the parties, the arbitral tribunal may, at the request of a party, can issue preliminary order if that party gives credible evidence that immediate or irreparable injury, loss or damage will result to the party if no preliminary order is granted. The arbitral tribunal may require any party to provide appropriate security in connection with such preliminary orders.
- 15.2. At the request of a party, the court may order the enforcement of a preliminary order issued by the arbitral tribunal pursuant to Paragraph (1) of this Article unless such party has requested a preliminary order pursuant to Article 8 on the same matter.
- 15.3. If a preliminary order issued by the arbitral tribunal according to paragraph (1) of this Article proves to be unjustified, the party in whose favor the preliminary order was issued shall compensate the damages incurred by the other party as a result of the enforcement of the preliminary order. The arbitral tribunal shall have jurisdiction to decide on the justification of the preliminary order and matters related to the compensation of damages referred to above.

Chapter V ARBITRAL PROCEEDINGS

Article 16 General Rules

- 16.1. The parties shall be treated equally and each party shall be given at every stage of the proceedings full opportunity to present its case.
- 16.2. The parties may freely choose their representatives to act as their authorized representatives during the arbitration proceedings. No duly authorized representative by the party may be excluded from the arbitration proceedings.
- 16.3. Subject to the mandatory provisions of this law, the parties may agree upon an arbitration procedure.
- 16.4. In the absence of an agreement by the parties on the procedure and in the absence of relevant provisions in this law, the arbitral tribunal shall determine by itself the arbitration rules applying the dispute procedures or applying arbitrary rules of an institution of the permanent arbitration.

Article 17
Place of Arbitration

- 17.1. Unless the parties have agreed on the place where the arbitration is to be held, such place shall be determined by the arbitral tribunal taking into consideration the circumstances of the case and the convenience of the parties and the tribunal.
- 17.2. Without prejudice to paragraph (1) of this Article, and unless otherwise agreed by the parties, the arbitral tribunal may meet at any place it considers appropriate for hearing parties, witnesses or experts, holding meetings for consultations among its members and the inspection of goods, other property or documents.

Article 18
Commencement of Arbitral Proceedings

Unless otherwise agreed by the parties, the arbitral proceedings in respect of a particular dispute commence on the date on which a request for the dispute to be referred to arbitration is received by the respondent.

Article 19
Language

- 19.1. Unless the parties have agreed otherwise, the arbitral tribunal shall, promptly after its appointment, determine the language or languages to be used in the proceedings. The agreement of the parties or, respectively, the determination of the arbitral tribunal shall apply to any written statement and request submitted by a party, any hearing and any award, decision or other communication by the arbitral tribunal.
- 19.2. The arbitral tribunal may order that any documents submitted in the course of the proceedings delivered in their original language shall be accompanied by a translation into the language or languages agreed upon by the parties or determined by the arbitral tribunal. The arbitral tribunal shall only accept translation produced by a translator who is certified or otherwise approved by a court.

Article 20
Statements of Claim, Defense and Counter-Claims

- 20.1. Within the period of time agreed by the parties or, in the absence of such agreement, within the period determined by the arbitral tribunal, the claimant shall state his claim and the facts supporting the claim, and the respondent shall state his defense in respect to the claim and supporting facts. The parties shall submit together with their statements all documents they deem relevant and shall add a reference to all other evidence they will submit.
- 20.2. Unless otherwise agreed by the parties, either party may amend or supplement its claim or defense during the course of the arbitral proceedings, unless the arbitral tribunal considers it inappropriate to allow such amendment due to delay in making the amendment.

- 20.3. In the statement of defense, or at a later stage in the arbitral proceedings if the arbitral tribunal decides that the delay was justified under the circumstances, the respondent may make a counter-claim arising out of the same contract or rely on a claim arising out of the same contract for the purpose of a set-off. Paragraphs (1) and (2) of this Article apply accordingly to such counter-claims.

Article 21 **Oral Hearings and Written Proceedings**

- 21.1. In the absence of an agreement between the parties, the arbitral tribunal shall decide whether to hold oral hearings or whether the proceedings shall be conducted on the basis of documents and other written materials, or a combination of both procedures. Unless the parties have agreed that no hearings shall be held, the arbitral tribunal shall hold such hearings at an appropriate stage of the proceedings, if so requested by a party. Hearings shall be not be public, unless all parties agree otherwise.
- 21.2. The parties shall be given sufficient advance notice of any hearing and of any meeting of the arbitral tribunal for the purpose of taking evidence.
- 21.3. All statements, documents or other information supplied to the arbitral tribunal by one party shall be communicated to all other parties. Also, any expert report or evidentiary document on which the arbitral tribunal may rely in making its decision shall be communicated to all parties.
- 21.4. The arbitral tribunal shall make arrangements for the translation of oral statements made at a hearing and for a record of the hearing if either is deemed necessary by the arbitral tribunal under the circumstances of the case, or if the parties have agreed thereto and have communicated such agreement to the arbitral tribunal at least fifteen days before the hearing. The parties shall bear the cost of the translation.

Article 22 **Closure of Hearings**

- 22.1. After the submission of the proofs according to the Article 20, Paragraph 1, the arbitral tribunal may inquire of the parties if they have any further proof to offer or witnesses to be heard or submissions to make, and, if there are none, it shall declare the hearings closed.
- 22.2. The arbitral tribunal may, if it considers it necessary due to exceptional circumstances, decide on its own initiative or upon an application of a party, to reopen the hearings at any time before the award is made.

Article 23 **Evidence**

- 23.1. Each party shall have the burden of proving the facts relied on to support its claim or defense.
- 23.2. The arbitral tribunal shall determine the admissibility, relevance, materiality and weight of the evidence offered.

- 23.3. The arbitral tribunal shall decide on the approval or rejection of the requests on proofs. Arbitral tribunal can collect proofs if he considers it necessary, and make their evaluation freely and impartially.
- 23.4. At any time during the proceedings the arbitral tribunal may require the parties to produce documents, exhibits or other evidence within such a period of time as the arbitral tribunal shall determine.

Article 24 Witnesses

- 24.1. If witnesses are to be heard, at least fifteen days before the hearing each party shall communicate to the arbitral tribunal and to the other party the names and addresses of the witnesses he intends to present, the subject upon and the language in which such witnesses will give their testimony.
- 24.2. Evidence of witnesses may also be presented in the form of written statements signed by the witness, provided that the witness is made available to parties, if one of the parties requests the examination of the witness.

Article 25 Experts

- 25.1. Unless otherwise agreed by the parties, the arbitral tribunal may appoint one or more experts to report to it in writing on specific issues to be determined by the arbitral tribunal.
- 25.2. The arbitral tribunal may order a party to give the expert any relevant information to prepare or to provide access to any relevant documents or property for his inspection. Upon receipt of the expert's report, the arbitral tribunal shall communicate a copy of the report to the parties who shall be given the opportunity to express in writing their opinion on the report.
- 25.3. Unless otherwise agreed by the parties, if requested by a party or if the arbitral tribunal considers it necessary, the expert shall, after delivery of his written report, be heard at a hearing where the parties shall have the opportunity to be present and to interrogate the expert. At this hearing, parties may present its expert in order to give their opinion on the points at issue.

Article 26 Default of a Party

- 26.1. If the claimant has failed to communicate his claim in accordance with Article 20, paragraph (1), without showing sufficient cause for such failure, the arbitral tribunal shall terminate the proceedings.
- 26.2. If the respondent has failed to communicate his statement of defense in accordance with Article 20, paragraph (1), the arbitral tribunal shall continue with the proceedings. Failure to communicate the statement of defense by the respondent shall not be considered as an admission of the claimant's allegations.
- 26.3. If one of the parties, duly notified pursuant to the provisions of this law, fails to appear at a hearing or to produce documentary evidence within the established

period of time, the arbitral tribunal may continue with the proceedings and make an award on the basis of the evidence available.

Article 27
Waiver of Right to Object

A party that knows that a provision of this law or agreement with the other party has not been complied with and yet proceeds with the arbitration without promptly stating his objection to such non-compliance shall be deemed to have waived his right to object.

Article 28
Court Assistance

- 28.1. The arbitral tribunal, or any party after having obtained prior approval of the arbitral tribunal, may request from the court assistance for the purpose of collecting evidence or performing other judicial acts which the arbitral tribunal is not authorized to carry out.
- 28.2. Unless the court considers such application to be inadmissible, it shall execute the request according to its procedural rules.

Chapter VI
AWARDS

Article 29
Applicable Law

- 29.1. In cases related to international issues, the arbitral tribunal shall apply the law designated by the parties as applicable to the substance of the dispute. Failing such designation by the parties, the arbitral tribunal shall apply the right determined by the rules of private international rights. In all other cases, arbitral tribunal shall apply Kosovo legislation.
- 29.2. The arbitral tribunal shall decide *ex aequo et bono* or as *amiable compositeur* only if the parties have expressly authorized it to do so.
- 29.3. In all cases, the arbitral tribunal shall decide in accordance with the terms of the contract and shall take into account the usages of the trade applicable to the transaction.

Article 30
Decision-Making Procedure

- 30.1. In arbitral proceedings with more than one arbitrator, any award of the arbitral tribunal shall be made by a majority of all its members, unless otherwise agreed by the parties.
- 30.2. In the case of questions of procedure, the chairman may decide on his own, if so authorized by the parties or all members of the arbitral tribunal.

Article 31
Form and Effect of the Award

- 31.1. The award of arbitral tribunal shall be made in writing and shall be final and binding on the parties. The award shall have the same effect between the parties as a final and binding court decision.
- 31.2. The award shall state the reasons upon which it is based, unless the parties have agreed that no reasons are to be given.
- 31.3. An award shall be signed by the arbitrator or arbitrators, and it shall contain the date and place on which the award was made. In arbitral proceedings with more than one arbitrator, the signatures of the majority of all members of the arbitral tribunal shall be sufficient, provided that the award states the reasons for the absence of signature.
- 31.4. Copies of the award signed by the arbitrators shall be delivered to both parties, subject to the prior receipt of any outstanding fees.
- 31.5. The award may be made public only with the consent of all parties.

Article 32
Settlement

- 32.1. If, before the award is made, the parties agree on a settlement of the dispute, the arbitral tribunal shall terminate the proceedings.
- 32.2. If requested by the parties, it shall record the settlement in the form of an arbitral award on agreed terms, unless the contents of such settlement are in violation of public policy (ordre public). Such award shall have the same effect as any other award on the merits of the case.

Article 33
Termination of Proceedings

- 33.1. The arbitral proceedings are terminated by the issuance of the final award or by an order of the arbitral tribunal in accordance with paragraph (2) of this Article.
- 33.2. The arbitral tribunal shall issue an order for the termination of the arbitral proceedings if:
 1. the claimant:
 - a) fails to communicate his claim according to Article 20, paragraph (1);
 - b) withdraws his claim, unless the respondent objects thereto and the arbitral tribunal recognizes a legitimate interest on the respondent's part in obtaining a final settlement of the dispute;
 2. the parties agree on the termination of the proceedings; or
 3. the parties fail to pursue the arbitral proceedings despite a request by the arbitral tribunal to pursue proceedings or if the continuation of the proceedings has for any other reason become impossible or unnecessary.
- 33.3. The mandate of the arbitral tribunal shall end with the termination of the arbitral proceedings, unless otherwise provided by law.

Article 34
Decision on Costs

- 34.1. Unless the parties have agreed otherwise, the arbitral tribunal shall fix the costs of arbitration in its award. Such costs shall include:
- a) the fees of the arbitral tribunal;
 - b) arbitrator's costs;
 - c) cost of expert advice and of other assistance required by the arbitral tribunal and agreed to by the parties;
 - d) travel and other expenses of witnesses to the extent such expenses are approved by the arbitral tribunal;
 - e) cost of (legal) representation and assistance of the successful party if such costs were claimed during the arbitral proceedings, and only to the extent that the arbitral tribunal determines that the amount of such cost to be reasonable; and
 - f) any fees and expenses of the court when acting as the appointing authority of arbitrators.
- 34.2. The fees of the arbitral tribunal shall be reasonable in amount, taking into account the amount in dispute, the complexity of the subject-matter, the time spent by the arbitrators and any other relevant circumstances of the case. In the event of a dispute as to the extent or amount of the fees to be paid to the arbitral tribunal, the Court shall have jurisdiction to settle such dispute.
- 34.3. Unless otherwise agreed by the parties, the cost of arbitration shall be borne by the unsuccessful party. The arbitral tribunal may apportion each of the costs listed in Paragraph (1) of this Article between the parties if the arbitral tribunal determines that apportionment is reasonable under the circumstances of the case.

Article 35
Correction and Interpretation of Award; Additional Award

- 35.1. Unless otherwise agreed by the parties, within thirty days after the receipt of the award, either party, with notice to the other party, may request that the arbitral tribunal:
- a) give an interpretation of the award;
 - b) correct in the award any errors in computation, any clerical or typographical errors or any errors of similar nature; or
 - c) make an additional award as to claims presented in the arbitral proceedings but omitted from the award.
- 35.2. The arbitral tribunal may within thirty days after the communication of the award make such corrections on its own initiative. The arbitral tribunal shall make the correction or give the interpretation in writing within thirty days from the receipt of the request.
- 35.3. If the arbitral tribunal considers the request for an additional award to be justified, and considers that the omission can be rectified without any further hearings or evidence, it shall complete its award within sixty days after the receipt of the request. Article 30 applies to such additional award.

Chapter VII JUDICIAL PROCEDURES

Article 36 Judicial Remedies

- 36.1. A party may request the Court to set aside an arbitral award in the cases listed in paragraphs (2) and (3) of this Article.
- 36.2. An arbitral award shall be set aside by the Court only if:
- a) The applicant proves that:
 - (i) a party to the arbitration agreement did not have the capacity to act;
 - (ii) the arbitration agreement is not valid under the law determined as applicable by the parties or the arbitral tribunal or, in the absence of such determination, under the law applicable in Kosovo;
 - (iii) the applicant was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case;
 - (iv) the award deals with an issue not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration, provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, that part of the award which contains decisions on matters submitted to arbitration may be recognized and enforced; or
 - (v) the composition of the arbitral tribunal or the arbitral procedure was not in accordance with the provisions of this Law or a valid arbitration agreement, under the condition that such defect had an impact on the arbitral award; or
 - b) The court finds that:
 - (i) arbitration is prohibited by law; or
 - (ii) the enforcement of the award leads to a result which is in conflict with public policy (ordre public).
- 36.3. Unless the parties have agreed otherwise, a request for setting aside an arbitral award shall be submitted to the Court not later than ninety days after the award was received by the respective party.
- 36.4. When requested to set aside an arbitral award, the Court may, where appropriate, set aside the award and resubmit the case to the arbitral tribunal to resume arbitral proceedings or to take such other action as in the arbitral tribunal's opinion will eliminate the grounds for setting aside.

Article 37 General Procedural Provisions

- 37.1. The decisions of the Court shall have the form of court orders. Prior to the issuance of a court order, the Court shall hear the respondent.
- 37.2. If an appeal is submitted pursuant to Article 36 for setting aside an arbitral award, the Court shall hear all parties.
- 37.3. Court orders issued in the cases referred to in Article 36, paragraph 2, may be

subject to a complaint. Concerning all other court orders issued by the Court in accordance with this Law no complaint shall be permitted.

Chapter VIII
RECOGNITION AND ENFORCEMENT OF AWARDS
OF THE ARBITRAL TRIBUNAL

Article 38
Domestic Arbitral Awards

- 38.1. An arbitral award made by an arbitral tribunal in Kosovo shall be enforced when declared enforceable by the Court.
- 38.2. A request to declare an arbitral award enforceable shall be rejected and the award shall be set aside if the Court determines that one or more grounds for setting aside an award pursuant to Article 36, Paragraph (2), are satisfied. A request to declare an arbitral award enforceable shall be accompanied by the arbitral award or a certified copy of it.

Article 39
Arbitral Awards Made Outside of Kosovo

- 39.1. Kosovo courts shall recognize arbitral awards made outside of Kosovo as effective and enforce them if such awards are recognized and are published as enforced according to paragraph 2 till 5 of this Article.
- 39.2. The request for recognition and enforcement of an arbitral award made outside of Kosovo shall be submitted to the Economic Court.
- 39.3. To the request for recognition and enforcement of an arbitral award interested party shall attach:
 - a) the authenticated original award or a duly certified copy thereof;
 - b) the original arbitration agreement or a duly certified copy thereof; and
 - c) a duly certified translation of the arbitration agreement and the arbitral award into an official language of Kosovo if the award or agreement is not made in an official language of Kosovo.
- 39.4. Recognition and enforcement of the award may be refused, at the request of the party against whom it is invoked, if that party proves that:
 - a) a party to the arbitration agreement, under the law applicable to this agreement, did not have the capacity to act; or the arbitration agreement was not valid under the law determined as applicable by the parties or, in the absence of such determination, under the applicable law in the territory where the award was made;
 - b) the party against whom the award is invoked was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present its case;
 - c) the award deals with an issue not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration, provided that if the

decisions on matters submitted to arbitration can be separated from those not so submitted, that part of the award which contains decisions on matters submitted to arbitration may be recognized and enforced;

- d) the composition of the arbitral tribunal or the arbitral procedure was not in accordance with the law applicable to it; and
 - e) the award has not yet become binding on the parties, or has been set aside or suspended by a competent authority of the territory in which, or under the law of which, the award was made.
- 39.5. Recognition and enforcement of an arbitral award shall be refused if the Court finds that:
- a) the subject matter is not capable of a settlement by arbitration under the applicable law in Kosovo; or
 - b) the recognition or enforcement of the award would be contrary to the public policy (ordre public) of Kosovo.

Chapter IX FINAL PROVISIONS

Article 40 Applicable Law

With the entrance into force of the present law all provisions in the applicable law that are inconsistent with the provisions of this law shall be superseded.

Article 41 Entry into Force

The present law shall enter into force one month following adoption by the Assembly of Kosovo and promulgation by the Special Representative of the Secretary-General.

**UNMIK/REG/ 2008/30
05.06.2008**

**OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / PRISTINA: YEAR
III / NO. 37 / 10 SEPTEMBER 2008**

LAW No. 03/L-238
ON THE CIVIL ASPECTS OF INTERNATIONAL CHILD ABDUCTION

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The Assembly of Republic of Kosovo;

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

Adopts:

LAW ON THE CIVIL ASPECTS OF INTERNATIONAL CHILD ABDUCTION

CHAPTER I
GENERAL PROVISIONS

Article 1
Purpose

The purpose of this Law is, to secure the prompt return of children who have been wrongly removed from or retained outside their State of habitual residence and to ensure respect for rights of custody of and access to children who are residents in Kosovo or a Requesting State.

Article 2
Definitions

1. Terms used in this Law have the following meaning:
 - 1.1. **Child**- a person under the age of sixteen (16);
 - 1.2. **The Hague Convention**- the Convention on the Civil Aspects of International Child Abduction which was signed at The Hague on 25 October 1980;
 - 1.3. **Requesting State**- a State which is a party according to the Hague Convention;
 - 1.4. **Central Authority of Kosovo**- the Ministry of Justice of the Republic of Kosovo;

- 1.5. **Rights of custody-** s rights relating the care of the child, in particular, the right to determine the child's place of residence;
- 1.6. **Rights of access-** the right to take a child for a limited period of time to a place other than the child's habitual residence;
- 1.7. **Temporary guardian-** the person who without a removes the child or the person to person to whom the child was entrusted in Kosovo taking care of a wrongfully removed child or the person to whom the child was entrusted, as defined by this law;
- 1.8. **District Court of Prishtina-** the competent court to take the decision and its descendant court in compliance with the Law on Courts.

Article 3

Wrongful removal or retention of a child

1. The removal or the retention of a child is wrongful where:
 - 1.1. it is in breach of rights of custody attributed to a person, an institution or any other body, either jointly or alone, under the law of the State in which the child was habitually resident immediately before the removal or retention; and
 - 1.2. at the time of removal or retention those rights were actually exercised, either jointly or alone, or would have been exercised with an exemption of the removal or retention.
2. The rights of custody mentioned in paragraph 1, sub-paragraph 1.1 of this Article, may arise by operation of law or by reason of a judicial or administrative decision, or by reason of an agreement having legal effect under the law of that State.
3. In ascertaining whether there has been a wrongful removal or retention of a child, the authorities of Kosovo may refer to a law or a foreign decision ex-officio.

Article 4

Role of the Kosovo Central Authority

1. The Ministry of Justice is the designated Central Authority in Kosovo to discharge the duties which are imposed by this law.
2. The Ministry of Justice shall co-operate with designated Central Authorities in other States and promote co-operation amongst the competent authorities in Kosovo to take all appropriate measures to secure the prompt return of the child, including measures:
 - 2.1. to discover the whereabouts of a child who has been wrongfully removed or retained;
 - 2.2. to prevent further harm to the child and providing protection or prejudice to interested parties by taking or causing to be taken provisional measures;
 - 2.3. to insure the facultative child return or to bring an amicable resolution of the issues;
 - 2.4. to initiate or facilitate the institution of judicial or administrative proceedings with a view to obtaining the return of the child and, in a proper case, to make arrangements for organizing or securing the effective exercise of the rights of access; and

Civil laws

- 2.5. where the circumstances so require, to provide or facilitate the provision of legal aid and advice, including the participation of legal counsel and advisers;
- 2.6. to provide such administrative arrangements as may be necessary and appropriate to secure the safe return of the child;
- 2.7. to exchange information with the central authorities of other states, to eliminate any obstacles for the application of this law.

Article 5 Reports

1. Where the Ministry of Justice is requested to provide information relating to a child it may request:
 - 1.1. any public authorities or any relevant person in Kosovo to provide a written report or information relating to the child;
 - 1.2. any court in Kosovo to provide certified copies of any relevant court order, ruling or documentation relating to the whereabouts of the child.

CHAPTER II GENERAL PROCEEDINGS

Article 6 Applications for Return and Access to a Child

1. Any person, institution or other body claiming that a child has been removed from or to Kosovo or retained in breach of custody rights may apply either to the Ministry of Justice or to the Central Authority of any other State for assistance in securing the return of the child.
2. An application for the return of a child to Kosovo in accordance with paragraph 1, may also be submitted to the District Court of Prishtina.
3. The District Court of Prishtina shall transfer the application to the Ministry of Justice provided that the application fulfils the formal requirements as set out in the following:
 - 3.1. information concerning the identity of the applicant, of the child and of the person alleged to have removed or retained the child wrongfully;
 - 3.2. the date of birth of the child;
 - 3.3. the grounds on which the applicant's claim for return of the child is based;
 - 3.4. all available information relating to the whereabouts of the child and the identity of the person with whom the child is presumed to be.
4. The application may be accompanied or supplemented by:
 - 4.1. an authenticated copy of any relevant decision or agreement;
 - 4.2. a certificate or an affidavit emanating from a Central Authority, or other competent authority of the State of the child's habitual residence or from a qualified person, concerning the relevant law of that State;
 - 4.3. any other document relevant for the case.

Article 7

Procedures to seek a voluntary return

1. Upon receipt of a foreign application and upon being satisfied that the application is in accordance with the requirements in Article 6 of this law, the Ministry of Justice shall inform the temporary guardian of a wrongfully removed child about the application and suggest the voluntary return of the child or to bring about an amicable resolution.
2. If the temporary guardian does not comply within seven (7) days from the receipt of the letter, the Ministry of Justice shall initiate court proceedings and transmit the application to the District Court of Pristina and it is authorized to act in the interest of the applicant for the return of the child.
3. If the Ministry of Justice, which receives an application for the return of a child from Kosovo, has reason to believe that the child is in another State, it shall directly and without delay transmit the application to the Central Authority of that State and inform the requesting Central Authority, or the applicant, as the case may be.

CHAPTER III

COURT PROCEEDINGS

Article 8

Jurisdiction of the Court

1. The District Court of Pristina shall have exclusive first instance jurisdiction in Kosovo.
2. The review of an application and the issuance of orders and rulings under this law shall be conducted in accordance with the law on Out Contentious Procedure.
3. If an application is not determined by the District Court of Pristina within forty two (42) days from the submission of application:
 - 3.1. the Ministry of Justice may request the President of the District Court of Pristina to state in writing the reasons for the application not having been determined within that period; and
 - 3.2. the President of the District Court of Pristina shall give the reasons in writing to the Ministry of Justice within five (5) days of receipt of the Ministry's request. Upon receipt of such reasons, the Ministry of Justice shall convey them to the applicant.
4. The Courts shall prioritize the proceedings on the application for return of a child.
5. The review of a request and issue of orders and decision according to this Law shall be processed from a higher instance, by a professional judge with expertise on family law.
6. Judicial proceedings shall be conducted in compliance with the Law on Out Dispute Procedure, unless otherwise provided by this Law.
7. The Courts shall prioritize the proceedings on the application for return of a child.

Article 9 **Effect of other proceedings**

When the District Court of Pristina accepts of an application under this Law, proceedings in any other court in Kosovo relating to the custody issue of the child shall be stayed, until the proceedings for the return of the child are concluded.

Article 10 **Court's Powers**

1. The Court may:
 - 1.1. order the return of the child to Requesting State;
 - 1.2. make a declaration that the child's removal from or retention outside of the Republic of Kosovo, was unlawful;
 - 1.3. make any other order or ruling as necessary or desirable in order to remedy the wrongful removal of the child or to implement a return order;
 - 1.4. give specific orders to the temporary guardian in order to ensure the expeditious return of the child.
2. The court may order that failure of the temporary guardian to comply with the court order results in a fine of up ten thousand (10.000) € for every violation of the court's order.
3. A decision under this law shall not decide on the merits of rights of custody until it has been determined that the child is not to be returned under this law or unless an application under this law is not lodged within a reasonable time following receipt of the notice.
4. The Court may, prior to the making of a return order, may request that the applicant take a decision from the authorities of the habitual residence that the removal or retention was wrongful, according to Article 3 of this law, where such a decision or determination may be obtained in that State. The Central Authorities of the Contracting States shall so far as practicable assist applicants to obtain such a decision or determination.
5. Where the court has reason to believe that the child has been taken to another State, it shall stay the proceedings for the return of the child.

Article 11 **Return Order**

1. The Court shall mandatory order the return of a child from Kosovo to Requesting State if:
 - 1.1. the child has been wrongfully removed to or retained in Kosovo; and
 - 1.2. from the date the application was received by the Ministry of Justice a period of less than one (1) year has elapsed from the date of the wrongful removal to or retention of the child in Kosovo.
2. The Court shall also order the return of a wrongfully removed child even where the application was received after the expiration of the period of one (1) year referred to in paragraph 1 of this Article, unless it is demonstrated that the child is now settled in its new environment.

Article 12
Exceptions to Mandatory Return Order

1. The Court is not bound to order the return of the child if the person, institution or other body which opposes its return establishes that the person, institution or other body having the care of the person of the child was not actually exercising the custody rights at the time of removal or retention, or had consented to or subsequently acquiesced in the removal or retention.
2. Under exceptional circumstances the Court is not bound to order the return of the child if there is a grave risk that his or her return would expose the child to physical or psychological harm or otherwise place the child in an intolerable situation.
3. The Court may also refuse to order the return of the child if it finds that the child objects to being returned and has attained an age and degree of maturity at which it is appropriate to take account of its views.
4. In considering the circumstances referred to in this Article, the information shall be taken into account relating to the social background of the child provided by the Central Authority or other competent authority of the child's habitual residence.
5. A decision under this Article concerning the non-return of the child shall not be taken to be a determination on the merits of any custody issue.

Article 13
Termination of the existing effect of custody orders

Where a return order is made by the Court, any other order regarding the rights of custody of the same child made by a court in Kosovo shall cease to have effect.

Article 14
Effect of Custody Order in Kosovo

The fact that a decision relating to custody has been made in Kosovo, is not a ground for refusing to return a child under this law, but the Court may take account of the reasons for that decision in applying the provisions of this law.

Article 15
Interim Measures

1. Upon application by the Ministry of Justice, or ex-officio the District Court of Prishtina may, at any time prior to any decision under this law, order interim measures directions/rulings and make such interim orders as it considers appropriate for the purpose of:
 - 1.1. the welfare of the child; and
 - 1.2. preventing changes in the circumstances relevant to the application, particularly with regard to secure the whereabouts of the child during the proceedings and to prevent the circumvention of the return of the child, including orders relating to the child's place of residence, care or education of the child.

Article 16
Execution

The District Court of Prishtina shall execute ex-officio any order made under this law and make any ruling for the expeditious execution as deemed appropriate.

CHAPTER IV
RIGHTS IN ACCESS

Article 17
Access

1. An application to make arrangements for organising or securing the effective exercise of rights of access may be presented to the Ministry of Justice or Central Authorities of other States in the same way as an application for the return of a child.
2. The Ministry of Justice is bound by the obligations of co-operation which are set forth in Article 4 of this law, to promote the peaceful enjoyment of access rights and the fulfilment of any conditions to which the exercise of those rights may be subject. The Ministry of Justice shall take steps to remove, as far as possible, all obstacles to the exercise of such rights.
3. The Ministry of Justice may initiate or assist in the institution of proceedings with a view to organising or protecting these rights and securing respect for the conditions to which the exercise of these rights may be subject.

CHAPTER V
FINAL PROVISIONS

Article 18
Communication language

Any application, communication or other document sent to the Ministry of Justice must be in the original language and shall be accompanied by a translation into one of the official languages of Republic of Kosovo.

Article 19
Costs

1. The costs of judicial proceedings, including the provision of legal aid pursuant to paragraph 2, shall be borne by the Kosovo Budget. If the District Court makes an order in favor of the applicant, it may order the respondent to pay the costs of the proceedings and the costs for the return of the child.
2. Legal aid shall be made available to the applicant and respondent to cover the costs of legal representation upon request.
3. The Court may release the responsible person from compensate of the costs of the proceedings, in case if the same person is in a bad financial position.

Article 20
Hague Convention

This Law shall be interpreted and applied in accordance with the Hague Convention and guides on best practices provided by the Hague Conference on Private International Law.

Article 21
Authority for sub-legal acts

Kosovo Government on the proposal of the Ministry of Justice issues sub-legal acts for the implementation of this law.

Article 22
Transitional Provisions

Until entry into force of the Law on Courts, the competent court for execution of this law shall be the District Court in Prishtina. With the entry into force of the Law on Courts, competent court for execution of this law shall be the Basic Court in Prishtina.

Article 23
Abrogation Provisions

With the entry into force of this law the UNMIK Regulation No. 2004/29 on Protection against International Child Abduction is abrogated.

Article 24
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. 03/L-238
28 October 2010

Promulgated by Decree No. DL-068-2010, dated 09.11.2010, Acting President of the Republic of Kosovo, Dr. Jakup Krasniqi.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / PRISTINA: YEAR V / No. 89 / 30 NOVEMBER 2010

Civil laws

NON CONTENTIOUS PROCEEDINGS

LAW No. 03/L-007
ON OUT CONTENTIOUS PROCEDURE

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Assembly of Republic of Kosovo,

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

With aim to create legal provisions which are determined orders according to which acts and judge courts for property, family and personal interests and rights, which are solved, in out contentious procedure, as well as;

With the aim for building up a legal system for resolving of legal matters in non-contested civil procedure consistency to the international standards.

Approves:

LAW ON OUT CONTENTIOUS PROCEDURE

FIRST PART

CHAPTER I
GENERAL PROVISIONS

Law content

Article 1

- 1.1. By this law are determined orders according to which acts and judge courts for property, family and personal interests and other rights and juridical interests, which are solved, in out contentious procedure.
- 1.2. Provisions of this law are implemented and in other juridical matters for which is not foreseen by law to be solved according to contentious procedure rules.

Implementation of common provisions in particular procedures

Article 2

General provisions of this law are implemented in particular out contentious procedures regulated by this law if it is not foreseen differently, also and in other out contentious matters for which are not appointed procedure regulations by particular law.

Appropriate implementation of law on contestable procedure

Article 3

In out contentious procedure is implemented appropriately provisions of law for out contentious procedure, if it is by this law not foreseen differently.

Beginning of out contentious procedure

Article 4

- 4.1. Out contentious procedure is initiated by natural person or juridical person's proposal, or by proposal of national body determined by this law or with other law.
- 4.2. Out contentious procedure initiates the court according to official obligation only in cases and under requirements appointed by this law or with any other law.
- 4.3. If the procedure is not initiated from the body which is authorized to initiate that, court immediately will inform such an body that the procedure has initiated by the other subject proposal.
 - a) in such case the court appoints the deadline to competent body for presenting the participation in begun procedure.
 - b) till the expiry of deadline the court will stop acting, if such a thing is necessary for protection of participators interests in procedure or of public interest.
 - c) custody body can use the right of participating in the procedure initiated from the other subject also after deadline of paragraph 3 of this law.

Participators in procedure

Article 5

- 5.1. Participator in out contentious procedure is called the subject which begun the procedure, subject for interests and subjective rights of which is investigated and judged in procedure also the national body which participates in procedure according to legal authorization.
- 5.2. National body has the participator quality in procedure and when it has initiated the other authorized person, whereas after an body has been informed from the court decides to participate on it.
- 5.3. Quality of participator in procedure, with the acting right in concrete juridical matter, the court can accept and to and common forms which doesn't have the

status of juridical person, if they fulfill conditions foreseen by the law for contestable procedure and if the matter which is judgment object belongs to them directly.

- 5.4. In the meaning of this proposal law is called the person, respectively body with a proposal of whose is initiated procedure. Opponent of the proposer is called the person to who is realized subjective right or juridical interest of the proposer.

Persons who caress special protection

Article 6

- 6.1. In out contentious procedure the court according to official obligation undertakes measures for protection of subjective rights and juridical interests of the minors which are not under care of the parents and for the protection of the other persons who don't have the possibility to care themselves for protection of self interests and rights.
- 6.2. In cases in which in out contentious procedure are investigated and solved the matters of the persons under special protection, the court will inform custody body for begun procedure, will call it for participating in judgment session and will send them presentations of participators in procedure and given decisions against which is allowed strike means. Court acts in this manner in the case when custody body didn't initiate procedure and didn't present participation on it after getting the news from the court for procedure initiating from another person.

Authorization of custody Body

Article 7

Custody Body, in out contentious procedure which does not have right to initiate, can commit all procedural acts with the aim to protect the juridical interests and rights of the minors and the persons under special protection, and especially to present relevant facts which didn't present procedure participators, to propose taking of proofs and to use decision strike means.

Committing of acts without procedure competence

Article 8

Court can permit that the participator in procedure even when doesn't have the competence to act, to commit procedural acts with the aim of realization of the rights and interests which belongs to, if it is in condition to understand the meaning and the consequences of such actions.

Availability acting in family and personal matters

Article 9

- 9.1. In out contentious juridical matters that have to do with personal or family position at participators in procedure, but and in the other out contentious matters that deal with the juridical rights and interests that participator does not

posses in procedure before the court, participator can not give up from the request, can not affirm request of the opponent and can not make judicial accord with opponent party.

- 9.2. In procedure from paragraph 1 of this article court according to official obligation has right to confirm relevant facts that did not present participators of procedure and to ascertain such facts, which are not contestable between them.

Publicity principle

Article 10

- 10.1. Out contentious procedure is public.
- 10.2. In the procedure in which it is decided regarding personal position or family position publicity is excluded, exception has the procedure of announcing disappearance or a death of a natural person.

Judgment for the matter out session

Article 11

- 11.1. Court judges for participators requests according to investigation in the session only in cases when this is appointed by law, or when estimates that session keeping is necessary for clarification or ascertaining the decisive facts, or when thinks that for another reason keeping the session is reasonable.
- 11.2. Not coming one of participators in the session doesn't impede the court to continue the procedure, if it is not appointed differently in cases appointed by law.
- 11.3. Interviewing the participators in procedure can be done in absence of other participators if it is not appointed differently by law.

Proposal withdrawing

Article 12

- 12.1. Proposal with which is initiated the procedure can be withdrawn until it is given first step judgment for solving the matter.
- 12.2. Presented proposal from some persons it is withdrawn with their common declaration, if law does not appoint it differently.
- 12.3. It is considerate that the proposer has withdrawn the proposal if he doesn't come in the first session for which is invited in a regular manner. This regulation is not valid if exists known reasons that has impeded proposer to come on the session.
- 12.4. Reasonable reasons of participator absence court can take in consideration and without other procedure participators declarations till them is not delivered act decision for withdrawing a proposal.

Proposal withdraw after delivering the judgment gift

Article 13

- 13.1. Proposal with which is initiated out contentious procedure can be withdrawn from its submitter and after it is given first step judgment till it not ends with final judgment.

- 13.2. Proposal withdraw in case from paragraph 1 of this article can be done only if will not be infringed the rights of other participators with which is related judgment of first step, respectively only if they give accord for withdrawing a proposal in the procedure mentioned phase.
- 13.3. If the proposal, with which is initiated procedure, is withdrawn after it is given first step judgment, the court of first step will brake such judgment and will finish the procedure.

Territorial competence

Article 14

- 14.1. In the procedure in which it is decided for family and personal positions of territorial competence is court in the territory of which has the person dwelling in which interest is developed procedure. When such a person has not a dwelling than of territorial competence is the court in which territory has he a dwelling, if it is not foreseen differently by law.
- 14.2. In other out contentious matters of territorial competence for judgment is the court in territory, which the proposer has a dwelling or a temporary dwelling, respectively residence, if it is not foreseen differently by law.
- 14.3. When in out contentious procedure is decided related to the real assets, of exclusive territorial competence is the court in which territory is dwelled real asset. If the real asset is laid in the territory of some courts, than competent is each of the court. In this case the court, which begins procedure developing, cannot be announced later incompetent.

Announcement of territorial incompetence

Article 15

- 15.1. In out contentious procedure court according to official obligation can be announced territorially incompetent not later than in the first session, and if the first session is not maintained till the accomplishment moment of first procedural act which according to court summons has accomplished participator in procedure.
- 15.2. If during the developing of the procedure circumstances changes on which court competence is relied, than the court which is developing procedure can send the matter to the court which according to changed circumstances belongs now to territorial competence, if it can be seen clear that in front of this court procedure will be developed easily, or when this is in the interest of a person under special protection.
- 15.3. When the matter must be delivered to the other court in interest of the person under special protection, the court, which has begun the procedure before sending the matter, will call curator ship body that inside the determined deadline to give its opinion for remitter justifiability. If curator ship body inside the determined deadline not evokes to the court its opinion, the court will act according to the act circumstances, taking care for an interest of under special protection.

**Case when the matter has to be judged in out contentious procedure
Article 16**

- 16.1. If the court during out contentious procedure developing ascertains that the procedure has to be developed according to out contentious procedure rules it must decide suspension of the procedure according to judgment.
- 16.2. When the judgment from paragraph 1 of this article is final judgment further procedure continues developing according to out contentious procedure rules in competent court.

**Judgments form
Article 17**

- 17.1. In out contentious procedure decisions are given in form of judgment
- 17.2. Judgment against which procedure participator can do special complaint and first step court judgment must have explanation.

**Deadline for complaint
Article 18**

Against first step judgment complaint can be done within the deadline of 15 days from the day of delivered act judgment, if law does not foresee it differently.

**Complaint suspension
Article 19**

- 19.1. Deadline to present a complaint and presented complaint impedes judgment in getting final judgment and its enforceability.
- 19.2. When exists important reasons court of the first step can decide that the complain not impede distraintment of judgment stroked with complaint.
- 19.3. In case from paragraph 2 of this article, when it is a need to protect the rights and interests of the minors and of the other persons under special protection, court according to official obligation whereas when are in question this second only according to their proposal, can appoint the guarantee to be deposited in cash money. When concrete case circumstances request to be given a guarantee can be determine other form.

**Breaking or modification of the judgment from the court that has gave it
Article 20**

- 20.1. Court of the first step related with presented complaint in time can change or break the judgment stroke by new judgment. Court can do this only if the complaint is basic and only when with such thing are not infringed other participators rights abided in stroke judgment.
- 20.2. If the court of the first step doesn't change or break its stroke judgment by complaint, than the complaint together with matter file sends to the second step

court for deciding without taking in mind if it is done the complaint within the law deadline or after it.

- 20.3. The court of the second step can decide and for the complaint presented late and to approve it, if with such a thing are not infringed the rights of other participators in procedure based in stroke judgment.

Solution of preliminary matter

Article 21

- 21.1. When giving of the first step judgment depends from the solution of preliminary matter (prejudicial matter) that has to do with the existing of any right or juridical relationship, for which still didn't decide the court or the other competent body, matters court has power to decide itself for such matter, if it is not foreseen differently by law.
- 21.2. Matters court judgment for preliminary matter has a juridical effect only in out contentious procedure in which is solved this matter.

Litigious facts related to preliminary matter

Article 22

- 22.1. If between out contentious procedure participators are litigious facts related with the solution of preliminary matter, the court will instruct that inside determined deadline to initiate contentious process or process in front of administrative body with the aim of solving the right or contestable relation.
- 22.2. The court will instruct to make a law-suit in out contentious procedure, respectively to initiate the procedure in front of administrative competent body or of participations the right of which considerate less believed, if it is not foreseen differently by law.

Initiation in time of the procedure for preliminary matter solution

Article 23

- 23.1. If the out contentious procedure participator instructed for initiation of out contentious procedure, respectively of administrative procedure inside the determined deadline which can not be longer than thirty (30) days, initiate that, than the court will stop the procedure till it is done the final judgment given for preliminary matter in contentious procedure, respectively administrative.
- 23.2. Contentious procedure, respectively administrative with the aim of solving preliminary matter can initiate and the out contentious procedure participator which the court didn't instruct for such a thing.
- 23.3. If none of participators in out contentious procedure not initiate contentious procedure or administrative till the end of out contentious procedure, the court will end the procedure without taking in mind requests related to which out contentious procedure participator is instructed to initiate contentious procedure, respectively administrative.

Judgments juridical consequences

Article 24

- 24.1. If with the judgment of out contentious court it is changed the personal or family position of participator in procedure or are changed the rights and his obligations, judgments juridical consequences will show in the moment when it belongs to final judgment.
- 24.2. Court can decide that judgments juridical consequences shows before it becomes of final judgment, if it is necessary for protecting the minors or others persons under special protection.

Delivering judgment to the competent administrative body

Article 25

The final judgment with which it is changed personal or family position of the participator in out contentious procedure, court without delay delivers to competent administrative body for maintaining register of births for this participator.

Effect of final judgment

Article 26

Final judgment given in contentious procedure is not impede for participator that his request for which it is decided with a such judgment to realize in contentious procedure or in process in front of administrative body, when this possibility is known by law..

Judgment strike with revision

Article 27

- 27.1. In contentious procedure in which it is decided for dwelling matters and related with compensation for expropriated real asset, can be use revision against second step judgment which has taken final form.
- 27.2. In mentioned juridical matters in paragraph 1 of this article revision is permitted under determined conditions with law for contentious procedure, if it is not foreseen differently by law.

Recidivistic procedure

Article 28

- 28.1. Against merited final judgment can not be presented proposal for recidivating the procedure if the participators of out contentious procedure with this law or with other law has been known the right that his request for which is decided with judgment to realize in contestable procedure or in process in front of administrative body.
- 28.2. If exists the conditions from article 20 of this law, the court will act according to proposal for recidivating the procedure as if it was the case for presented complaint after the legal deadline for complaint.
- 28.3. If the second step court ascertain that are not fulfilled foreseen conditions in

article 20 of this law, than it will send back the matter to the first step matter for further acting according to proposal for recidivistic procedure.

Procedure expenses

Article 29

- 29.1. In the procedure in which is decided for the matters that have to do with personal or family position of the participator, for procedure expenses court decides according to free valuation taking in mind cases circumstances and the procedure result.
- 29.2. As for procedure expenses that are caused with curator body participation, are implemented regulations of law for contentious procedure.
- 29.3. In out contentious matters that have to do with the assets rights of the participators, procedural expenses are left in loading in equal parts. But if exists important differences of parts that belongs to participators in the assets right which is location object, than the court depend on the size of parts on it will determine expenses parts which will be left in loading on each of them.
- 29.4. In juridical matters from paragraph 1 of this law court can decide that all the procedural expenses to take the participator in which interest is developed out contentious procedure, respectively participator which exclusively with his behavior has gave a reason a procedure initiation.

Regulations implementation of this part of law

Article 30

According to general regulations of this part of law, it is acting in all matters which are not regulated with special regulations of out contentious procedures included by this law. This general regulations are implemented and in out contentious matters for which are not foreseen at all with law regulations for procedure acts.

SECOND PART

REGULARIZATION OF PERSONAL AND FAMILY POSITION

CHAPTER II

I. REGULARIZATION OF PERSONAL POSITION

1. Abolition and remittal of ability to act

Article 31

- 31.1. In the procedure of ability remitting to act court ascertains that it is the person of adult age, because of full inability or partly inability to judge, in condition to take care of his interest and rights and in accordance with this or partly takes the ability to judge.
- 31.2. In the procedure of remitting the ability to act the court fully or partly gives back to the adult person ability to act if it ascertains that are felt reasons that have influenced fully or partly.
- 31.3. Procedure from paragraph 1 of this article has to and as soon as possible and not

later than 90 days, whereas procedure from paragraph 2 of this article must end inside the deadline of 30 days from the day in which has arrived in court proposal for remitting the ability for acting.

Article 32

Procedure for abolition and remitting the ability for acting begins according to proposal of:

- a) custody body;
- b) husband or wife, children and parents of the person at which are created legal conditions, for abolition respectively remitting the ability to act;
- c) grandparents, brothers, sisters, nephew and other persons of this persons live in the same family community with the persons for which is proposed abolition, respectively remitter of the ability to act;
- d) another person foreseen by the law;
- e) court;
- f) health bodyization for curing mental sicknesses at which is person which has to abolished or remitted ability to act.
- g) procedure for abolition and remitting the ability for acting begins also with the proposal of the person whose abolished the ability to act.

Article 33

For procedure developing according to authorized subject proposal is competent municipality court in which's territory has a dwelling or temporarily dwelling of a person whose will be abolished or remitted ability to act.

Article 34

- 34.1. Proposal with which is initiated procedure should include facts in which can be rely, and probative means with which this facts are proved or will become believable.
- 34.2. When the procedure is not initiated according to official obligation or in base of curator ship body proposal or health institution proposal, proposal has to content also data from which results authorization for initiating the procedure.

Article 35

If the person who will be taken or remitted ability to act is the owner of real assets, court without delay, with the aim of noting the initiated procedure, will inform competent body for evidencing real assets.

Article 36

For initiated procedure court informs municipality competent service for births registers maintains works in which is registered person which is it taken or remitted ability to act, with the aim of evidencing initiated procedure.

Article 37

- 37.1. In this procedure the court decides after assessment of proofs in court hearing.
- 37.2. In all sessions for proposal investigation is summoned proposer, curator of the person, to whom is taken or remitted ability, respectively temporary representative custody.
- 37.3. Judicial session will be summoned in for the person to whom is taken the ability for acting, except when he according to court estimation is not in condition to understand importance and juridical consequences of his participations or nonparticipation in session.

Article 38

- 38.1. For acting ability abolition or remitter court decides according verified facts in court hearing.
- 38.2. If the person whom is taken, respectively remitted ability to act is settled in the institution in which pursues health activity, court can maintain court hearing in such institution and to listen such person
- 38.3. Court will estimate that if will question person to whom is developed procedure in presence of doctor which supervise his health condition while he is in health institution.
- 38.4. Court can quitclaim from listening the person to whom is developing the procedure only if such a thing is not possible at all taking in consideration health condition of this person, while before is assured doctors opinion which does his health supervise.

Article 39

Court has for obligation to listen curator, respectively temporary representative, proposer and other persons that can give notification for person's life and behavior to whom is being developed the procedure.

Article 40

- 40.1. Person to whom is being developed the procedure must be controlled by three medical experts of appropriate specialization who will give written ascertainment and opinion for psychic condition and ability of this person to judge.
- 40.2. Surveying is done in a presence of a judge, except when it is done in the health institution. In second case surveying must be commit within the deadline which court determine and which can not be longer than 7 days.

Article 41

- 41.1. If for ascertaining the health condition and ability of person to judge to whom is developed the procedure, according to expert opinion of medical profession, is

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- necessary to be settled in health institution court can give judgment with which can determine that he temporarily but not more than 3 months to be settled in such institution.
- 41.2. If the health institution from paragraph 1 if this article is out matters court territory, than this court will commit necessary acting through competent court in territory of which is such institution.
 - 41.3. Against judgment from paragraph 1 of this law is permitted complaint, The complaint does not impede distraintment of stroke judgment. Complaint can present person to whom is developed the procedure, curator and temporary representative of such person.
 - 41.4. Complaint is presented within the deadline of 3 days from the day of judgment surrender. Complaint together with matter file, court will send immediately to second step court, which has to decide within the deadline of 3 days from the day that has obtained complaint.

Article 42

- 42.1. When it confirms that there are reasons for abolition of ability to act, the court will abolish ability to act fully or partly to the person to whom is developed the procedure.
- 42.2. In judgment with which to person will be abolished ability to act, court according to medical expertise result can determine concrete juridical acts that this person can commit in independent manner.
- 42.3. Against judgment for ability abolition to act the person to whom is developed the procedure can present complaint.

Article 43

- 43.1. Court can delay a judgment for abolition from paragraph 1 of this article if the person to whom is developed the procedure will restrain from misuse of alcohol or other toxic means if it can be excepted with the reason that the person to whom is developed procedure will restrain from misusing alcohol and other toxic means.
- 43.2. Court will delay judgment from paragraph 1 of this article if the person to whom is developed the procedure with his initiative or by court proposal will inpatient to the health institution cure. Judgment announcement from paragraph 1 and 2 of this article is delayed for time of six to twelve months.
- 43.3. Judgment for delaying will be revoked if the person to whom is developed the procedure continues to misuse alcohol or other toxic means within the time for which is delayed merit judgment.

Article 44

When the reasons rest existing for which to one person has been abolished ability to act, court according to official obligation or according to authorized persons proposal from article 32 of this law, will develop procedure and dependent on its result will give a judgment with which to such person fully or partly will be remitted ability to act.

Article 45

In the procedure for remitting the ability to act are implemented appropriately provisions of this chapter according to which is done act ability remitting.

Article 46

Against judgment with which is abolished or remitted ability to act the right of complaint have persons that have participated in procedure within the deadline of three days from the day in which has been surrendered the judgment.

Article 47

Final judgment for abolition or remitting of ability to act court will send to municipality competent service for maintaining the birth register also to competent body for maintaining register of real assets.

Article 48

Procedural expenses of abolition or remitter of ability to act will be charged to proposer that has initiated the procedure.

2. Announcement of disappearance or death of a person and death approve
a) Announcement of a person's disappearance

Article 49

- 49.1. The person which absence from the place of dwelling or from the last dwelling and for which are no information for more than two years, with the request of each physic or juridical person that for a such a thing it is a juridical interest, can be announced disappeared by competent court judgment.
- 49.2. When the day of last information can not be determined, deadline from paragraph 1 of this article begins from first day of following month in which are taken last information. When the month can not be determined the deadline begins from 1 January of following year.

Article 50

- 50.1. For a person disappearance announcement is competent communal court in which territory has he had last dwelling, and if he did not have a dwelling, than the court in which territory he had last station.
- 50.2. Procedure develops and merit judgment announces only one judge.

Article 51

- 51.1. Proposal for one person disappearance announcement has to contain specially:
 - a) court's name;

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- b) person's name and surname which is proposed to be announced disappeared;
 - c) day of birth and dwelling, respectively last station of this person;
 - d) facts in which is relayed proposal;
 - e) proofs with which are ascertained this facts;
 - f) proposer juridical interest for proposal presentation;
 - g) proposer name and surname and his address.
- 51.2. Together with the proposal is presented certificate from births register and personal number for person with which has to do proposal.

Article 52

- 52.1. After getting proposal from paragraph 1 of article 51 of this law court in appropriate manner verifies are fulfilled basic preconditions for procedure initiating.
- 52.2. When it is a need the court listen the proposer and witnesses, collects required data and requests from custody body that the person that procedure has to do with to get a nominate curator.
- 52.3. If the court ascertains that there are not fulfilled conditions for procedure initiating, then the court with judgment throws out the proposal.

Article 53

- 53.1. If the court estimates that are fulfilled conditions for procedure initiating, edits announcement "Kosovo Official Newspaper" with which ascertains that the procedure has initiated.
- 53.2. In announcement for procedure initiate for announcing person's disappearance from the proposal are shown essential circumstances above which is relayed proposal, it is done invitation for him to appear, whereas other persons, which have information for him are invited to submit to the court information within the three months deadline from the day of announcement.
- 53.3. Announcement is published and in court notice board, and will be published in usually manner in the place in which person from the proposal had dwelling respectively last station.

Article 54

- 54.1. After the deadline in published announcement, court will listen person's curator from the proposal, and according a need and the proposer, and after getting other proofs decides meritoriously for the proposal.
- 54.2. If the court ascertains that are not fulfilled conditions that the person from the proposal to be published disappeared, announce the judgment with which is refused proposal as baseless.

Article 55

Against announced judgment from the first step court complaint can present proposer and curator of disappeared person.

Article 56

- 56.1. With announcement of person's disappearance from the proposal for administration of his property is determined curator.
- 56.2. Court judgment by which one person is published disappeared is edited in official newspaper or at least in one daily newspaper determined from the court also in court notice board.

Article 57

Courts judgment which declares one person disappeared it is sent for registration to the civil state office in which he has been registered, after getting sure that has been done publication according to provision of article 56 of this law, and that the judgment has been done of final form.

Article 58

- 58.1. If the person that is announced disappeared appears in the court with the request to repeal judgment, the court breaks such a judgment after verifying his identity.
- 58.2. Judgment from paragraph 1 of this article is published in the same manner as with it with which is announced person's disappearance from proposal.

b) Announcement of a person's death

Article 59

- 59.1. Person that has been announced disappeared by court judgment, with the request of every interested person can be announced dead by court judgment, when it has past three years without having information from the day that has been announced disappeared.
- 59.2. By court judgment can be announced dead and the person:
 - a) for whose life during the last five years has not been any information, whereas from his birth date has past 65 years;
 - b) for whose life during the last five years has not been any information, whereas circumstances in which he disappeared make to be believe that he is not live anymore;
 - c) that has lost during the war related with a military acts and this is confirmed by competent military bodys, for whose life has not been any information for one year from the day that has accessed to power peace treaty, or two years from the end of military acts;
 - d) that has lost in a traffic accident, fire overthrow, earthquake or in any other risk direct for live, whereas for his live has not been any information for six months from the of risk abolition.

Article 60

Deadlines from points a) and b) of article 59 are calculated from the day when according to last information lost person without doubt has been alive, and if this date can not be ascertained, these deadlines are calculated by the end of month, respectively of year, in which lost person according to last news has been alive.

Article 61

Proposal for announcement of one person's death can present every person which for this has direct juridical interest, also the curator body.

Article 62

Proposal for announcement of one person's death has to contain especially:

- a) name of the court to whom is presented,
- b) name and surname of the person that has to be announced death,
- c) date of birth and dwelling or last station,
- d) circumstances through which becomes believed his death,
- e) proofs with which has to be ascertained these circumstances,
- f) name and surname of a curator or his legal representative, for cases where are such.
- g) and the name and surname of persons that can be inheritors.

Article 63

Related to announcement, court hearings, and proper deadlines in the procedure of appropriate announcement of one person's death, are implemented provisions for procedure of one person's disappearance announcement.

Article 64

If it is ascertained that is fulfilled any of conditions from article 59 of this law and that the results of entire procedure put in vision in a secure manner that disappeared person is not alive, court will bring a judgment with which this person will be announced dead.

Article 65

- 65.1. In the judgment with which is announced death of a person will be told name and surname, dwelling or his last station, name and surname of his parents, day, month, and place of birth, than to be ascertained day, month and year, and within the possibility and the clock time which is considerate as a time of a death of disappeared person.
- 65.2. As a time of death will be considerate day for which by proofs is ascertained that disappeared person has died, respectively the day in which disappeared person for sure has not been alive.

65.3. If it can not be ascertained this day, it is considerate that death has happen on the first day after mentioned deadlines in article 59 of this law.

Article 66

Final judgment about the disappeared persons death will be send to civil state service for registration in register book,, to the competent court for developing inheritance procedure, to the curator body and to the body that maintains book of real assets, if the person that has been announced dead has had real assets.

Article 67

- 67.1. If the person who is announced dead appears personally to the court that has given the merit judgment, the court, after ascertain his identity, without a further procedure, it cancels such judgment by an special act-judgment.
- 67.2. Against the act-judgment of the paragraph 1 of this article can present a complaint the subjects that participated in the procedure in which is given the judgment on the announcement of death of the disappeared person.

Article 68

- 68.1. If after given judgment for the announcement of death of the disappeared person the dispute at law in anyway gets informed that he is alive, according to the official assignment it develops the procedure in which it cancels such judgment.
- 68.2. The procedure from the paragraph 1 of this article the court develops also according to the proposal of the custody body and persons from the article 61 of this law.

Article 69

If after receiving the act-judgment for the announcement of death of the disappeared person is ascertain that the disappeared person had died on another day, and not on the day considered as the death day from the merit judgment, the court with the proposal of the subjects from article 61 of this law develops an appointed procedure and as the date of death is concern it changes the former judgment.

Article 70

- 70.1. For starting a procedure of annulment or change of the judgment for the announcement of death of the disappeared person, the court informs the custody body, if it has not initiated the noted procedure, and the hereditary court in front of which is being developed the procedure for the partition of this person's wealth.
- 70.2. The inheritance procedure that is in process of development will be interrupted. If this procedure ended with a final judgment and if a respective registration of real estate has been made in the book of land, it will be ordered to annotate in

the book related with the procedure for the removal from power or change the merit judgment on the announcement of death of the disappeared person.

Article 71

If the court based on the developed procedure estimates that there is no room neither for annulment or change of the former judgment, sends the final judgment with such ascertainment to the hereditary court and competent body with the purpose of deleting the notes in the book of real estates.

Article 72

The final act judgment on the removal from power or change of the judgment for the announcement of death of the disappeared person is taken to the competent service for the maintenance of the respective books, hereditary court and the custody body.

c) The procedure of proving a person's death

Article 73

If a factual death of a person can not be proved by the foreseen documents by the law for the registration books, every person who has a direct legal interest and the custody body can present a proposal to the court so that with an act-judgment to ascertain the death of this person.

Article 74

- 74.1. In the court procedure for proving deaths in an adapted way are executed the dispositions of this chapter for the announcement of death of the disappeared person.
- 74.2. The respective deadlines in the procedure of proving a death cannot be shorter than 15 days either longer than 30 days.

3. The establishment and the maintenance of a psychical sick person in health institution

Article 75

- 75.1. According to the rules of this procedure the court with an act-judgment decides for the maintenance of a mentally (psychic) sick person in a health institution, where because of the nature of sickness it is indispensable that such person gets restricted in the freedom of movement and communication with people outside the noted institution.
- 75.2. According to the rules of this procedure the court decides also for releasing the psychical sick person from the health institution when the causes of his settlement in such institution are ceased.
- 75.3. The procedure from paragraph 1 of this article is pressing and has to end within a deadline of seven days.

Article 76

- 76.1. The health institution can accept for recovery the mental sick person with his approval if the nature of his illness allows giving such approval.
- 76.2. The approval from paragraph 1 of this article is given in a written form to the authorized body of the health institution, in the presence of two adult persons which are capable of acting, writing and reading.
- 76.3. The mentioned persons in paragraph 2 of this article cannot be related in a vertical unlimited link to the person who is accepted for recovery, whereas in a horizontal till in the fourth level, and cannot be neither relative by marriage till the second level or his spouse. On their function cannot be either the person who brought the mental ill person in the health institution.

Article 77

If to the person from paragraph 1 of the article 76 it has been restricted the freedom of movement or of contact with persons outside the health institution, then the health institution is obliged that within 24 hours to inform the court in written for such matter.

Article 78

When the health institution accepts for recovery the mentally ill person without his consent and without a court judgment, is obliged immediately to inform the court of the same location where the institution is for the matter with a document within 24 hours.

Article 79

The written notification from article 78 of this law has to consist of the data of the person held in institution, and also of the person who brought him in the health institution. With the notification document the health institution, if possible, sends to the court also the data of the nature, level of sickness and the available medical documentation.

Article 80

The health institution is obliged to act according to the article 78 of this law in a case when the person who is accepted on his will in the health institution withdraws the given approval, whereas the authorized person or body of this health institution considers a further recovery. The deadline for notification of the court begins from the day of withdrawal of the given approval.

Article 81

The notifications from the articles 78 and 80 of this law are not necessary to be made to the court if the mental ill person is held in the health institution based on the judgment given in the procedure for removal of aptitude to act or in the penal procedure or for infraction.

Article 82

If the acceptance in the health institution is not according to the judgment of the competent court, the court in the location in which is the health institution immediately after the arrival of the notification from article 78 or 80 of this law, and also when in another way is notified for the maintenance of the sick person in the health institution without his approval is obliged according to the official assignment to start a procedure for his further maintenance in the health institution.

Article 83

After beginning the procedure for the maintenance of the mental sick person in the health institution, the court will take all the necessary measures for the examination of such person by the professional medical experts with the adequate specialization, with the purpose that the latter prepare a statement and an opinion on the health condition and such a person's ability to judge.

Article 84

- 84.1. In the procedure of the compulsory establishment in a health institution the court acts in closed doors session.
- 84.2. The exception of public it does not belong to the legal representative and the mental sick person's lawyer.
- 84.3. With the court's judgment in the session can be permitted the presence of the person who deals with the cure or protection of the mental sick persons, scientific worker, spouse and other relatives of the person established in the health institution.

Article 85

With the judgment of opening a procedure the court appoints to the person established in health institution the representative from the rank of lawyers for defending his rights, if the pair itself has not done such a thing, or if the defense of his rights has not been insured in another way.

Article 86

- 86.1. The court is obliged to review and examine all the circumstances that are important for the assignment of judgment and to listen all the persons who have knowledge related to the essential facts.
- 86.2. If possible the court also listens the mental sick person if such a thing does not negatively effect his health.

Article 87

- 87.1. Before announcing the judgment for the compulsory establishment or the release of the mental sick person, the court is obliged to assume a written opinion of a

psychiatrist from the list of the court experts who is not employed in the health institution where the person is compulsory established, to estimate if it is indispensable his maintenance in the health institution.

- 87.2. When it has to be determine for the compulsory maintenance of a child or a young person, the court is obliged to assume the opinion from the paragraph 1 of this article from a specialized psychiatrist for cure of children and youth or from a psychiatrist who has a long working experience with children and youth.
- 87.3. The psychiatrist from the paragraph 1 and 2 of this article gives to the court the estimation in written for the necessity of establishment of the mental sick person in the health institution after he has personally checked him.

Article 88

- 88.1. After the conclusion of procedure the court is obliged immediately or within three days to give a judgment and determine whether the person established in the health institution should further remain or get released from it.
- 88.2. For the given judgment the court notifies the body of custody.

Article 89

- 89.1. If the court determines that the mental sick person should remain in the health institution, it will also appoint the time of his residence in the institution, which cannot be longer then one year.
- 89.2. The health institution is obliged to send to the court the reports of the changes on health condition of the person established for recovery.

Article 90

If the health institution estimates that the person should remain in recovery even after the deadline appointed in the judgment, it is obliged that within thirty days before passing this period to propose to the court to continue his maintenance in the institution.

Article 91

The act judgment for the continuous compulsory maintenance the court gives with the same procedure with which gives also the first act judgment for compulsory maintenance. The court is obliged that the act judgment on the continuous compulsory maintenance to give until the expiry of the appointed date of the maintenance in the health institution with the first act judgment.

Article 92

The act judgment is delivered to the compulsory maintained person in the health institution, his legal representative, to the close relative with whom he lives in a common family, to the proxy representative, body of custody and to the health institution in which the person is established for recovery.

Article 93

- 93.1. Against the act judgment on the maintenance in the health institution and against the one for the release from this institution the complaint can be presented by:
- a) the person maintained for recovery;
 - b) his custodian;
 - c) proxy representative;
 - d) body of custody; and
 - e) the health institution.
- 93.2. The deadline for complaint is seven days and starts from the day of the act judgment's delivery.
- 93.3. The complaint does not obstacle the execution of the appropriate judgment, if the court does not decide otherwise for reasonable causes.
- 93.4. Trial court without postponement sends the complaint, together with the material file to the court of a second resort, which is obliged to give a judgment within the deadline of seven days from the day of the complaint's arrival.

Article 94

The person compulsory established in the health institution gets released immediately after the escalation of the deadline determined from the competent court for the compulsory maintenance.

Article 95

- 95.1. The court can, even before the escalation of time for the compulsory maintenance in the health institution, to release the person established in it, according to the official assignment, according to the maintained person's proposal, of his custodian, representative or the custody body.
- 95.2. The judgment for a precocious release is given by the court only if ascertains that the established person's health condition is improved in a measure that makes unnecessary the further maintenance in the institution.
- 95.3. The precocious release of the maintained person in the health institution is done from the court with a special judgment.

Article 96

The procedure expenditures of the maintenance in the health institution are covered by the commune in the territory of the maintained person's residence, if it is unknown then in the last residence of the persons maintained for recovery.

CHAPTER III
II. THE ADJUSTMENT OF FAMILY RELATION
1. The continuation and cessation of parental rights

Article 97

- 97.1. In the procedure of continuity and cessation of the parental right the court decides for the continuity and cessation of the parental right when it is foreseen by law.
- 97.2. The procedure from the paragraph 1 of this article has to end within a deadline of 15 days from the day of the pair's proposal.

Article 98

The proposal for the continuity of parental right should be presented before the child becomes an adult, but the court can continue the parental right also in a case when the proposal is not presented on time, if in the time when the child becomes an adult exist causes for the parental right.

Article 99

The procedure for the continuance of parental right begins with the parent's proposal, respectively of the adopter or the body of custody.

Article 100

The person to which is continued the parental right is represented by a special custodian that is appointed by the body of custody, or temporary representative, which is appointed by the court, which develops the procedure for continuity of the parental right.

Article 101

According to the proposal for the continuity of the parental right the court decides based on the procedure material disputed in the court session in which are invited the presenter, the custody body and the children's parents disregarding who placed the procedure at act.

Article 102

In this procedure the court according to official assignment estimates the mental health condition and the ability of the child to which the parental right is continued. This condition and ability the court estimates in the foreseen way of the 40 article of this law.

Article 103

Before the merit judgment is announced the court should listen to the child's parents and the representative of custody body, and also to obtain an opinion from this body for the possibility to continue the parental right.

Article 104

In the judgment for the continuity of the parental right the court will determine if the person to which is continued the parental right is equal to the youngest minor or is older than 14 years.

Article 105

When the provisions for which is continued the parental right towards an adult does not exist anymore, the court with the proposal of this person, of the parent or of the body of custody will give a judgment for the cessation of the continued parental right.

Article 106

In the procedure for the continuity of the parental right and also in the procedure of the cessation of the parental right are applied appropriately the provisions of this law for the removal and return of the ability to act, if with this law or another one is not foreseen otherwise.

2. The deprivation and the restitution of parental right

Article 107

- 107.1. In the deprivation and restitution of parental right procedure the court decides of deprivation and restitution of parental right, when the provisions appointed by law exist.
- 107.2. The procedure from paragraph 1 of this article has to terminate as soon as possible, or lately within 15 days from the day of the proposal's submission to the court.

Article 108

The procedure for deprivation and restitution of parental right can set into act the other parent, the adopter who has the parental right or the body of custody, whereas the procedure for restitution of parental right can be set to act with his proposal also by the parent to whom this right is deprived.

Article 109

The court is obliged immediately to notify the body of custody for the beginning of the procedure and to summon to participate in the procedure even when the procedure is not started with its proposal.

Article 110

The court or the body of custody can appoint to the child a special custodian to represent him at this procedure even when the other parent is alive and exercises the parental right, if it is estimated that this is necessary for the defense of the child's interest.

Article 111

- 111.1. The court according to the official assignment states all the facts that are essential for the announcement of the merit judgment.
- 111.2. With the purpose of ascertainment of essential facts the court holds a session in which it summons the proposer, body of custody, both parents and the custodian of the person to whom is deprived or respectively restituted the parental right.
- 111.3. The court necessarily listens to the parents, whereas to the minor only when such a thing is not harmful for his mental health. In the case of judgment for the deprivation and the restitution of the parental right the court takes into consideration also the minor's wishes if he is able to express them and if they are in his interest.

Article 112

In the deprivation and restitution procedure in a suitable way are implemented the clauses of this law on the deprivation and restitution of ability to act.

Article 113

The act judgment for the deprivation, the restitution, continuity and the cease of the parental right will be recorded in the birth register book, and if this person has real estate, also in the registration book of real estate.

3. The grant of permission for marriage bond

Article 114

In the procedure for the grant of permission for marriage bond, the court decides on the proposal for the grant of permission for marriage bond between the appointed persons when according to the law is foreseen that the marriage between them can be bonded only with the permission of the court.

Article 115

- 115.1. The procedure for the grant of permission for marriage bond begins with the proposal of the person that does not fulfill the conditions appointed by law for a valid marriage bond.
- 115.2. If either from the two persons that want to bond a marriage does not fulfill the conditions foreseen by law, the procedure begins with their common proposal.

Article 116

The proposal should consist the personal data of the persons that want to bond a marriage, and the reliable facts and the evidences for these facts. If the proposer is a minor, the proposal should consist also the data for his parents.

Article 117

When the proposal is presented from a minor, the court in a appropriate way will investigate all the circumstances which are important to ascertain if it exist his free will and wish to bond a marriage, and also if he has gain a necessary body and spiritual maturity for the drill of marriage rights and assignments.

Article 118

Before the announcement of merit judgment the court will obtain the ascertainment and the opinion from the health institution and also the opinion from the body of custody. Except this the court will question the representative of the proposal, the parents or his custodian, respectively his adopter, the person with whom the minor wants to bond matrimony, and if necessary can also use other evidence aiming the ascertainment of essential facts.

Article 119

- 119.1. If the court estimates that this is necessary to ascertain the essential facts, it will use all the evidence or some of them in a court session.
- 119.2. The court, in principle, will question the minor without the presence of other participants of the procedure.
- 119.3. The court is obliged to ascertain also the personal quality, wealth status and other essential circumstances concerning the person with whom the minor wants to bond the marriage.

Article 120

The court during the prosecution of the case, in appropriate way will examine the justification of the proposal attentively for realizing the aims of the marriage, for the protection of the family, and also for the environment conceptions in which live the persons that want to bond the marriage.

Article 121

- 121.1. In the act judgment with which it is permitted the bond of marriage the court with note the names of the persons to which it is permitted to bond a marriage.
- 121.2. The act judgment for the grant of permission for the bond of marriage is taken to the proposer and to the person with whom the proposer wants to bond the marriage, to the parents, respectively to the proposer's custodian and the body of custody.

121.3. The act judgment with which it is refused the proposal for the grant of the marriage bond permission is taken only to the proposer.

Article 122

122.1. Against the act judgment according to which is permitted the bond of marriage, the complaint can be presented by all the participants of the procedure from paragraph 1 of the article 121 of this law.

122.2. Only the proposer can present the complaint against the act judgment according to which is refused the proposal for the grant of permission for the bond of marriage.

Article 123

The persons to which is granted the permission to bond a marriage cannot bond the marriage before the final judgment on the permission for the marriage bond.

Article 124

124.1. The proposal for the grant of permission of marriage bond can be withdrawn until the act judgment on the grant of permission for marriage bond is a final judgment.

124.2. It will be considered that the common proposal is withdrawn when it is withdrawn only from one of the proposers.

CHAPTER IV

III. THE REGULATION OF PROPERTY RELATIONS

1. The review of the hereditary estate

a) The common provisions

Article 125

In the procedure of the hereditary property review the court ascertains who are the inheritors of the dead person, or of the person whose death is announced by the court's judgment, which estate contains his hereditary estate, and which right from the hereditary estate belong to the inheritors, legates and other persons.

Article 126

The participants in the procedure of the hereditary estate review are considered the inheritors and the legations, and also the person who realizes any rights from the hereditary estate.

Article 127

The procedure for the hereditary estate review is set in act from the court according to the official assignment as soon as the court is notified that a person has died or is announced dead by a court judgment.

Article 128

- 128.1. For the review of hereditary estate of territory's competence is the court in the territory where the testator in the moment of his death had his residence. If the testator in the moment of death had no residence, the court of the territory of his settlement is competent, if not foreseen differently by the international contract or the law.
- 128.2. If the testator in the moment of death had no residence or temporary dwelling in Kosovo, in territorial point of view is competent the court in the territory where it is located his hereditary estate or the biggest part of it.
- 128.3. The temporary measurement for the assurance of his hereditary estate can be ordered from the court in the territory where the testator died, and also the court in the territory where the hereditary estate is.

Article 129

- 129.1. For the review of Kosovo residents' hereditary estate who in the moment of death had his residence in Kosovo, in point of real estate that is in the territory of Kosovo and in the point of his movable property, disregarding where is located, it is exclusive competence of the court of Republic of Kosovo.
- 129.2. If the real estate of the persons from the paragraph 1 of this article is outside our country, the court of Kosovo will be competent only if according to the states law in which is such estate is not competent the foreign court.

Article 130

The participants of the procedure for the review of hereditary estate cannot be appointed by agreement neither the material competence nor the territory competence of the court.

Article 131

The judges together with the recording clerk do the assumption of evidences and declarations for the withdrawal from the hereditary estate. The other declarations and the proposals of the participants of the procedure can be obtained in a record also by the professional collaborators.

Article 132

- 132.1. For the accomplishment acts during the procedure the court drafts a record.
- 132.2. For the procedure acts less important and for the information that are gathered by the court, instead of the record can only be accomplishment the notice in the file of the matter. The record is signed by the participants of the session, the judge and the recording clerk, respectively the professional collaborator who drafted it. The notice in the file is signed from its compiler.

b) The preliminary acts of procedure

Article 133

- 133.1. When a person dies or is announced dead by a court judgment, the communal body of the competent service for the maintenance of the death recording book is obliged that within the deadline of 15 days from the day that has recorded the death, to send the act of death to the hereditary court.
- 133.2. If the body from the paragraph 1 of this article is not able to secure the necessary data to compile the act of death, will sent the act of death in the court consisting only the available data (an uncompleted act of death), describing the reasons for not being able to compile the act of death and will present the data which will serve to the court for finding the inheritors and the testator's estate.
- 133.3. If the person died outside the commune territory in which he had his residence and settlement, the body competent for the maintenance of the death-recording book will send to the hereditary court only the certificate from the book of deaths, and also the available data, which could serve to compile the act of death.
- 133.4. The act of death is compiled even if the dead person left no estate.

Article 134

The act of death is compiled according to the data that were obtained from the dead person's relatives, from the persons with which the dead person used to cohabitate, and also from other persons that could give data that will be noted in the act of death.

Article 135

- 135.1. If to the hereditary court is taken an uncompleted act of death or only the certificate from the death recording book, the court according to the case circumstances will complete the act of death or it will oneself compile it, or the compile of the act of death will be credited to the body competent for the maintenance of the recording book of deaths.
- 135.2. When this is arguable, the court will compile oneself the act of death also apart from the case of paragraph 1 of this article, if by the certificate of the recording book of death or by a public document it is proved the death of the testator.

Article 136

- 136.1. In the act of death are noted these data:
 - a) the name and surname of the dead person and the name of his parents, the profession, the date of birth and the citizenship of the dead person, whereas for the married dead person also the former surname possessing before the marriage;
 - b) the day, month and year and if possible the time of death;
 - c) the residence, respectively the settlement of the testator;
 - d) name and surname, the date of birth, profession, the residence respectively

- the settlement of the testator's spouse and the children born through marriage, outside the marriage and the adopted children;
- e) name and surname, date of birth, the residence respectively the settlement of the other relatives which can be summoned by law in inheritance, and also of the other persons which have rights in the inheritance based on the testament;
 - f) the average worth of the real estate and especially the average worth of the testator's movable estate.
- 136.2. In the act of death, if possible, should be also noted: the location of the dead person's estate, if it possessed estate for its keeping, maintenance, or its presentation of which exist special provisions, if it possesses cash, valuable letters, precious things, the book of savings or other important documents, if the dead person has debt and how many, if he had left a testament in written or a contract for eternity meal, or an agreement for the property division for the alive and its location, and if the dead person had left an oral testament then also the name and surname, profession and the residence of the witnesses in front of which was made the oral (verbal) testament.
- 136.3. In the act of death should be noted especially if it is expected a birth of testator's child.
- 136.4. If before the testator has died his spouse or one of his children or any other person who could inherit the testator, in the act of death should be noted the date and the place of their death.

Article 137

As a member of the family community in the act of death are noted the names and surnames and also the addresses of the adult members of the family community and also all the properties of the family community.

Article 138

- 138.1. The inventory and the estimation of the testator's estate is done according to the hereditary court when the inheritors and their residence are unknown, when inheritors are the persons which because they are underage, mental sick or other circumstances are entirely incapable or partly capable to take care of their business, when the hereditary estate has to be delivered to the commune or to an other legal person, or other justified cases.
- 138.2. The court will order to be made the inventory and the estimation of the hereditary estate also in a case when it is required from the inheritors, legates or the testator's creditor.
- 138.3. The inventory and the estimation of the hereditary estate is done also without the judgment of the court in the case of compiling the act of death, if it is required from one of the inheritors or the legatee.

Article 139

- 139.1. In the inventory of the hereditary estate are included all the real estate and the movable estate that were owned from the testator at the moment of his death.
- 139.2. The inventory will also include the estate that the dead person owned, but which is located at another person, with accentuation at whom is such estate and according to which legal base, and also the estate possessed by the dead person of whom it is claimed is not his property.
- 139.3. In the inventory of the hereditary estate should be noted the credits and the assignments of the dead person, and especially the unpaid taxes and also other contributions given to the state.

Article 140

- 140.1. The movable items are listed according to the type, number, mass and weight or separately.
- 140.2. The real items are listed separately noting the place where they are located, the type and the description of the object, the land culture, and the data from the book of real estate, if known.
- 140.3. In the case of inventory of the hereditary estate will be noted also the value of the movable and real items which consist the hereditary estate.

Article 141

- 141.1. The inventory and the estimation of the estate are done by the competent commune service.
- 141.2. The inventory and the estimation of the estate can be done by the court official appointed by the judge.
- 141.3. The inventory and the estimation of the estate is done with the presence of two adult citizen and if necessary also with the participation of an expert.
- 141.4. During the inventory and the estimation of the estate can be present every interested person.

Article 142

The competent commune body, which has done the inventory and the estimation of the estate, will send to the hereditary court the data related to the inventory and the estimation.

Article 143

If the estate of the testator consist of items for which maintenance, savings or presentation exist special provisions, with those after the completion of inventory and the estimation it will be acted according to these provisions.

Article 144

- 144.1. If there are objections related to the inventory or estimation of the estate, the court can decide that the bailiffs do again the inventory and the estimation of the estate.
- 144.2. If the inventory of the estate is not done, the court can ascertain oneself which estate enters in testator's hereditary estate, according to the data of the interested persons.

Article 145

- 145.1. If it is ascertain that neither of the present inheritors is not capable to administrate the hereditary estate, and has no legal representative, or in case when the inheritors are unknown or miss, and also when the other circumstances demand special caution, the competent commune service, in pressing cases, will surrender the estate, or only a part of it to a certain person for its maintenance and for this will immediately notice the court in the territory where the estate is, which can change this measurement.
- 145.2. The Cash, the valuable letters, precious things, the book of savings and other important documents, in the case of paragraph 1 of this article, should be forwarded for protection to the court in the territory in which the estate is. This court will notify the hereditary court for all the measurement appointed for the assurance of the hereditary estate.

Article 146

- 146.1. In the cases in which by law is necessary the nomination of the temporary representative of the hereditary estate, the nomination will be done by the hereditary court.
- 146.2. The court before nominating the temporary custodian, if possible for the personality of the custodian will demand an opinion from the persons which appear as inheritors.

Article 147

The measurement for the assurance of hereditary estate the court can pronounce during the procedure for the review of the inheritance.

c) The acts related to the testament

Article 148

- 148.1. The body that compiles the act of death has to verify if the dead person has left a testament in written, respectively if it exist a document on oral verbal testament.
- 148.2. The testament left by the dead person will be delivered to the hereditary court together with the act of death.

Article 149

- 149.1. When the court ascertains that the person who left the testament is dead or is announced dead by a court judgment, then it will open it, without damaging the seal, and read while compiling a record for such a matter. In this way is acted disregarding if the testament is valid according to the law and how many testaments existing.
- 149.2. The opening and the reading of testament is done in a presence of two adult persons which can be from the rank of possible inheritors.
- 149.3. In the case of the announcement of testament can be present the inheritors, the legates and other interested persons and can require a copy of testament.
- 149.4. The court to which is the testament or to which it is delivered, will open and read the testament even when for the review of the hereditary is competent another court or body of another state.

Article 150

- 150.1. The record for the announcement of the written testament has to contain the following data:
 - a) how many testaments are found, of which date are they and where are they found;
 - b) who has delivered to the court the testament or the compilers of the act of death;
 - c) if the testament was delivered opened or closed, and with which seal was sealed;
 - d) which witnesses were present when the testament were opened and announced.
- 150.2. If in the case of the testament opening it is noticed that the seal was damaged or deleted, hyphened or corrected, or if any other suspicion thing is noticed, then all this should be emphasized in the record.
- 150.3. In the announced testament the court places the verification for its announcement by appointing the date of announcement, and also the number and date of the other found testaments of the same testator.
- 150.4. The record is signed by the judge, the process maintainer and the witnesses.

Article 151

- 151.1. If the dead has made an oral verbal testament and for it exist a document signed by the witnesses hand, the court will announce the content of this document according to the provisions valuable for the announcement of the testator's written testament. If such document does not exist, the witnesses in front of which is made the oral verbal testament will be listened separately for the content of the testament, and especially related with the circumstances of which it depends its valuation, and after this the record compiled on such declarations will be announced according to the provisions which value for the announcement of the testator's written testament.

151.2. If the procedure's participant requires the questioning under oath of the witnesses of the oral verbal testament or if the court itself comes to a conclusion that is necessary such hearing of the witnesses, then it will appoint a session for the witnesses hearing in which is summoned the proposer, whereas the other participants are summoned only if such a matter does not drag the further procedure.

Article 152

152.1. If the testator's written testament is lost or annihilated without the testator's will, whereas between the interested persons is no contention for the existence of such testament, for the form in which is compiled, for the way of its loss or annihilation, and also for the content of the testament, then the hereditary court related to the existence of the testament will listen all the interested and based on their proposals will obtain evidence, and then the compiled record will be announced according to the valid provisions for the announcement of the oral verbal testament.

152.2. If the hereditary estate, in the case of the nonexistence of the testament, would be made property of state, the agreement of the interested persons for the former testament, for its form and content it is valid only with the approval from the authorized commune representative. If among the interested persons are such who lack the ability to act, then the agreement in matter values only with the approval of the body of custody.

Article 153

153.1. The record for announcing the testament together with the source oral testament, respectively together with the document on the oral testament or the record on the witnesses hearing of the verbal testament will be delivered to the hereditary court, and the court which announced the testament will keep their copy.

153.2. The written testament from the source testator, the document on the verbal testament, the record on the witnesses hearing of the verbal testament, and also the record on the content of the lost or annihilated testator's testament, will be preserved in the court apart from the other matter files, whereas their verified copy will be attached to the matter file.

153.3. For the announced testament the court notifies the Register of testaments.

d) The court's procedure after the arrival of the act of death

Article 154

154.1. After receiving the act of death the court will ascertain if it is competent for the review of the hereditary estate, and if it is ascertain that it is not, then it will send the material file to the court regarded competent.

154.2. If the court that received the act of death ascertains that for the review of the hereditary matter is competent the foreign state body, with judgment will be announced incompetent and will suspend the started procedure.

Article 155

If the testator has loaded a person to execute the testament, the court will announce for such a thing the executor of the testament and summons to declare in an appointed term if it does accept the assignment for which it is loaded.

Article 156

- 156.1. If it is expected a birth of the child which would have the right on inheritance, the hereditary court will for this notify the body of custody.
- 156.2. If the body of custody does not act differently, then for the rights of the scarcely born child will take care one of his parents.

Article 157

- 157.1. If from the data of the act of death it is regarded that the testator has left no estate, or has left only movable estate and neither from the inheritors does require the review of the matter, the court with a judgment will decide not to review the hereditary estate.
- 157.2. When the court decides not to review the hereditary estate, whereas among the inheritors are such which lack the ability to act, and also have no parents which would take care of their rights and interests, then the court for such a matter should notify the body of custody.
- 157.3. If the court decided not to review the matter for the causes from paragraph 2 of this article, the persons who have the right on the inheritance can realize their rights which belong to them as inheritors by initiating the hereditary procedure.

Article 158

In the cases in which according to the law can be required the separation of the hereditary estate from the inheritors estate, the court, with the proposal of the authorized persons orders such separation applying the respective provisions of this article on the temporary measurement for the assurance of the hereditary estate.

e) The review of the hereditary estate

Article 159

- 159.1. The review of the hereditary estate is done in the court session.
- 159.2. In the summon letter for the court session the interested persons will be notified for the opening of the procedure and for the existence of the testament if it exist, and will be summon immediately to hand to the court the written testament respectively the verbal testament, if they posses it, or to indicate the witnesses of the verbal testament.
- 159.3. The court in the summon letter will notify in advance the interested persons that until the termination of the hereditary procedure they have the right to give declarations in the court if they accept the inheritance or they withdraw from it,

and if they do not come in the session or do not give declarations, the court will decide for their rights according to the data of the material document.

Article 160

- 160.1. For the opening of the procedure for the review of the hereditary estate, if the dead person has left the testament, the court will notify and summon to the session also the persons that according to the law will have right for inheritance.
- 160.2. If the dead person has appointed the executor of his testament, the court will also notify him for the opening of the procedure.

Article 161

- 161.1. If the court has no knowledge if the testator has any inheritors, the court with a public announcement will summon the persons who have the right for inheritance to appear to the court within a term of six months from the day of the announcement's published in the "Official newspaper of Kosovo".
- 161.2. The announcement will be placed on the court's announcement's board, and if necessary it will be published also in other appropriate way.
- 161.3. The court acts according to the provisions from the paragraph 1 and 2 of this article even when to the inheritor it is nominated the temporary representative for the cause that his residence is unknown, or for the cause that the inheritor or his legal representative, who has no proxy representative, is in the outside world, whereas the delivery of the documents could not have been done according to the rules of the Law for the contentious procedure.
- 161.4. After the expiry of the deadline from the paragraph 1 of this article, the court will develop the hereditary procedure according to the declaration of the nominated custodian and the available data of the court.

Article 162

- 162.1. In the session for the review of the hereditary estate the court will review all the matters related to the testator's estate, and especially the one belonging to the hereditary right, the inheritance greatness and the right of the legatee.
- 162.2. For the rights of the paragraph 1 of this article the court decides, in principle, after it has received the necessary declarations from the interested persons.
- 162.3. For the rights of the persons which did not come in the session, against the regular summon to them, the court will decide based on the available data and also taking into consideration their written declarations which arrive until the moment of issue of the judgment on inheritance.

Article 163

- 163.1. During the procedure's development, the interested persons can give declarations related to the inheritance also when there are not present the other interested persons, and there is no need to be given a chance to such persons every time to declare related to the declarations of the other interested persons.

163.2. If the court doubts that the person who according to law itself has right for inheritance is the only relative or the closest relative of the testator can listen also the other persons for which it considers that could have a same or more powerful right for inheritance. Such persons the court can summon also with an announcement based on the provisions of the article 162 of this law.

Article 164

- 164.1. Every person is authorized, but no one is obliged to give declaration for inheritance.
- 164.2. For the person who did not give the declaration for the withdrawal from the inheritance it is considered that wants to become an inheritor.
- 164.3. The person who has given a valid declaration with which has accepted the inheritance has no right for its revocation later.
- 164.4. If the inheritor has accepted or withdrawn the inheritance, the declaration for this should be signed by him or by his legal representative. If these two are not capable of writing and reading, then in the written declaration will place the mark of the index finger.
- 164.5. If the inheritor or his representative is not capable to sign the hereditary declaration, it is sufficient that to the authorized person in front of which it is given the declaration, to indicate the causes for such matter, whereas he writes his causes in the record.
- 164.6. The signature of the documentation that contains the hereditary declaration and also the signature in the proxy (the authorization) for the hereditary declaration should be verified from the competent body.
- 164.7. In the hereditary declaration should be mentioned if it accepts or withdraws from the part that it belongs by law or according to the testament, or that it has to do with the indispensable part. When there is a lack of the mentioned specification it is considered that the declaration belongs to the all bases for the inheritance.

Article 165

- 165.1. The inheritor can give the verbal declaration for the inheritance withdrawal in the court of inheritance or in another competent court.
- 165.2. In the case of the withdrawal of inheritance declaration, the court will notify the inheritor of the possibility of the withdrawal only on his name or also on his successor's name.

Article 166

- 166.1. The hereditary court will interrupt the procedure and guides the inheritors to open a contentious procedure in the court, or the procedure in the administrative body, if the facts between them from which depends any of their right related to the inheritance are litigious.
- 166.2. In the foreseen way with the provision of the paragraph 1 of this article the court will act especially when they are contentious:

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- a) the facts from which it depends the right for inheritance, and especially the validity or the content of the testament or the inheritor's and testator's relation according to which the inheritance is done by law;
- b) the facts from which it depends the base of the request of the after living spouse and the testator's successors, which has cohabitated with the testator in the same family, for the specification of the things of the domestic economy which serve for the fulfillment of the daily need from the hereditary estate;
- c) the facts from which it depends the greatness of the hereditary part, the value of the obligatory part (indispensable) and especially of the part that is included (calculated) with the hereditary part;
- d) the facts from which it depends the legal base of the inheritor's exception from the inheritance, or of the existence of causes for the unworthiness to inherit the testator's;
- e) estate the facts related to the circumstance of any inheritor's withdrawal from the hereditary right.

166.3. If in the mentioned cases of the paragraph 2 of this article does not exist the litigation around facts, but there are litigations between pairs related to the application of rights (legal norms), the hereditary court it reviews itself the matters of legal nature in the hereditary procedure.

Article 167

The court will not interrupt the hereditary procedure in the case from the paragraph 1 of the article 166 of this law if it is the matter of the contention around facts, the existence of which the law itself presumptions, around the publicly known facts, and also when there are litigious the facts which can be ascertain according to public documents or the private documents but verified. In these cases the court according to it selves free obedience for the existence of the mentioned facts, respectively of the mentioned document's content, gives the act judgment for inheritance, whereas the pair which claims the opposite the court guides to initiate the contentious procedure, respectively the procedure in the administrative body.

Article 168

168.1. If between the participants of the hereditary procedure appears a contention around the facts from which it depends the right of the appointed legate with testament, or any other right from the hereditary estate, the court will guide the participants to initiate the contentious procedure or the administrative procedure, but will not interrupt the heredity procedure.

168.2. If in the case from the paragraph 1 of this article it does not exist the litigation around facts but only related to the application of the right, the hereditary court will review and solve the matters of legal nature in the hereditary procedure.

Article 169

- 169.1. The court will interrupt the hereditary procedure and will guide the pairs to initiate the contentious procedure or the administrative one if between them are contentious the facts:
 - a) from which it depends the content of the hereditary estate;
 - b) from which it depends the legate's object.
- 169.2. The court does not interrupt the hereditary procedure in the case from the paragraph 1 of this article, if the facts which can be ascertain according to the public or private documents bur officially verified are litigious or on the one self will that the contain of such documents its accurate, will issue the act judgment on the inheritance, whereas it guides the person who demands the opposite that in the contentious procedure, or administrative one, to verify the accurateness of his demand.
- 169.3. When the court in the case of the paragraph 1 of this article interrupts the hereditary procedure, must ascertain if the presumptions are fulfilled for the issue of the partial act judgment on the inheritance, and if they are fulfilled the court should issue it.
- 169.4. The procedure's interruption from the paragraph 1 of this article has not to do with the one included according to the partial act judgment on the inheritance.

Article 170

- 170.1. The court will guide the pair of which right is considered less trustful for the initiation of the contentious procedure or the administrative one.
- 170.2. If the court does interrupts the hereditary procedure then it will appoint a deadline, which can not be longer then 30 days, within which should be initiated the contentious procedure, respectively the administrative procedure in the competent body. The participant in the hereditary procedure which is guided for the contentious or administrative procedure's initiation is obliged to notify the court if it has acted according to such guideline within the appointed deadline.
- 170.3. If the pair acts according to the court's judgment and it initiates the contestable or Administrative procedure within the deadline, the hereditary procedure's interruption continues until the contentious or administrative procedure is terminated with a final judgment.
- 170.4. If the pair does not act within the appointed deadline according to the court's judgment, the interrupted procedure will be continued and terminated disregarding the request related with which the pair is guided to initiate the contentious or administrative procedure. In such a case the guided pair for the initiation of contentious or administrative procedure its right can realize in the procedure for which it was guided.
- 170.5. If the hereditary court has acted in reconciliation with the provision of the paragraph 4 of this article, but also in the case when it has reviewed the hereditary estate apart from the fact that it had to guide the pair, to initiate the contentious or administrative procedure, then it's act judgment of a final judgment does not obstacle that for the late pair's request to be initiated the contestable or administrative procedure.

f) The judgment act for the inheritance
Article 171

171.1. When the court in the hereditary procedure ascertains to which persons does belong the right on inheritance, will announce these persons as inheritors based on itself act judgment for inheritance.

171.2. The act judgment for the inheritance should contain:

- a) the name and surname of the dead and the name of one of his parents, the date of birth and the citizenship of the dead, and if possible the personal number of the citizen, whereas for the dead persons in marriage also the surname they had before the marriage bond;
- b) the real estate with the data from the public books necessary for registration, and also the movable items and the other rights for which the court has ascertain that consist the hereditary estate;
- c) the name and surname of the inheritor, his residence, the inheritor's relation to the testator, if it inherit the testator by law or according to the testament, and if there are more inheritors also the hereditary part of each one of them, expresses with a fraction line, and if possible the unique personal number;
- d) if the inheritor's right is conditioned, time limited, restricted or loaded, and on who's advantage;
- e) the name and surname, the residence of the persons to which it belonged the legate's right in the hereditary estate, or any other right from the inheritance with a precise notice of this right, and if possible their personal number.

Article 172

If in the hereditary procedure all the inheritors and the legates with an agreement propose to the court the separation and the way of the separation, the court such agreement in cooperates in the act judgment for the inheritance. The courts acts the same also when the separation of the hereditary estate is done by the approval of the request of the inheritor who lived in a family community with the dead, to leave the appointed things which serve for daily needs or for the professions exercise.

Article 173

173.1. The act judgment on inheritance is handed to all inheritors and to the legates and also to the persons who during the development of the hereditary procedure has presented a request for inheritance.

173.2. The final act judgment for inheritance is handed to the competent body for the taxes and the maintenance of the public books.

Article 174

174.1. In the act judgment of inheritance the court orders that after it becomes of a final judgment should be done the necessary registration in the public book, in accordance with the rules in such book.

- 174.2. In the act judgment of inheritance the court will appoint that after becoming a final judgment, to be delivered to the authorized persons the movable estate which where deposited in the court or at the third person.
- 174.3. If according to the testament of the inheritor is ordered the fulfillment or the assurance of the assignment in the advantage of the person who is not capable to take care of his interests and his rights, or for the realization of any public advantage, the court will appoint the necessary measure of assurance.

Article 175

When the right of the inheritor is conditioned, time limited or loaded by order, the court with the proposal of the authorized persons will appoint a temporary measurement of the assurance.

Article 176

- 176.1. If the inheritors do not contest the legatee, the court also before giving the inheritance act judgment, with the legatee's right, can give a special act judgment for the legatee.
- 176.2. In such a case in appropriate way will be applied the provisions for the registration in the public book and for the delivery of the movable things which are placed for maintenance in court or at the third person.

Article 177

When the contain of the hereditary estate is partly non contentious, the court, after ascertaining who are the inheritors, respectively the legates will give a partial act judgment on inheritance with which will appoint the inheritors and the legates and also the non contentious part of the estate which is part of the hereditary estate.

Article 178

- 178.1. It is considered that according to the act judgment for the inheritance which took the final form it is ascertain which enters in the hereditary estate, who is an inheritor of the dead, how big is the belonging part of the estate, if it is restricted or loaded the right on inheritance and in which way, and also if it exist and which of the legatee's right exist. All this values also for the partial act judgment for inheritance in the point of which was ascertained by him.
- 178.2. The one that was ascertained by the final act judgment for the inheritance can be contested only from the one that is not related to such act judgment according to the provisions of this law. He can do such a thing only in the contentious procedure initiated against the persons in advantage of which goes the ascertainment that is litigated by the lawsuit.

Article 179

- 179.1. With the final act judgment are not related the persons which claim that any right belongs to them related to that which was ascertained that is part of the hereditary estate, if they had not participated as a pair in the hereditary estate's review, and if they were not summoned personally and regularly for their participation.
- 179.2. With the final act judgment are not related the persons which claim that after the death of the testator to them did belong the right on inheritance according to the testament or law, or that to them belonged the legatee's right, if they did not participated as a pair in the hereditary estate's review, and they were not summoned personally and regularly for the participation in it.

Article 180

With the final act judgment are related the person who as a pair has participated in the review of the hereditary estate, or that they were summoned for the participation in it, personally and regularly, but not when it has to do with:

- a) the rights that appear for them from the found testament after the termination of the hereditary procedure;
- b) the right of which ascertainment was depended from the way of solution of any contentious fact in the contentious or administrative procedure for which initiation has existed the guide of the court, or it had to exist, or if the contest was not solved before the hereditary act judgment was of a final form;
- c) if conditions are fulfilled under which in the contentious procedure could be proposed the repetition of the procedure terminated with a final act judgment.

Article 181

- 181.1. The person who with confidence, in the case of the winning of the estate's right on any thing or of the right that belongs to the inheritor, has acted believing in the verification of the act judgment which took the final form, not knowing that such ascertainment is not for the person from which it has won it, nevertheless it becomes an owner of the thing or the won right as it would profited it if to the alienate would really belong the right of inheritance as it was said in the final judgment for inheritance.
- 181.2. On this rule are not included the provisions for the trust profit in the verification and fulfillment in the public book, and neither in the provisions for the profit of the movable estate from the non-proprietor.

g) The inheritor's requests after the obtainment of the final judgment for inheritance

Article 182

- 182.1. If after the act judgment for inheritance is final is found the estate that is not included in this act judgment, the court will not review again the hereditary estate, but this estate with a new judgment will apportion on the support of the former inheritance act judgment. This rule does not value if any of the inheritors withdraw from the inheritance or has given the hereditary part to the co-inheritor.
- 182.2. If the hereditary estate was not reviewed before, the court will review it only if the found estate contains real estate or rights equal to such things.
- 182.3. If the found estate contains movable estate or rights equal to such things, the court will open a procedure for the review of the hereditary estate only on the proposal of the interested persons.

Article 183

- 183.1. If after the act judgment is of a final judgment for inheritance is found the testator's testament, the court will announce it, and will send the record for the announcement and the copy of the testament to the hereditary court, whereas the original it preserves for itself.
- 183.2. In the case from the paragraph 1 of this article the hereditary court will not review the hereditary estate, but will notify the interested persons for the announced testament and will draw their attention that they can realize their rights according to the testament in the contentious procedure.

Article 184

The person who is not related to the act judgment of inheritance or legate, who thinks that it belongs the right of inheritor or of the legate, can realize such rights only with a contentious procedure.

Article 185

- 185.1. After the act judgment is final for the inheritance or legate, the pairs have the right to, within the deadlines and for the causes from which can be required the repetition of the contentious procedure, with a law-suit to initiate a contentious procedure and in it to realize their rights.
- 185.2. In the contentious process from the paragraph 1 of this article, the court, for the existence of the presumptions for the procedure's repetition, will decide as for the previously matters (pre judicial).

h) The procedure in the case when it is competent the body of a foreign state

Article 186

- 186.1. If for the review of the hereditary estate is competent a foreign body, the court in the territory in which the testator died, after the arrival of act of death will publish an announcement with which will summon all the citizens of the country which claim that are inheritors, legate or creditors of the testator, that within the appointed deadline, which cannot be shorter then 30 days or longer then 6 months which starts from the day of announcement in the “ Official newspaper of Kosovo”, to present to the court such claims. With the announcement will be notified those who can have claims that if the requests for the hereditary estate of the dead are not presented on time the movable estate of the testator will be handed to the competent foreign body or to the person authorized from such body.
- 186.2. Beside in the “Official newspaper of Kosovo” the announcement will be published also in the court’s announcements board, if necessary also in other appropriate way. One announcement issue will be handed to the diplomatic representative or consulate of the respective state in our country.
- 186.3. The court will not publish announcements if the hereditary estate that is in our country is of a small value.
- 186.4. If the court does not publish announcements the hereditary estate of the dead will be surrendered to the foreign competent body, or to the person authorized from such body, just after three months pass from the day of the death of the foreign citizen.

Article 187

- 187.1. If any person which considers himself an inheritor or a legate of the testator presents a request to the court, then the court will maintain the hereditary estate, respectively a part of it, which is necessary for covering such request, until it is not of a final form the judgment of the foreign body related to such request.
- 187.2. The final judgment of the foreign body related to the pretended request our court will execute on the hereditary estate or on the maintained part of it, whereas the eventual excess will send to the foreign state.

Article 188

If any creditor of the testator presents his request to the court that has for the testator, then the court will maintain enough movable things from the hereditary estate to cover such request. Such things will be maintained until it is not realized or assured sufficiently the creditor’s request.

Article 189

- 189.1. If for the review of the hereditary estate of the foreign citizen in the point of his movable estate is competent the foreign body, the court, if all the inheritors who

are in Kosovo propose that the review of the matter to be done in Kosovo, will summon the inheritors and the legates outside our country that within a term of 6 months, from the day of the summoning, to present objection of the incompetence of our court, with the threat that the review of the hereditary estate will be done by our court.

- 189.2. The known inheritors to which residence is unknown will be summoned by the announcement published in the "Official newspaper of Kosovo", in the court's announcement board, and if necessary also in other appropriate way. One issue of the announcement is sent to the diplomatic representative or consulate of the respective state, which are in our country.
- 189.3. If neither from the inheritors or legates outside our country does present the objection of the incompetence of our court, within the term of the paragraph 1 of this article, the court after the expiry of this deadline will do the review of the hereditary estate of the foreign citizen.

2) The administration and the exploitation of the common things

Article 190

In the procedure of the administration and exploitation of the common things the court will arrange the way of administration and the exploitation of the common things of the co proprietors, of the co exploiters and of the other co possessors of the same thing.

Article 191

- 191.1. The procedure for the administration and exploitation of the common thing is initiated with the proposal of the person who thinks is restricted in his right for the administration and exploitation of the common thing.
- 191.2. The proposal should contain the data of the interested persons and of the thing that is a proceeding object, and also the causes for which it is initiated the procedure.
- 191.3. The proposal is presented to the court in the territory in which is the thing, and if it is located in the territory of some courts, the proposal can be presented to any of such courts.

Article 192

- 192.1. After the arrival of the proposal the court will appoint a session in which will summon all the interested persons, will display to them the possibility and help that with an agreement to regulate the administration way, respectively of the exploitation of the common thing.
- 192.2. The agreement of the interested persons the court ascertains in the record as a legal mutual agreement, after it has notified them for the legal nature and the effect and the legal consequences of the court's mutual agreement.

Article 193

- 193.1. If the interested person does not agree the court will obtain the necessary evidence and according to the results of all the procedure will draw the act judgment with which will regulate the way of administration and exploitation of the common thing according to the respective provisions of the material right, attentively for their special and common interests.
- 193.2. If according to the proposal is required the arrangement of the common apartment's exploitation or of the business premises, the court especially will arrange which spaces the interested persons will exploit separately and which in common, and how it will be paid the exploitation of the spaces.

Article 194

- 194.1. If between the interested persons is litigious the right on the thing which is a proceeding object or is contentious the volume of right, the court will guide the proposer that within the deadline of 15 days to initiate the contentious process in the court or the administrative process in the states body with the purpose of deciding for the contentious right or report. During this deadline the contentious procedure remains interrupted.
- 194.2. If the proposer does not initiate the procedure in the deadline from the paragraph 1 of this article, it is considered that the proposal is withdrawn.
- 194.3. The court temporary, until the issue of the competent judgment can arrange the interested person's relationships concerning the administration and exploitation of the common thing, when this is required from the circumstances of the respective case, and especially with the purpose of the impediment of damage, arbitraries or the evident injustice for any of the interested persons.
- 194.4. The provisions of the paragraph 3 of this article will be applied even when the interested persons are co possessors of the thing, which have no evidence for the legal base for the profit of the possession.

Article 195

The interested persons have right that in the contentious procedure to realize their rights related to the thing for administration and exploitation of which is decided with a final judgment issued in this contentious procedure.

Article 196

- 196.1. The provisions of this law on the administration and the exploitation of the common things are applied also for the proprietors and possessors of the special parts of the buildings in the point of the administration and exploitation of the common parts of the building which serve to the building as a entirety or only some of the special parts of the building, in which case the interested persons are considered only the proprietors of such parts of the building, if with the reciprocal arraignment of their relationships are not touched the rights of the other buildings parts proprietors.

196.2. The relationships between the proprietors of the special parts of the building are arranged in accordance with the rights on the special parts of the building.

3) The separation of the things and the real estate in the joint ownership

Article 197

In this out contentious procedure on the separation (the partition) of the things and the real estate in the joint ownership the court decides for the separation and the way of separation of such things.

Article 198

198.1. The procedure of the separation of the thing and the real estate in joint ownership can initiate every of the co-proprietors with his proposal.

198.2. The presented proposal in the court has to include all the co-proprietors. The proposal should contain the data for the separation object, for the parts greatness and also for the other thing rights of every co-proprietor. For the real estate should be noticed the cadastre data and those from the real estate book. To the proposal should be attached the evidence on the right of property, the right of servitude and the other thing rights, and also on the real estate possession.

Article 199

The proposal for the separation of the things in joint ownership is presented to the court in the territory in which is located such a thing, and if it is located in the territory of some courts, then the proposal can be presented to any of such courts.

Article 200

200.1. If the court, acting according the proposal of one of the co-proprietors, ascertains that between the litigious co-proprietors is the right on the things which are objects of separation or the greatness of parts in the common things, respectively in the common estate, or when it ascertains that it is litigious circumstance that which things, respectively which rights are part of the common estate, then it will interrupt the procedure and it guides the proposer that within the deadline of 15 days with law-suit to initiate the contentious procedure.

200.2. If the proposer within the appointed deadline from the court does not draw a lawsuit, will be considered that it has withdrawn his proposal.

Article 201

The court after the arrival of the proposal it appoints a session in which it summons all the co-proprietors and the persons who on the partition of the object has any material right.

Article 202

If the co-proprietor or the persons who on the partition object have any material right, during the matter's proceeding achieve a mutual agreement related to the conditions and the way of separation, the court it ascertains the achieved mutual agreement in the record as a judiciary mutual agreement.

Article 203

- 203.1. If the persons from the article 202 of this law does not achieve a mutual agreement related to the conditions and the way of the partition, the court will listen to them and will obtain evidences, and if necessary will appoint also the expertise, and according to the result of the entirety matter review, in accordance with respective material-legal provisions will issue the act judgment for the partition of things or real estate in the joint ownership. In the case of the judgment issue the court should take into consideration the judicial requests and interests of the co-proprietors and of the persons who in the partition object have any material right.
- 203.2. On the case of the judgment of which person does the appointed thing belong, the court especially should have into consideration the special need of the respective co-proprietor which can be a cause that the thing belong to this co-proprietor.
- 203.3. If the partition of the thing should be done by its sale, the sale will be permitted and done according to the provisions of the law for the bailiff procedure.

Article 204

- 204.1. The act judgment on the partition contains: the object, the conditions and the way of the partition, the data for the physic parts of the thing and for the rights which belonged to the co-proprietors, and also the rights and assignment of the co-proprietors ascertained by the partition.
- 204.2. With the act judgment for the partition the court will decide also for the way of realization of the servitude and other material rights in the parts of the thing that is physically divided between the co-proprietors.

Article 205

In the procedure of the arrangement of the landmarks (boundary stones) the court it arranges the landmark between the near by real estates when the signs of the landmark have been annihilated, damaged or moved.

Article 206

- 206.1. Proposal for arranging the boundaries between the parcels, adjacent stripes of the lands has the right to present in the court each owner respectively possessors of such parcels, and when then law foresees such a thing and authorized body can represent such a proposal.

206.2. Proposal must contain data for the owners, respectively possessors of adjacent stripes, for land stripes between which boundary must get arranged, with notes of such stripes from books of lands and cadastral books, reasons for which is initiate the procedure, also the litigious limitrophe surface value.

Article 207

- 207.1. After getting the proposal, court can convene session in a court in this will call participators with the aim to arrange boundary agreement.
- 207.2. If the participators do not achieve an agreement, the court will determine session in a event place in which except the participators will call and an expert of geodesy profession or of other respective profession, and according to need and proposed witnesses.
- 207.3. In calling letter for in the court hearing participators of procedure are instruct to bring all the documents, sketches and other important proofs for arranging the boundary.
- 207.4. In calling letter participators are warned for procedure consequences of not coming in determined session.

Article 208

If the procedure participator that has presented the proposal for arranging the boundary does not come in the session facing towards regular invitation, determined session will be maintained if one such thing proposes his opponent. If the proposer opponent does not propose to maintain the session in case of absence of the proposer, will be considered that the proposal is withdrawn.

Article 209

- 209.1. If between the procedure participators will show the contest related to boundary surface value of which does not pass value of small value contest in contentious procedure, court will determine boundary in rely of right with force, if this is not impossible, than in possessing state of quiet end relying. If the contest can not be solved and in this manner, the court litigious surface will divide according to justice principle.
- 209.2. If the participators in procedure agree before, court can arrange boundary according to the cadastral plan in force.
- 209.3. The Court can arrange the boundary according to the priority right regardless of litigious limitrophe surface value, if the participators of the procedure make agreement for such a thing.

Article 210

If between the procedure participators exists the contest for limitrophe surface value of which passes value of small value contest in contentious procedure, and not arrive agreement in a meaning of paragraph 3 of article 209, of this law court will instruct the

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procedure initiator that with law-suit to initiate contentious procedure with the aim to solve contest. In this case out contentious procedure ends without merit judgment.

Article 211

211.1. In the session for boundary arrangement court will determine boundary between participators land parcels in the event place and will notice with stable and visional borders marks.

211.2. Committed acts in session for boundary arranges it is made process verbal in which it is noted especially:

- a) subscription of found state
- b) content of procedure participators declaration,
- c) declaration of expert and witnesses.

211.3. To the minutes is attached: sketch of found state and sketch of created state with boundary arrangement.

Article 212

In judgment enacting clause for regularization of boundary court describes boundary between participators land parcels, relying on sketch of created state which is considerate part of a judgment.

Article 213

Court will not regularize boundary in building lands in which does not exist the right of property, except the case when it is not done land parceling according to law provisions with which is regulated spacious regularization.

Article 214

Settlement for boundary regularization which is reached in court session can be stroke by law-suit only if it is linked in error or under influence of violence or by deception of any of procedure participators.

4) Compensation fixing for expropriated real estate

Article 215

In the procedure of compensation fixing for expropriated real estate, court will fix amount of reward for expropriated real estate when the user of expropriation and previous owner in front of administrative competent body did not reach the agreement for compensation for expropriated real estate.

Article 216

216.1. If the participators in expropriation procedure do not reach agreement within the deadline of two months from the day in which judgment for expropriation has

taken final form, administrative competent body will send the final judgment for expropriation to the owner together with all procedural documents and proofs for paying offered amount for compensation, or for its depositing in the court in which territory is settled expropriated real estate, with the aim of compensation fixing.

- 216.2. Body from paragraph 1 of this article judgment for expropriation together with the procedural documents of competent court can send and after the deadline of two months if the declaration of ex owner ascertains that can not be reached agreement for compensation.
- 216.3. If the competent body does not act according to provisions from paragraph 1 of this article, ex owner has a right to be presented to the competent court directly with a request, to get fixation for expropriated real estate.

Article 217

- 217.1. Procedure for fixing the compensation for expropriated real estate competent court begins and develops according to official if it sends the matter from competent body that has committed expropriation. In contrary without initiative of ex owner of expropriated real estate does not begin the procedure of fixing the compensation.
- 217.2. Procedure from paragraph 1 of this article must be finished as soon as possible, and latest within the deadline of 30 days from day of its beginning in court.

Article 218

- 218.1. Court will determine court session in which will be given opportunity to its participators to declare for form and volume, respectively the height of compensation, also for proofs for expropriated real estate value, which will be taken according to official obligation.
- 218.2. In court session court will use and other proofs proposed by procedure participators, if it ascertain that are important for compensation fixing, and in case of need can be determined and proof taking by expertise.

Article 219

- 219.1. If the participators of the procedure made an agreement that the compensation for building or expropriated dwelling house to be fixed in form of giving other building or dwelling house, than by it side must be determined and the deadline for reciprocal obligations fulfilling.
- 219.2. If the deadline for fulfilling reciprocal obligation does not determine participators of agreement, than the court with the judgment for compensation fixing will determine deadline for transfer from expropriated building, respectively from dwelling house as particular part of dwelling as it is foreseen in law for real estate expropriation.
- 219.3. Provisions from paragraph 1 of this article in appropriate manner are implementing and for farmer, when according to agreement with expropriation

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user or according to his request, compensation for expropriated agricultural land has been fixed with giving in property other real estate.

Article 220

220.1. After ascertaining basic facts court gives judgment with which determines form and volume, respectively height of compensation for expropriated real estate.

220.2. If the procedure participators made an agreement for form and volume, respectively the height of compensation, court his judgment relies in their agreement, if it ascertain that the agreement is not contrary with provisions with which are regulated property relation of real estate things.

Article 221

Provisions for compensation fixing procedure for expropriate real estate in appropriate manner are implement and in other cases when to the previous owner according to law is accepted the compensation right for real estate thing in which has last the right of property or any other thing right.

Article 222

Procedure expenses for compensation fixing for expropriated real estate carries expropriation user, except expenses caused with not justifiable acts of the real estate previous owner.

CHAPTER V

IV. REGULATION OF OTHER OUT CONTENTIOUS MATTERS

1) Drawing and confirmation of documents content

Article 223

223.1. In the procedure for drawing or confirmation of documents content, court draws and confirms document when for creating a right or valid juridical act is needed existing of public document.

223.2. In accordance with provision of paragraph 1 of this article is drawn and legal will.

Article 224

224.1. For drawing or confirming document of territorial competence is every court with concrete competence.

224.2. In cases foreseen by law document draws or confirms judge.

Article 225

Document is drawn in court, whereas out court when procedure participator is not in condition to come in court or when for this exist justifiable reasons.

Article 226

Before starting drawing document judge ascertains proposer's identity. When the judge does not know personally proposer, his identity ascertains by public document with photo or according to one witness declaration, whose identity ascertains by public document with photo.

Article 227

If the proposer does not know to read and write, or when he is mute or blind, or when he does not know court official language, draw of document is done in front of two witnesses of adult age which the judge knows personally or their identity ascertains by public documents with photo.

Article 228

228.1. If the proposer does not know language in which is drawn document, judge will draw document with participation of court interpreter.

228.2. If the proposer is blind – mute, judge will draw document with participation of interpreter which can talk with proposer

Article 229

Witnesses with case of drawing a document can be person's that can write and read and that know court official language and proposer language, and when proposer is mute witnesses must know to understand the proposer and vice versa.

Article 230

When ascertains that exists conditions from article 229 of this law, judge also must ascertain if exists free will for link of juridical act. Judge has for obligation to participators to explain the meaning of juridical act, to inform them with consequences of such act and to examine that if his aloud, respectively that is not in contrary with obligated provisions.

Article 231

231.1. If the judge ascertains that are not fulfilled conditions from article 230 of this law, then he with judgment will refuse document draw.

Article 232

232.1. For drawing the document is maintained process verbal in which is shown and a manner in which is ascertained identity of participator, witness and of interpreter that has been present in case of document drawing

232.2. Process verbal will sign participators and witnesses. To process verbal are followed on copy of drawn and signed document.

Article 233

- 233.1. When must be drawn legal will when in case of its drawing can not be witnesses:
- a) descendant of devisor,
 - b) his adoptive and their descendant,
 - c) his predecessors, including grandparents and their first step descendant,
 - d) their cousins in indirect line till the third step,
 - e) spouses or wives of all this persons,
 - f) spouse or wife of devisor.
- 233.2. Provision of paragraph 1 of this article are implemented in appropriate manner and relate to judge interpreter.

Article 234

- 234.1. When you listen to devisor, judge his declaration will notice faithfully in a record, possible with words of devisor, by being careful with that case that devisors will expresses in a clear manner.
- 234.2. In a record will be noticed and all the circumstances that could be important for validity of the will. When this is necessary, judge will explain to the devisor law provisions that limit possession with his property by the will.

Article 235

After devisor reads by his self record of legal will and declares that his last will is noticed in a faithful manner, judge this will prove in the self will.

Article 236

- 236.1. If the will is drawn in the presence of two witnesses because the devisor can not read, judge will read to him the will and than the devisor, after declares that this is his will, in a presence of witnesses will sign or will put index finger mark.
- 236.2. If the devisor does not know the language that is in official using in a court or is mute or is deaf, judge by judge interpreter will read the will, whereas the devisor throw the interpreter will give declaration that the will is his.
- 236.3. Witnesses must be signed in self will, and a judge in self will ascertain that there are committed all mentioned acts in this article.

Article 237

- 237.1. If the record for drawing the will is contained from some pages this will be imbued by yarn and both of the corners will be stamped with the court stamp.
- 237.2. Each of record page devisor will sign one by one respectively on this will put the mark of index finger. In the end of record will be told from how many pages is contained the will.

Article 238

If the will is drawn in the court in which territory the devisor has not a dwelling court has for obligation to inform immediately the court in which territory has he a dwelling

Article 239

239.1. If the devisor revokes his will, than related to will revocation in appropriate manner will be implemented provisions for drawing a will.

239.2. Will revocation will be noticed in self will which is saved in the court.

Article 240

240.1. Court does the confirmation of the document content when such a thing is foreseen by law.

240.2. Confirmation of documents content is done in self document with the assignment of judge and by putting court stamp in the document.

240.3. After it is done confirmation of document content, court will give to participator original exemplar of confirmed document.

2) Documents saving

Article 241

Court has for obligation to accept determined document for saving when this is foreseen expressively by law for fixed type of documents or when such a thing is necessary for determined property rights insurance or for the rights of other character.

Article 242

Document can be delivered for saving to any court of matter competence, with condition to be ascertained the identity of submitter according to provisions of article 226 of this article.

Article 243

243.1. For document acceptance for saving draws a record in which is ascertained saving document submitter identity, type and title of accepted document for saving.

243.2. Accepted document for saving is inserted in a special spooling, it is stamped and it is saved separately from other documents.

Article 244

244.1. When is delivered to the court testament for saving that is not drawn in a court devisor delivers personally to the court in opened or closed envelope.

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244.2. When is delivered for saving opened testament, court will read to the it to the devisor and will send eventual defects for which testament would be not valuable.

Article 245

245.1. If the witnesses of oral testament has presented to the court a writ that contains the will of devisor, court acceptation of such case will ascertain in a record, will insert it in a special and will stamp it.

245.2. In foreseen manner in article 243 of this law court will act and when the witnesses of oral testament come to the court to repeat orally declaration of devisor.

245.3. After receiving the witness's declaration the court will attempt to ascertain expressed will of devisor and circumstances from which depends validity of oral testament.

Article 246

After accepts document for saving, its deliver court will issue confirmation in which is written for which document is the matter.

Article 247

If the document for testament, except the judge testament, is delivered for saving to the court in which territory devisor has not his dwelling, court has for obligation to inform immediatly for this the court in which territory the devisor has his dwelling.

Article 248

248.1. Document which is for saving in the court, will be send back to the document submitter by his request, or will be send to his representative with confirmed proxy. From the representative proxy must be seen that has to do for authorization for drawing the document left for saving in the court.

248.2. For document return will be drawn record in which will be written manner in which is ascertained person identity to which is return the document. If the document is returned to representative with proxy, proxy will be followed to record and will be saved in matter file.

3) Annulment (amortization) of the document

Article 249

249.1. In the procedure for annulling the document of place in which is relied directly any material right and possession of which is needed for realizing of such right, will be announced that document has lost his validity if it is stolen, burned or in any manner is lost or annulled, except when by law is forbidden annulment of such document.

249.2. Under conditions of paragraph 1 of this law can be annulled and the document in which is relied any nonmaterial, when does not exists data according to which competent body can issue duplicate of such document.

Article 250

- 250.1. For the proposal for annulment of issued document from administrative body, or from juridical person, decides court in which is residence of document issuer.
- 250.2. For the proposal for document annulment, when in the document is mentioned place of obligations fulfilling.
- 250.3. If for the proposals from paragraph 1 and 2 of this article competent court can not be determined, than for the proposal for annulment of document decides court in which territory is residence, or dwelling or place station of a proposer.

Article 251

- 251.1. Proposal for document annulment can present every person that according to such document is authorized to realize any right or has a juridical interest of annulment of disappeared document.
- 251.2. Proposal for document annulment has to contain:
- a) type of document,
 - b) name and residence or name and surname and dwelling of document giver,
 - c) obligation amount,
 - d) place and issue date of the document,
 - e) place of obligation fulfilling,
 - f) is it document given in name or according to bringer, or according to order,
 - g) facts from which comes that poroposer is authorized to submit the propose.
 - h) facts from which comes believability that the document is disappeared or annulled.
- 251.3. To proposal for document annulment is followed, if exists, copy of document.
- 251.4. With one only proposal can be requested annulment of some documents with condition that the same court is of territorial competence.

Article 252

- 252.1. If with occasion of preliminary investigation of the proposal from article 251 of this law, court ascertains that are not fulfilled presumption for procedure initiation, proposal will be disallowed by judgment.
- 252.2. If it does not disallow the proposal, court will order the giver of document and creditor that within the determined deadline to give a declaration if it was issued the document whose annulment has requested proposer and if exists and which obstacles exists for further procedure development.

Article 253

- 253.1. After reach of person's declaration from paragraph 2 of article 251 of this law, court by announcement publishes initiation of procedure for document annulment.

253.2. Announcement contains especially:

- a) basic document elements necessary for his identification,
- b) deadline within which can be presented notification or impeachments against the proposal,
- c) summon to have the document presented to court or to be notified court for the person and dwelling of person that keeps document,
- d) premonition that the document will be annulled judicially if within the deadline is not presented to court together with document, or does not do impeachment against proposal for annulment of the document,
- e) premonition that the debtor according to this document can not fulfill in a valid manner his obligation, can not renew or replace the document, can not issue counterfoil or new tickets,
- f) also the notification that the possessor can not pass the rights of this document.

Article 254

254.1. Announcement from article 253 of this law will be delivered to all interested persons and will be noticed in the court table and once will be published with costs of proposer in “Kosovo official newspaper” or in other appropriate manner.

254.2. Deadline announcement begin from the day of announcement publication. If the announcement is published in both manners from paragraph 1 of this article, than announcement deadline begins from the day of her publication in a newspaper in which is published later.

Article 255

255.1. Debtor can not fulfill the obligation from the document annulment of which is proposed, can not change, renew or to pass it in other person or to issue for him counterfoils or new tickets from the moment when is delivered to him announcement, or when in any manner has been informed for procedure initiation for document annulment.

255.2. Inhibition from paragraph 1 of this article lasts till the judgment for document annulment or for procedure termination is final. Debtor can be released from an obligation if he pays the debt amount in court deposit.

Article 256

256.1. Debtor has power to keep document whose annulment is requested, if he is presented with the purpose of obligation fulfilling, or if he is in his hand in any other manner.

256.2. Debtor has for obligation that the document which is in his hand in any manner immediately to deliver it to the court at which is being developed procedure for annulment, telling name and address of a person which delivered to him document.

Article 257

Court will impede procedure for annulment of document if the proposer withdraw proposal or if the proposer within determined deadline from court does not deposit in court deposit needed amount for publication of announcement or if the third person delivers to court document or proof from which is seen that exist document whose annulment has requested proposer.

Article 258

Before giving a judgment court has for obligation to inform proposer for every announcement from third person and that with time is done such announcement.

Article 259

When the court ascertains that are fulfilled conditions for procedure further development, then the court after expiry of announcement deadline, appoints session and calls proposer, document giver, debtor from the document and old person's that are presented to the court or have done impeachment against proposal for document annulment.

Article 260

- 260.1. After kept session and according to result of matter investigation court gives a judgment with which accepts proposal and annuls document or refuses proposal as baseless.
- 260.2. Judgment for document annulment contains data for document issuer (giver) and for proposer, also document essential elements, telling amount of obligation if it has to do with obligation fulfilling in money.
- 260.3. Judgment is delivered to all interested persons.

Article 261

- 261.1. Against the judgment with which the proposal for document annulment is disallowed or is refused or with which is stopped proceeding complaint can present only proposer.
- 261.2. Against the judgment for document annulment complaint can present document issuer and debtor from such document also the authorized person by document, if is not proposer.

Article 262

- 262.1. Final judgment with which is annulled document substitutes annulled document till is not issued new document.
- 262.2. According to final judgment for document annulment, proposer can realize from debtor all the rights that are comings from such document, or which belongs to,

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according to him, and can request that with his expenses to have issued new document by delivering to his issuer judgment for annulment.

4) Judicial deposit

Article 263

263.1. In judicial deposit can be delivered the money, bonds and other documents that can be transformed in money, precious metals, and things with big value and things created from precious metal, when this is foreseen by law or by other juridical provisions.

263.2. Court has for obligation to accept in deposit and other things when is appointed by law that the debtor a thing that owns can deposit at court for creditor.

Article 264

Things from article 263 of this law can be delivered to every court of competent matter. Such things are delivered to court in place of fulfilling obligation except if reasons of economize or character of juridical act asks that to be deposited in a locality court in which is the thing, and can be delivered and in the other court when this is appointed by law.

Article 265

265.1. Proposal for thing delivering contains thing description, its value, reasons why is delivered, name and surname of a person in which utility is delivered, also the conditions under which is thing delivered.

265.2 By the proposal can be proposed and respective means of evidence.

Article 266

Court will refuse by judgment the proposal if estimates that are not fulfilled conditions for a thing acceptance in deposit or if the proposer within the deadline of 15 days does not prepaid expenses of thing saving.

Article 267

If the court does not refuse proposal, it gives a judgment for acceptance of things or money in a judicial deposit, and appoints manner of their saving.

Article 268

If the depositing is done in utility of an appointed person, court will call this person that within the deadline of 15 days to take the thing from deposit, if he fulfills appointed conditions for his taking.

Article 269

- 269.1. If object of deposit are money or foreign currency, court has for obligation that within the deadline of three days from day of money acceptance, respectively of foreign currency deposits in a special account in bank of payment operations or in the other authorized bank, if with particular provisions is nit foreseen differently.
- 269.2. Precious metals, things made by precious metals and other precious things also the bonds, court within the deadline of three days will deliver to authorized bank, if by special provisions is not foreseen differently.

Article 270

- 270.1. Other things that can not be saved in a court deposit, court by a proposal of party will appoint to be saved in a public store or at any other person that deals with things saving.
- 270.2. Before delivering things deposited for saving to the public store or to the other person court will do a stock-taking and estimation of thing and for this will draw a report.

Article 271

Before bringing a judgment for thing acceptance in deposit court will order the party to pay an amount of money to cover expenses for saving and administration with deposited things.

Article 272

- 272.1. If the person on utility of which is deposited thing declares that does not accept it, court for this will inform party that has deposited thing and will request from him that within the deadline, to declare related to created circumstance.
- 272.2. If the person in utility of which is accepted thing in court deposit will not take it within the deadline of 15 days, court by judgment will call depositor to take deposited thing.
- 272.3. Accepted things in a court deposit are gifted to authorized person by court judgment that has done their acceptance in court deposit.

Article 273

In cases in which in court deposit are delivered things for which depositor does not know to which person should be delivered, or does not know that which from more deposited things should be delivered to authorized person, court will appoint a session in which will call depositor and all interested persons with a purpose of agreement that to which person belongs deposited thing.

Article 274

- 274.1. If authorized persons invited from the court regularly do not come in the court session or if they come in the session but can not made an agreement that to whom will belong deposited thing, court with the judgment will instruct them that in contentious procedure realize the right to get the deposited thing.
- 274.2. In the judgment for instruction in the contentious procedure, court appoints deadline for writ of summons. For this the court of out contentious matter will inform the party that has deposited appointed thing.
- 274.3. If it is initiated contentious procedure, than the court of out contentious matter will interrupt out contentious procedure and will wait to be gift final judgment.
- 274.4. If it is not initiated contentious procedure within the appointed deadline court by judgment will invite party that has deposited thing with a purpose to take it from deposit.

Article 275

Judgment with which is appointed gift of one thing from court deposit has to contain:

- a) in which according to law is name and surname of authorized person for taking thing from deposit,
- b) than the manner, deadline and conditions to take deposited things,
- c) also the premonition for judicial consequences if they are not taken within the appointed deadline from a court, or within the deadline prescript the right for taking the deposited things.

Article 276

By judgment with which are appointed deposited things gift are appoint created expenses related to their saving and administration also the obligator for their payment.

Article 277

Deposited things appointed saver from a court can give to authorized person only according to court judgment and in manner appointed by court.

Article 278

If the person in utility of which is accepted any thing in court deposit or depositor, that is invited regularly to take a deposited thing, does not take it within the deadline of one year from the day on which is delivered to him calling letter, court by judgment will ascertain that such thing is been done property of state, respectively the right of possession of it belongs to commune in which territory is settled court residence.

Article 279

279.1. Thing which according to final judgment from article 278 of this law is done state property is delivered to commune in which territory is settled court residence in which it is deposited.

279.2. For delivering of thing from paragraph 1 of this article court draws a report.

V. Transitive and last provisions

Article 280

If before beginning of implementation of this law is given judgment with which has terminated first step procedure, than further procedure will be developed according to provisions of this law.

Article 281

In day on which enters in power this law fall terminates implementation of law for out contentious procedure (“Official newspaper KSAK “nr. 42/86).

Article 282

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

**Law No.03/L-007
20 November 2008**

Promulgated by the Decree No. DL-068-2008, dated 13.12.2008, of the President of Republic of Kosovo, Dr. Fatmir Sejdiu.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / PRISTINA: YEAR IV / No. 45 / 12 JANUARY 2009

**LAW No. 03/L-057
ON MEDIATION**

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The Assembly of Republic of Kosovo,

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

For the purpose of regulating, organizing, functioning and resolution of disputes in effective way through mediation;

Honoring the historic tradition of mediation in Kosovo, as well as improving justice system in Kosovo;

Adopts

LAW ON MEDIATION

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Purpose of the Law**

- 1.1. This Law regulates the procedure of mediation in general, the establishment, organization, functioning of the Mediation Council, as well as the rights, duties and qualifications of mediators.
- 1.2. This law establishes rules of mediation procedure in contested relationships, in legal-assets matters, of natural and legal persons, commercial, family, labor, other civil, administrative and criminal relationships, on which the parties can freely act with their good will, if otherwise not foreseen the exclusive responsibility of a court or other competent body with a separate law.
- 1.3. This law recognizes the agreement reached between the parties, subject of law

for initiation of the mediation procedure, in any phase of the legal procedure before the competent court.

Article 2 **Definitions**

For the purposes of this law, the used terms have the following meaning:

“**Mediation**” is an extra-judicial activity carried out by a third person (mediator), for the purpose of resolving by conciliation disagreements between parties subject to law in accordance with the provisions of this law.

“**Dispute**” means any dispute between parties subject to the law.

“**Mediator**” is the third neutral party, authorized to mediate between two parties aiming to resolve disputes, in accordance with the principles of mediation.

CHAPTER II **PRINCIPLES AND MEDIATION PROCEDURE**

Article 3 **Expression of Will**

To initiate the mediation procedure the free will of the parties should exist.

Article 4 **Equality of the Parties in Procedure**

In mediation procedure parties are equal and they have equal rights and obligations in accordance with the law.

Article 5 **Impartiality**

The mediator during the mediation procedure is fully impartial and independent of any kind of impact.

Article 6 **Confidentiality and Credibility**

- 6.1. The mediation procedure is of a confidential nature. The testimonies of the parties made in the mediation procedure may not, without the approval of the parties, be used as evidence in any other procedures.
- 6.2. The mediator, parties and their legal representatives are obliged to keep the confidentiality of the procedure, unless the parties agree otherwise.
- 6.3. Only after the end of the mediation procedure, with the consent of the parties, the agreement may be made public in accordance with the applicable laws.

Article 7
Urgency

The mediation procedure is urgent.

CHAPTER III
THE PROCEDURE

Article 8
Mediation Procedure

Provisions of this law are applicable regardless from the fact if the mediation is conducted before or after the initiation of court or administrative procedure

Article 9
Initiation of the Mediation Procedure

- 9.1. Mediation procedure begins at the moment when parties agree to begin with it.
- 9.2. Party in the mediation procedure may be natural and legal persons.
- 9.3. If one party requests the other party to follow the mediation procedure and the latter one does not respond to this request within fifteen (15) days, from the day of its receipt, it is considered as refusal to begin the mediation procedure.
- 9.4. Before the mediation procedure starts, the mediator is obliged to inform the parties about the principles, rules, and expenses of the procedure as well as the legal effects of the agreement.
- 9.5. When the matter is with the court or the prosecution and if they consider that a dispute can be resolved successfully with mediation, they suggest the parties to follow the mediation procedure.
- 9.6. At any stage of the court procedure until its completion, the court may suggest the parties to follow the mediation procedure.

Article 10
Development of the Mediation Procedure

- 10.1. Parties in procedure are free to decide for the development of the mediation procedure.
- 10.2. The mediation procedure shall be conducted by only one mediator, unless the parties agree to have more than one mediator.
- 10.3. The mediation starts after the parties sign the agreement on commencing the procedure of mediation.
- 10.4. The agreement for commence of mediation shall contain: data on the parties in procedure, their legal representatives, subject of dispute, the statement of acceptance of the mediation principles, as well as the provisions on the costs of the procedure, including the mediator's fee.
- 10.5. After signing of the agreement on mediation, in agreement with the parties, the mediator shall schedule the time and the location for conducting the mediation.

- 10.6. If the matter is with the court and in the meantime the parties agree to resolve their dispute through the mediation procedure, they are obliged to inform the court, by submitting one copy of the agreement on the initiation of the mediation procedure.
- 10.7. Beside the parties, their representatives and the mediator, the procedure may also be attended by a third party, provided that the parties give their prior consent.
- 10.8. The third party attending the mediation procedure is bound to respect the principle of confidentiality of the procedure.
- 10.9. In the beginning of the mediation procedure, the mediator shall briefly inform the parties of the goal of mediation, of the procedure to be conducted, and the role of the mediator and the parties.

Article 11

- 11.1. The mediator may conduct separate meetings with each of the parties if he considers that it would be in the interest of the procedure, and may propose options for resolution of the dispute, but not the resolution itself.
- 11.2. The mediator should treat the parties in the procedure equally.
- 11.3. The parties in procedure are obliged to present the contested matter circumstances in the truest and correct manner.

Article 12 Attainment of Agreement

- 12.1. Attainment of the agreement in the mediation procedure depends exclusively on the will of the parties.
- 12.2. The mediator is obliged to assist the parties and be committed in attaining the agreement.
- 12.3. Upon reaching an agreement in the mediation procedure, the mediator shall compile a written agreement, which is to be signed by the parties and the mediator.
- 12.4. The attained agreement referred to paragraph 3 of this article, shall have the force of a final and enforceable document.
- 12.5. If the case-file is with the court, the written settlement agreement should be submitted to the court, which after the approval, shall have the power of an executive document

Article 13 Duration of the Procedure

Mediation procedure lasts up to ninety (90) days.

Article 14
Completion and Termination of the Procedure

- 14.1. Mediation procedure is completed:
 - a) with the agreement between parties is reached;
 - b) with the withdrawal of any of the parties at any time during the procedure conduction, declaring that there is no interest on continuing the mediation procedure;
 - c) with the confirmation of the mediator, after consultations with the parties, when it is deemed that the continuation of the procedure is not reasonable;
 - d) the legal deadline for attaining the agreement has expired.
- 14.2. After the completion of mediation procedure, the mediator is obliged to inform in writing the court or the other competent body regarding the completion of the procedure of mediation at any occasion, when the case-file for the mediated process is with the court or the other competent body.
- 14.3. The mediator may terminate the mediation procedure if during the procedure the reasons for questioning his impartiality exist or appear.
- 14.4. The agreement attained in the mediation procedure has the power of the court agreement, if this is approved by the court, prosecution or if it is approved by the other competent body.
- 14.5. The Court or the prosecution may annul the agreement attained through mediation when it concludes that it has been bound against the law in force, when the will of the parties in conflict is not reflected, or when their rights and interests are impinged or when the compensation is in clear disproportion with the caused damage.

Article 15
Conflict of Interest

In case when conflict of interest occurs, the mediator is expelled from the mediation procedure, expect if the parties, after being informed for the existence of such circumstances, agree that he conducts the procedure.

Article 16
Mediation Procedure Expenses and the Mediator Fee

- 16.1. The mediation procedure expenses shall be paid proportionally by parties, except if the parties have agreed otherwise.
- 16.2. The fee for the mediator will be regulated by a sub legal act, issued by the Minister of Justice.

CHAPTER IV MEDIATION COMMITTEE

Article 17 Committee Establishment and Competencies

- 17.1. Mediation Committee shall be established by the Ministry of Justice.
- 17.2. The Committee shall consist of the Chairperson and four (4) members. The Chairperson of the Committee should be civil a servant and shall be appointed by the Ministry of Justice.

Article 18 Members of the Committee

- 18.1. Entities represented in the Committee are:
 - a) Ministry of Justice;
 - b) Kosovo Judicial Committee;
 - c) Kosovo Prosecutorial Committee;
 - d) Kosovo Chamber of Advocates;
 - e) Ministry of Labor and Social Welfare;
- 18.2. The entities proposed in paragraph 1 of this article shall be represented each with one member.
- 18.3. The chairperson of the Committee serves for a mandate of four (4) years with a possibility for re-election for another mandate.
- 18.4. Members of the Committee shall serve for a mandate of three (3) years with a possibility for re-election for another mandate. The first mandates will be staggered as follows: two (2) members for two (2) years, one (1) member for three (3) years, and one member for four (4) years.
- 18.5. Upon termination of the mandate of each Committee member, the Minister of Justice immediately requests from the entities foreseen with paragraph 1 of this article to appoint their member. The vacant place should be filled within thirty (30) days.

Article 19 Duties and Responsibilities of the Committee

- Duties and responsibilities of the Committee are:
- a) definition of the development policies regarding the mediation domain;
 - b) issuance and oversight of the Code of professional ethics rules for mediators;
 - c) issuance of decisions and recommendations to regulate the mediation field of activity;
 - d) issuance of the Rules of procedures for the committee;
 - e) drafting and keeping of the registry for mediators;
 - f) provision of professional opinions;
 - g) organization of training and mediation courses;
 - h) information of public for the possibilities of mediation;
 - i) exercise of other duties as determined by this law.

Article 20
Conditions for the Selection of the Committee Chairperson and Members

Members and the Chairperson of the Committee shall meet the following requirements:

- a) adequate university degree;
- b) at least three years of working experience;
- c) enjoy high reputation in society;
- d) not be convicted for a knowingly criminal act punishable with imprisonment over six (6) months;

Article 21
Meetings and Voting

- 21.1. The necessary quorum for holding the meetings of the Committee is the half of the Committee members and the Chairperson.
- 21.2. Decisions of the Committee are adopted with a simple majority of votes.
- 21.3. The overruled members are entitled to attach their dissenting opinion to the approved decision.

CHAPTER V
THE MEDIATOR

Article 22
Required Conditions for Mediators

- 22.1. A mediator may be any person who meets the general conditions for employment in compliance with the laws in force.
- 22.2. Aside from the issues already mentioned in paragraph 1 of this article, the mediator shall also meet the following conditions:
 - a) posses an university diploma;
 - b) successfully passed the training course for mediation;
 - c) have mediated under supervision of a mediator at least in six (6) sessions;
 - d) not have been convicted for a knowingly criminal act which is punishable with over six (6) months imprisonment.
 - e) possess high moral qualities;
 - f) be registered in the mediators' registry
- 22.3. The mediator trainings are organized by the Mediation Committee in cooperation with the Ministry of Justice.
- 22.4. The person who successfully completes the training for mediators shall be equipped with a certificate, which shall serve as the basis for entry in the registry of mediators.
- 22.5. Certification of mediators shall be conducted by the Mediation Committee.

Article 23
Certification of Mediators

- 23.1. The Ministry of Justice shall license the mediators who meet the conditions foreseen with this law.

- 23.2. With the proposal of the Committee, the Ministry of Justice suspends or revokes the license of the mediator, in compliance with this law.

Article 24

Registry of Mediators

- 24.1. The Committee shall maintain a public registry of certified mediators.
- 24.2. The registry shall contain all personal data for each mediator.
- 24.3. Copies of the registry shall be distributed on a regular basis to courts, prosecution and other competent institutions.
- 24.4. The Committee shall delete the name of each mediator from the register, after receiving a final decision from the Ministry, in accordance with paragraph 2 of article 23 of this law.
- 24.5. The mediator shall be deleted from the list in case of:
- a) his request;
 - b) death;
 - c) revocation of license;
 - d) loss of the capability to act;
 - e) the exercise of any other duty or function, in contradiction with the mediation or the law in force.

CHAPTER VI

RIGHTS AND LIABILITIES

Article 25

The Rights and Liabilities of the Mediators and Parties

The rights and liabilities of the mediator and of the parties on the other hand are determined before the beginning of mediation procedure. The Mediator and the parties agree regarding the rights and liabilities to be respected up to the end of procedure, in accordance with the applicable law and moral norms.

Article 26

Recognition of Foreign Mediators

A foreign citizen may serve as a mediator in Kosovo in individual cases and under the condition of reciprocity, with the prior consent from the Ministry of Justice.

Article 27

Punitive Provisions

A mediator who, while exercising his duties, illegally discloses official secrets or misuses the official duty in any manner shall be held accountable in accordance with the Criminal Code of Kosovo.

**CHAPTER VII
TRANSITIONAL AND FINAL PROVISIONS**

Article 28

- 28.1. Six months after this law enters into force, it will be followed by the enactment of sub legal acts.
- 28.2. This law does not regulate the mediation procedure for juveniles, and commercial arbitration. These two procedures shall be regulated by separate laws.

**Article 29
Entry into force**

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

**Law No. 03/L-057
18 September 2008**

Promulgated by the Decree No. DL- 048 - 2008, dated 03.10.2008, of the President of Republic of Kosovo, Dr. Fatmir Sejdiu.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / PRISTINA: YEAR III / NO. 41 / 01 NOVEMBER 2008

**LAW No. 03/L-10
ON NOTARY**

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The Assembly of Republic of Kosovo,

Pursuant to article 65 (1) of the Constitution of the Republic of Kosovo,

For the purpose of establishing the Notary System in Kosovo

Approves:

LAW ON NOTARY

**CHAPTER I
BASIC PROVISIONS**

**Article 1
Purpose of the Law**

This law regulates the organizing and functioning of the Notary as a public activity in Kosovo, the conditions and methods of work and other important issues for exercising the Notary's duty.

**Article 2
The Notaries and the notary service**

1. Notary service is judicial and public service that aims to protect legal interests of

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natural and legal persons in compliance with Constitution and laws of Republic of Kosovo.

2. Notary is a professional lawyer, public official, appointed by the Ministry of Justice to perform the activities defined by the law.
3. Notary exercises its function within the purview of this law, with due regard to the Notary Code of Ethics and Professional Conduct in conformity with the oath taken.
4. Notwithstanding the public nature of their office, the notary acts both impartially and independently

Article 3

The notarized deeds

1. The notary prepares and certifies all deeds described in this law and any subsequent law, upon the request of natural and legal persons, or public authorities.
2. Notarized deeds are prepared in connection, *inter alia*, with the following operations, which the parties wish or are required to endow with the authenticity attaching to acts of public authority:
 - 2.1. processing of statements and records on legal matters or transactions made by the Notary or in his or her presence;
 - 2.2. certification and confirmation of facts by the Notary, including certification that copies are true copies of the original document;
 - 2.3. legalization of signatures affixed by individuals to documents signed under hand; and
 - 2.4. receipt of sworn statements.
3. Notarized deeds may be executed *en minute* or *en brevet*:
 - 3.1. an act *en minute* is a deed, which a notary must deposit and preserve in his or her notary records, and from which authentic copies or extracts may be issued, under certain conditions.
 - 3.2. an act *en brevet* is a deed, in the form of one or more originals, that a notary executes and may deliver to the parties. No authentic copy of, or extract from, an act *en brevet* may be issued. Powers of attorney, authorizations, acquaintances and other ordinary acts may be executed *en brevet*.
4. The authenticity and enforceability of notarized deeds are based on the signature, form and content of the document. Notarized deeds enjoy the benefit of dual presumption of legality and accuracy of content; they may be contested only through judicial channels. They are enforceable instruments with conclusive force.
5. The Notary further performs all manner of other activities authorized under the law.

CHAPTER II

CONDITIONS FOR THE NOTARY PROFESSION

Article 4

Conditions

1. A Notary task may be performed by a person who fulfills the following conditions:

resident of Kosovo who satisfied the following conditions is eligible to become a notary:

- 1.1. to be permanent resident of Kosovo;
 - 1.2. to have good skills for action;
 - 1.3. to have a good professional and moral reputation;
 - 1.4. possession of Bachelors from the Faculty of Law of Kosovo or from any School of Law of another country, after nostrification of the diploma in the Republic of Kosovo;
 - 1.5. to have carried out a practice as a lawyer in institutions, in other bodies within term of three (3) years;
 - 1.6. has passed the Notary Examination;
 - 1.7. Have the capacity to provide the equipment and premises necessary to carry out the notary functions in the manner prescribed in this law, according to criteria determined by sub-legal acts, after consultation with the Chamber of Notaries.
2. A person who has worked not less than three (3) years as: teacher of legal subjects in one of the universities in the country or abroad; judge, lawyer, prosecutor and notary, is released of obligation to perform the practice of the notary, determined in sub-paragraph 1.4. of this Article
 3. Applicants for the position of Notary are disqualified if they:
 - 3.1. have been condemned for an intentional criminal offense carrying a sentence of at least three (3) months of imprisonment, or for any offense related to the unlawful acquisition of gains or forgery;
 - 3.2. are heavily indebted or bankrupt, until such time as this situation lasts;
 - 3.3. are members of a political party, or in the service of a religious congregation;
 - 3.4. were removed from office as a judge or civil servant by decision of the competent disciplinary body;
 - 3.5. were disbarred, by decision of the Kosovo Bar Chamber;
 - 3.6. are facing criminal prosecution for intentional offences carrying a sentence of at least three months of imprisonment, or for any offense related to the unlawful acquisition of gains or forgery, until such time as the charges against them are dismissed, or they are acquitted.

Article 5

Notary candidates

1. Any person who fulfills the conditions to be a Notary according to Article 4 of this Law may be a candidate for Notary.
2. The Chamber of Notaries shall organize competitions for applicants to Notary candidature. The conditions of, and procedure for such competitions shall be determined by the Ministry of Justice after consultation with the Chamber of Notaries.
3. The Notary candidates selected by the Chamber of Notaries are appointed by the Ministry of Justice.
4. The Notary candidates shall carry out all notary functions and conform in all

regards to the notary duties, in the office of their supervising Notary. They shall further participate at least three years of regular sessions of in-service training prepared and organized by the Chamber of Notaries.

5. The Notary candidates receive monthly remuneration from their Supervising Notary. The Chamber of Notaries defines and reviews each calendar year the criteria relevant to the determination of the amount of the remuneration of the Notary candidates.
6. A Notary candidate during the practical work who passed the Notary Examination shall remain a candidate and perform the duties assigned to him or her until official assumption of the notary office.
7. A Notary candidate may not personally sign notarized deeds or certification records, or perform any notary acts in his or her name.

Article 6

Organization of the notary examination

1. The Ministry of Justice oversees the Notary Examination and its organization and it shall issue the relevant regulations and directives in this regard.
2. A Notary Examination Commission shall be appointed by the Ministry of Justice, in consultation with the Chamber of Notaries, for the purpose of organizing the Notary Examination and appraising the candidates thereto.
3. The Notary Examination Commission shall be comprised of seven (7) members: four (4) notaries, one (1) judge, one (1) professor of Law and one (1) advocate, a member of the Kosovo Bar Chamber. Each member of this Commission shall have a substitute of the same profession.
4. The Notary Examination Commission is assisted by a Secretary chosen among the officials of the Ministry of Justice, which shall further provide for the logistical and financial assistance necessary to the Notary Examination Commission's activities.
5. The Notary Examination Commission shall meet at least every six (6) months.

Article 7

The Notary examination

1. The Notary Examination is taken both orally and in writing, and it shall be comprised of at least the following topics: Law on Obligations and Property Law; Family Law and Law on Inheritance; Commercial Law; Law on Executive Procedure; Laws and Regulations relevant to the Notary Service; Cadastral Law.
2. All those who meet the eligibility requirements for the Notary Service, save for the Requirement of Article 4, paragraph 1.4 of this law above, may apply to the notary examination, with the Ministry of Justice.
3. The Notary examination may be taken up to three (3) times.
4. The successful applicant is given the certificate of passing the Notary exam. He/her may apply for a notary office, when such duty is offered to competition.

CHAPTER III DISTRIBUTION AND ATTRIBUTION OF THE NOTARY OFFICES

Article 8 Distribution of the notary offices

Ministry of Justice distributes the notary offices after consultation with the Chamber of Notaries, and according to the following principles:

- 1.1. there shall be at least one notary office per municipality;
- 1.2. this number may be increased for municipalities comprising more than twenty thousand (20,000) inhabitants, taking into consideration the number of documents processed by the concerned notary offices on a yearly basis;

Article 9 Notary competition

1. The candidate who has passed the exam for Notary is assigned in a Notary Office on the basis of a competition organized by a Notary Selection Commission appointed by the Ministry of Justice in consultation with the Chamber of Notaries.
2. The Notary Selection Commission:
 - 2.1. shall be composed of seven (7) members: four (4) notaries, one (1) judge, one (1) professor of Law and one (1) advocate, a member of the Kosovo Bar Chamber. Each member of the Commission shall have a substitute of the same profession;
 - 2.2. shall not be comprised of members of the Notary Examination Commission;
 - 2.3. shall be assisted by a Secretary chosen among the officials of the Ministry of Justice;
 - 2.4. shall obtain from the Ministry of Justice the logistical and financial assistance necessary for its activities;
 - 2.5. shall meet as the need arises.
3. Upon the advice of the Ministry of Justice, the Notary Selection Commission shall publish a notice of competition for notary offices in at least two (2) daily newspapers in all municipalities and in the official publication of Kosovo. The Notice of Competition shall set forth:
 - 3.1. the conditions of eligibility to the Notary Service, as envisioned in this law;
 - 3.2. a statement to the effect that applications to the competition will only be received until the fifteenth (15th) day following publication of the notice of competition;
 - 3.3. a deadline during which the candidates shall be advised of the competition's outcome;
 - 3.4. the number, location and seat of the vacant notary offices.
4. The Notary Selection Commission determines the list of candidates who meet the conditions of eligibility to the Notary Service and proceeds with the interview of each of the candidates meeting the conditions of eligibility, at the latest forty five (45) days after the expiry of the deadline for application to the competition.
5. Only those candidates to the Notary Competition who, on account of their

professional background and moral qualities, are worthy of the Notary Service, may be selected.

6. The Ministry of Justice entrusts with a notary office those candidates selected by the Commission, who achieved the best results at the Notary Examination.
7. Written notice of the results of the Notary Competition is given to the candidates. The unsuccessful candidates shall be advised in writing of the reasons why they were not selected, as well as of the candidate or candidates who were appointed Notaries, and the territorial jurisdiction of their respective Offices.

Article 10

Appeal Process against the decision for Selection of Notary

1. An Internal Review Committee shall be established by the Ministry of Justice, for the purpose of hearing appeals against the notary competition process. The Internal Review Committee shall be comprised of two (2) judges and one Notary designated by the Assembly of the Chamber of Notaries. The Committee can not be comprised of members of the Notary Competition Commission.
2. An appeal against the notary competition process may be lodged by unsuccessful candidates with the Internal Review Committee, within eight (8) days following service of notification of the results of the Competition. The Committee shall decide its decision on the appeal within ten (10) days following the lodging of the appeal. This decision shall be deemed as the final administrative enactment in the notary competition process.
3. The filing of such petition is suspended in regard to the decision appointing Notaries.
4. The decision of the Internal Review Committee may be challenged before the competent Court pursuant to the applicable administrative conflicts with indictment. The incitement may e submitted by unsatisfied candidates within eight (8) days following publication of the decision.

CHAPTER IV

BASIC PROVISIONS REGARDING THE EXERCISE OF THE NOTARY SERVICE

Article 11

Oath, Notary license and assumption of office

1. The Ministry of Justice shall administer the following oath of office to all successful Notary candidates, in the presence of the President of the Supreme Court and of the President of the Chamber of Notaries:
“I hereby swear that I shall perform my duties in a conscientious, honorable and impartial manner, pursuant to the Constitution and applicable laws of the Republic of Kosovo, as well as the Notary Code of Ethics and Professional Conduct, and that I shall at all times protect the interests of the parties.”
2. Upon administration of the oath, the Ministry of Justice or a person authorized by the latter provides the Notary with his or her Notary license.

3. Upon receipt of a transcript of the Notary license, the Chamber of Notaries sets the date of assumption of duty of the appointed Notary, and oversees its publication in the Official publication of Kosovo.
4. The appointed Notary shall assume his functions within three (3) months from the date published in the Official publication of Kosovo. If the Notary fails to assume his or her Office within that deadline, the right to exercise the Notary Office is lost. A Notary may however request the Ministry of Justice for an extension of this deadline for a further period of three months. Such request must be supported by valid and acceptable reasons, together with all available supporting evidence.
5. The Chamber of Notaries and Ministry of Justice shall keep a register of all Notaries, including the address of their professional premises, their personal address, and their respective signatures.

Article 12

Seal and signature

1. Upon taking the oath, and without delay, the Notary requests the Chamber of Notaries to prepare his or her seal, at his or her own cost.
2. The Notary seals shall all conform to a readily identifiable circular model, and comprise the concerned Notary's name and first name as well as the seat of his or her Office. The general characteristics of the Notary seals shall, with the necessary adjustments, be consistent with the design of the Stamps of Courts, Prosecutor's Offices and Penal Establishments, as envisioned in UNMIK Regulation No. 2000/30 of 20 May 2000, On Stamps and Headings of Courts, Prosecutor's Offices and Penal Establishments.
3. The mark of the Notary's seal and a sample of his or her signature, as kept in the Chamber of Notary's register, shall be approved and certified by the President of the District Court with jurisdiction over the seat of the Notary's Office. The certified seal and signature shall be deposited with the Chamber and with the Municipal Court.
4. The Notary may have only one official seal, which he or she keeps with special care, ensuring particularly that no third parties have access to it.
5. The Notary shall immediately inform the competent Municipal Court, the Police and the Chamber of Notaries of the loss, theft or destruction of his or her seal by way of a facsimile or electronic message, and he or she shall confirm the loss, theft or destruction by way of personal delivery of the notification or by registered post with a form for acknowledgement of receipt.
6. The Chamber of Notaries shall replace the lost or destroyed seal at the Notary's costs.

Article 13

The duty to maintain confidentiality

1. A Notary is required to maintain the confidentiality of information garnered in the exercise of his or her duties, save where the law or parties to a notarized deed, or the legal transaction envisaged in the notarized deed, require otherwise.

Civil laws

2. The Notary's duty of confidentiality extends to the employees of the Notary's office, the translators and interpreters and all persons who have access to the information envisioned in Paragraph 1 of this Article. This duty is permanent; it remains after the cessation of the Notary's functions, or of those in his employ.
3. A Notary shall disclose information concerning notary acts performed by him or her only:
 - 3.1. to the persons at whose request or concerning whom the notary acts were performed;
 - 3.2. to the legal representatives of the persons referred-to in sub-paragraph 3.1 of this paragraph;
 - 3.3. to persons or bodies authorized by a court order;
 - 3.4. to public bodies before which notarized deeds must be produced, pursuant to the law.
4. A Notary may disclose information concerning the existence and the content of a will only after the death of the testator.
5. A person at whose request a Notary performed a notary act or the legal successor or representative of the person may release a notary from the duty to maintain the confidentiality of the notary act by submitting written consent to this effect. If the person is deceased and has no legal successors or where it is not possible to establish contact with the person, a court may release a notary from the duty to maintain confidentiality. At the request of the notary, a court may also release a notary from the duty to maintain the confidentiality of a notary act for other valid reasons.
6. The duty to maintain the confidentiality of notary acts also extends to credit institutions, courts, archives and other legal persons and agencies, and to the employees thereof who possess documents containing the information specified in paragraph 1 of this Article or who have access to such documents, unless otherwise provided by law. Credit institutions, courts, archives and other legal persons and agencies that possess documents containing notary acts or information pertaining thereto shall disclose the information analogously with the procedure provided for in paragraph 3 of this Article, unless otherwise provided by law.

Article 14

Liability and compensation of damage

1. A Notary is liable for, and shall compensate, any damage caused in the exercise of his or her functions, as a result of negligence, or otherwise in violation of his obligations, in accordance with the legal provisions for compensation of damage.
2. The Notary is also liable for damage caused by those in his or her employ, including notary candidates, and his or her deputy.
3. The right to claim compensation for damage caused by a notary or those in his employ, and the Deputy Notary, may be exercised during a period of three (3) years following the date when the damage was discovered, but not later than within ten years after the damage was caused.
4. No public authority can be held as liable for damage caused by a Notary.
5. The compulsory insurance of a Notary from professional risks provided for by this

law shall not exempt him or her from direct liability in relation to the parties suffering the damage.

Article 15 **Insurance**

1. Prior to assuming his or her functions, a Notary shall obtain insurance through a Kosovo or international insurance company, with a license for Kosovo for all damages he or she could inflict on third parties in the performance of his or her functions.
2. The insurance policy shall cover any damage caused by those in the Notary's employ, including notary candidates, and his or her deputy.
3. The insurance policy may provide that the Notary shall compensate damage caused up to a certain threshold.
4. The conditions of insurance are jointly determined by the insurance company and the Notary according to the applicable law.
5. A minimum amount of insurance coverage for one insured event, and minimum amount of the totality of insurance indemnities payable during an insured year for one or more events are established by the Ministry of Justice, after consultation with the Chamber of Notaries.

Article 16 **Fees, retainers and reimbursement of expenditures**

1. The Notary receives fees in exchange of the services rendered, and reimbursement of expenditures met in connection therewith.
2. The notary fees shall be defined by the Ministry of Justice, in consultation with the Chamber of Notaries.
3. The Notary may request payment of the appropriate retainer upon acceptance of performance of the services requested.
4. The Notary shall issue a receipt for all retainers, fees and reimbursements paid.
5. Where more than one person have taken part in the notarized legal transaction or in the case where a notary performed one action for several parties, all such parties are jointly responsible for payment of the fees and expenditures owed to the Notary.
6. A Notary's professional income, for performance of his/her service, is the amount remaining with the Notary out of the fees he or she receives after payment of the maintenance costs of his or her office, of the taxes provided by law and of other compulsory payments related to the professional activities of the Notary.

Article 17 **Obligation to perform official actions and exemption therefrom**

1. A Notary shall perform in person the duties imposed on him or her by law. He or she may not refuse performing his official duties without a valid reason, such as where a doubt arises as to his or her impartiality, or as otherwise provided for by law.

2. Particularly, the Notary may not undertake official actions at the request of a party whom he or she knows to be lacking the legal capacity to undertake or conclude the transaction at issue. Neither shall the Notary take official actions for which he has no competence, or which are requested in connection with an obviously dishonorable or illegal transaction.
3. The Notary is required to explain his refusal to act to the person(s) concerned, as well as the procedure for appeal against such refusal, including the right of the person concerned to request issuance of a document setting out the reasons for the Notary's refusal within three working days.
4. The provisions of the Law on Administrative Procedure relevant to official persons apply to Notaries in regard to the exemption from the obligation to perform official actions, and a party facing refusal of performance of a notary act may challenge such refusal, and request performance of the act in question, in accordance with the Law on Administrative Disputes.
5. Official actions undertaken contrary to Paragraph 1 of this Article shall be deemed null and void.

Article 18
Obligation to advise the parties

1. The Notary shall advise the parties on the nature and legal effects of the transactions and deeds contemplated, the scope of the obligations attached to such acts, and on the legal provisions applicable.
2. The Notary shall safeguard in all fairness and impartiality all the interests at stake in the legal transaction.

Article 19
Incompatible duties

1. A Notary may not engage in other professional activity, including practice as an attorney-at-law, or hold public office.
2. Notwithstanding paragraph 1 of this Article, a Notary may engage in the following supplementary activities, provided that they do not affect the proper discharge of his or her official duties:
 - 2.1. scientific, artistic and teaching activities;
 - 2.2. functions of court-appointed translator or expert;
 - 2.3. functions within the Chamber of Notaries or in international notary associations.

Article 20
Conflict of interests

A Notary may not carry out his or her functions:

- 1.1. if he or she is in any manner and directly or indirectly interested in the legal transaction;
- 1.2. where a party to the act is the Notary's lineal blood relative to any degree, and laterally to the fourth degree, or a spouse or in-law to second degree, regardless of whether the marriage has ceased or not.

Article 21
Professional premises and hours of duty

1. A Notary may have only one professional outlet, which shall be located within the municipality or the area of the municipality of his or her Office.
2. A Notary may only share professional premises with another Notary of same resort, with the consent of the Committee of the Chamber of Notaries. In operating a common office, each notary performs notary acts in his or her own name and is personally liable for his or her professional activities.
3. A Notary may not share professional premises with representatives of other professions.
4. Notary offices shall be open for public on working days for at least five (5) hours a day for work with parties.

CHAPTER V
CESSATION OF OFFICE, SUSPENSION, ABSENCE OF A NOTARY

Article 22
Release and removal from office

1. A Notary shall be released or removed from his or her Office:
 - 1.1. by death;
 - 1.2. by resignation, once such resignation enters into force;
 - 1.3. after seventy (70) years of age;
 - 1.4. if any of the conditions of eligibility to the Notary Service ceases to exist, or where it is established after appointment of a notary that any of these conditions was not met at the time of his designation;
 - 1.5. upon assuming another employment;
 - 1.6. upon failure to extend the term of his or her professional liability insurance, or to compensate the Chamber of Notaries for such insurance;
 - 1.7. upon failing to assume office within three (3) months following the publication of his or her appointment in the official publication of Kosovo.
 - 1.8. for health reasons, which may impede the performance of his or her official duties;
 - 1.9. as a result of disciplinary proceedings, in the circumstances described in Article 75, paragraph 4, of this Law.
2. The decision to release a notary from his or her Office is issued by the Ministry of Justice after consultation with the Chamber of Notaries.
3. In the cases provided for in Paragraphs 1, sub-paragraphs 1.4. till 1.9. of this Article, the Ministry of Justice shall hear the concerned Notary prior to issuing the decision.
4. Decision envisioned in Paragraph 2 of this Article, may be contradicted in accordance with the Law on Administrative Disputes.

Article 23
Resignation

1. A Notary may at all times ask for release from his Office by submitting a written application to this effect to the Ministry of Justice.
2. The Ministry of Justice shall render a decision on such request within three months from notification of the application for release, after consultation with the Chamber of Notaries. At the expiration of this three (3) month period, and in the absence of a decision on the application for release, it shall be assumed that the Notary has been released from duty.
3. At any time prior to expiry, the Ministry of Justice may extend the deadline envisioned in Paragraph 2 of this Article, so as to ensure the continued performance of the Notary's functions.

Article 24
Notification of the release from office

1. The Ministry of Justice notifies the Chamber of Notaries and the District Court with jurisdiction over the seat of the Notary Office of his or her decision to release from office the concerned Notary.
2. Upon notification of the above-noted decision:
 - 2.1. the Chamber of Notaries deletes reference to the individual concerned from the Directory of Notaries, and publishes a notification in the Official publication of Kosovo;
 - 2.2. the Notary shall return his or her seal to the competent municipal court; and
 - 2.3. the Municipal Court shall nullify, declare void and destroy the seal of the concerned Notary, then publish a notification in the Official publication of Kosovo.

Article 25
Temporary suspension

Notwithstanding Article 76, paragraph 2 of this Law, a Notary shall be temporarily suspended from the exercise of his or her functions:

- 1.1. where legal action is initiated, the effect of which might be to deprive the Notary of his or her legal capacity to act;
- 1.2. where the conditions for release of a notary from his or her office are met;
- 1.3. where a Notary has been absent from his or her seat for more than five (5) working days without notifying the competent body or for more than ten (10) working days without approval of the competent body;
- 1.4. at the request of a Notary who wishes to engage in individual professional development, or for other valid reasons.

Article 26
Acting Notary

1. Upon release of a Notary from his or her office, the Ministry of Justice may appoint an Acting Notary on a non-competitive basis, after consultation with the Chamber of Notaries.
2. Only a Notary or a person meeting the conditions of eligibility to the Notary Service may be appointed as Acting Notary pending appointment of the new Notary, for a maximum period of six (6) months, which may be extended by the Ministry of Justice after consultation with the Chamber of Notaries, where special circumstances warrant such extension.
3. The Acting Notary shall take the notary's oath of office before assumption of office, if he or she has not previously taken such oath.
4. The Acting Notary takes over all files, books and other documentation belonging to the Notary he is replacing. He or she ensures that the Notary's files and archives are well kept, and that the services and actions undertaken by the Notary prior to his replacement are completed or carried out. He or she may not undertake new Notary services.
5. If the Notary is released from his duty, his deputy has a right to use the office for three (3) months, in case that the office appears to be property of the released Notary.
6. The Acting Notary may claim the fees due upon his or her assumption of office, taking into account all advance payments made by parties to the Notary prior to replacement.

Article 27

Absence of a Notary and designation of a deputy Notary in the event of absence or suspension of a Notary

1. A Notary must as far as practicable give advance notice to the Ministry of Justice of any circumstances preventing him or her from carrying out his or her functions for more than five (5) working days.
2. Absence of a Notary from his or her office for a period of more than ten working days shall be approved by the Ministry of Justice, in consultation with the Chamber of Notaries. Such approval may be given only where the absence is not likely to jeopardize the rights of the parties. The leave shall be granted in the case of an illness preventing the Notary from exercising his or her functions, or maternity.
3. A Notary prevented from performing his or her duties for more than ten (10) working days must request the Ministry of Justice to appoint a Deputy Notary during his or her absence. In the request, the Notary may identify one or more colleagues who expressed their consent to act as his or her deputy.
4. A Deputy Notary may also be appointed in replacement of a notary temporarily suspended from his or her office.
5. The decision appointing a Deputy Notary may be taken *ex officio*, if the request envisioned in paragraph 3 above has not been submitted, or following the temporary suspension of a Notary.

Civil laws

6. The decision appointing a Deputy Notary may be recalled at any time by the Ministry of Justice, after consultation with the Chamber of Notaries.
7. Only another Notary, or a person fulfilling all the conditions of eligibility to the Notary Service, may be designated Deputy Notary.
8. A list of potential Deputy Notaries may be established by the Ministry of Justice, in consultation with the Chamber of Notaries.
9. A suspended Notary shall not undertake any official activities, under threat of absolute nullity.

Article 28

Rights and duties of the deputy notary

1. The Deputy Notary performs his or her services on account and at the expense of the absent or suspended Notary.
2. The Deputy Notary affixes the seal of the absent or suspended Notary on the deeds and other documents drawn on the latter's behalf. He signs such documents with his own signature, and attaches an addendum identifying him as Deputy Notary.
3. The Deputy Notary shall abstain from exercising any official action prohibited to the Notary he is replacing.
4. The absent or suspended Notary pays the Deputy Notary an appropriate fee for the services rendered and the work performed by the latter on his or her behalf.
5. The Deputy Notary is officially vested with the office of the absent or suspended Notary upon taking over the latter's functions. Save in the case of prior recalling of the decision appointing him or her, his mandate extends until handing over of his or her functions to the Notary.
6. While the Deputy Notary officially assumes the absent or suspended Notary's functions, the latter must restrain from performing his Service.
7. The absent or suspended Notary may be held liable as a joint debtor together with the Deputy Notary for any damage suffered by a party due to the violation of his or her legal and professional duties by the Deputy Notary. However, in terms of the relationship between the Notary and his or her Deputy, only the latter is considered liable for such damage.

CHAPTER VI

GENERAL PROVISIONS REGARDING NOTARISED DEEDS AND OTHER NOTARIAL SERVICES

Article 29

Notary functions

The notary functions are:

- 1.1. To process certain documents as envisioned in Chapter VII of this law, so as to:
 - 1.1.1. provide proof of the statements contained therein, as made by the parties before the Notary, approval of which is evidenced by the parties' signatures;

- 1.1.2. provide direct executive force to the legal transactions contained therein;
- 1.1.3. confer validity to certain legal transactions, regarding which this and other laws provide for mandatory notary-processing, for such transactions to produce legal effect.
- 1.2. To confirm facts and certify signatures, transcripts and copies of documents, and to receive sworn statements, in the manner envisioned in Chapter VIII of this Law;
- 1.3. To provide for the safe-keeping of cash, bills of exchange, checks, public bonds, and other securities, documents or other items, as envisioned in Chapter IX of this law;
- 1.4. To deal with all non-contentious inheritance proceedings;
- 1.5. to provide legal assistance;
- 1.6. compilation and verification of the contracts;
- 1.7. to carry out other duties, consistent with their main functions and general obligations, subject to their consent, as ordered by a court or governmental or administrative bodies. Such duties may include:
 - 1.7.1. signing and sealing of assets to be divided in the context of inheritance and bankruptcy proceedings;
 - 1.7.2. evaluation, public auction and sales by auction of corporeal movables and real estates in non-contentious proceedings, particularly in the case of voluntary sales;
 - 1.7.3. division of the sales price in the context of executive proceedings.

Article 30

Mandatory notary processing of deeds

1. Notarized deeds are mandatory in regard to the following legal transactions, under threat of nullity:
 - 1.1. transfer or acquisition of ownership or other real rights over real estate;
 - 1.2. constitution of mortgages on immovable property;
 - 1.3. marriage contracts and settlements regarding property relationships between spouses or persons living in non-marital community;
 - 1.4. founding of corporate bodies and business companies and establishment of, and alteration to, the statutes of such bodies and companies.
2. The parties may request the notary processing of documents regarding other legal transactions than those listed in paragraph 1 of this Article. Other acts so notarized shall be endowed with the authenticity attaching to acts of public authority.

Article 31

Duty of the notaries to represent parties before public authorities

1. The Notaries may represent parties before judicial and administrative bodies without specific authorization from the concerned parties. In this capacity, the Notaries may forward and claim documents, submit objections, unless otherwise prescribed by law.

Civil laws

2. At the request of a Notary, judicial and administrative bodies shall submit documents necessary for the performance of notary acts and copies thereof to notaries, unless otherwise prescribed by law.

Article 32
Enforceability of notarized deeds

1. A notarized deed prepared in accordance with the relevant procedures is directly enforceable, provided that it includes valid mandatory provisions agreed upon by the parties, and a statement of the party required to perform certain action, to the effect that direct and compulsory enforcement of the obligation may be carried out pursuant to the notarized deed, upon maturity of the obligation.
2. The original notarized deed or the certified transcript of an original notarized deed prepared pursuant to a power of attorney or authorization shall include the relevant authorization or power of attorney, prepared in the manner required by law for such deed.
3. Registration in the land register may occur on the basis of the notarized deed setting forth an obligation to create, transfer, limit or cancel real rights over real estate, subject to the debtor's express consent thereto in the notarized deed.
4. Where the obligation arising out of the notarized deed is made to depend upon certain condition or a deadline which is not determined on the basis of the calendar, the notarized deed shall have executive authority once a further notarized deed is prepared in which it is stated that the condition is met, or the deadline has been met. Where it is not possible to prepare such further notarized deed, a decision by the competent court is required.
5. Notarized deeds issued in another country have the same legal effect in Kosovo as notarized deeds issued in accordance with this law, subject to reciprocity and to the same extent as in the country where the deed was prepared.

CHAPTER VII
PROCESSING OF NOTARISED DEEDS AND OTHER NOTARIAL SERVICES

Article 33
Information required in notarized deeds

The Notarized deeds shall in any event contain the following information:

- 1.1. the year, month, day, place, and if required by law or by the participants to the deed, the time when the act was drawn, all such mentions to be made in letters;
- 1.2. the last and first names and the seat of the Notary who drafted the deed;
- 1.3. the name, family name, place and date of birth, address of permanent or temporary residence and occupation of the participants to the deed, the witnesses, translators and all persons who participated in the preparation of the deed, including the representatives, if any, of the participants;
- 1.4. a statement by the Notary regarding his or her conviction as to the identity of the participants, including, as the case may be, their legal representatives,

- and the manner in which the identity of each of the participants and their legal representatives, if any, was ascertained;
- 1.5. a detailed description of the subject matter of the act (leaving the appropriate blank spaces for inserting possible changes);
 - 1.6. where immovable property is the subject matter of the deed, the place where such property is located, reference to the cadastre plan and cadastre number and definition of the boundaries of such property;
 - 1.7. a description of the documents attached to the act, including the mandatory power of attorney of the representative of a party to the deed, if any;
 - 1.8. a statement to the effect that the notarized deed and the documents enclosed therein were read in the presence of the parties, or that the procedures described in this law regarding deaf or illiterate participants or participants who do not speak or understand the official language, were observed.

Article 34

Form and manner of drafting of the notarized deeds

1. The notarized deeds shall be prepared with a typewriter or any suitable electronic or computerized device, in a clear and legible manner. In exceptional cases only, may notarized deeds be hand-written, with durable ink. They may not be drafted on a previously prepared blank form.
2. The manner of drafting notarized deeds shall be as follows:
 - 1.1. only common or generally known abbreviations may be used in notarized deeds.
 - 1.2. blank spaces shall be filled by a dash.
 - 1.3. changes, corrections, inserts between lines or erasures should be avoided.
 - 1.4. where changes, corrections, inserts between lines or erasures cannot be avoided:
 - 1.4.1. a circle shall be drawn around the words needing correction or to be erased, in such a manner that they remain legible;
 - 1.4.2. all changes, corrections, inserts and/or erasures made shall be listed and explained above the signatures of the witnesses to the notarized deeds and those of all who participated in the preparation of the deed;
 - 1.4.3. the total number of all changes, corrections, inserts between lines or erasures shall be noted before the signatures of the participants to the notarized deed, category by category;
 - 1.4.4. a statement will be included before the signatures of the participants to the notarized deed, to the effect that the changes made were agreed-to or witnessed by all parties concerned.
 - 1.4.5. no changes or inserts may appear after the Notary's signature.
 - 1.5. Reference to numbers and dates is made in letters, except for census data and deeds regarding the division of assets of inheritance. In the latter case, the final amount shall be drafted in letters, as well as the respective amounts which the parties involved seek from one another.
 - 1.6. Reference to dates and numbers regarding other documents and provisions

of legislation, cadastre file numbers, lots and area of lots, shall be made in digits only.

3. The Ministry of Justice may determine further criteria regarding the form and manner of drafting of notarized deeds after consultation with the Chamber of Notaries.

Article 35 **Language of notarized deeds**

1. All notarized deeds shall be issued in the Albanian or the Serbian language, depending on the language better known by the Notary processing the act.
2. The parties have a right to ask the Notary to issue a copy in language that they want. This copy is deemed as deed according to paragraph 1 of this Article.
3. Parties to a notarized deed who do not speak and/or understand either one of the two languages mentioned in paragraph 1 of this Article may request the assistance of an interpreter.

Article 36 **Preparation of notarized deeds**

1. The Notary ascertains that the parties to the notarized deed are capable and authorized to undertake and conclude the legal transaction concerned. In doing so, the Notary establishes their actual intention. He or she then provides the necessary legal assistance to the parties, by explaining to them the applicable law and the legal effects of the transaction considered. The Notary then prepares the relevant and necessary notarized deed(s), in which he or she formulates in the appropriate clear and unambiguous statements the legal transaction concerned.
2. At all stages in this process, the Notary shall ascertain that no confusions or doubts arise in the mind of the parties as to the legal transaction considered and its legal effects or the drawing of the deed, with a view to protecting inexperienced or unskilled parties.
3. The document thus drawn is read to the parties in the presence of the Notary, who ensures, by asking the appropriate questions to the parties, that its content conforms in all regards to their intention.
4. Where attachments are to be enclosed in the original deed, these should be at the disposal of the parties during the entire drafting process.
5. After the original deed is drawn, and its content has been read and approved, the notary shall ask the parties whether they approve the content of the deed, and if so, to personally sign it, underneath a detailed statement by the Notary, to the effect that the applicable provisions of this Article has each been respected.
6. All attachments to the deed shall also be signed by the parties and the Notary.

Article 37
Obligation to warn and instruct

1. The Notary shall issue the appropriate warning and instructions to the parties:
 - 1.1. where the parties request that the deed include unclear, imprecise or ambiguous statements which might give rise to disputes or a trial; or,
 - 1.2. in the case of valid and legitimate reasons, in the Notary's opinion, to believe that the transaction would jeopardize the rights of any party or cause damage to them, or is otherwise illegal.
2. Should the parties maintain their position after the appropriate warnings are issued, the Notary may refuse to prepare the deed, or to insert the suggested statements or changes.

Article 38
Confirmation of identity

1. Where the Notary does not know the parties personally and by their names, he shall ascertain their identity on the basis of the available official documents such as their identification card or their passports. Where official documents are not available, the Notary may consider other identifying documents. Where no such documents are available, or where the Notary is not satisfied of the identity of the parties in view of the documents produced, their identity must be confirmed by another Notary, or two (2) witnesses, advising them for responsibility.
2. In case of doubt as to the authenticity of official documents produced by the parties, the Notary may consult the relevant official registries.
3. The original deed shall include a statement by the Notary specifying:
 - 3.1. the manner in which he or she ascertained the identity of the parties;
 - 3.2. the date, reference number and issuing body of the identifying documents produced;
 - 3.3. the names, professions and addresses of any witnesses to the deed.

Article 39
Interpreters

1. When an interpreter is required, the Notary shall aim to understand and faithfully transcribe in the notarized deed, the actual intention of the concerned party through the interpreter's rendition of his statements.
2. Once the original deed is prepared, the interpreter shall translate the content of the document in the language of the concerned party, and sign the deed.
3. A written translation of the notarized deed shall be made at the concerned party's request, which shall be enclosed in the original deed, also it has to be signed from the interpreter after his identity is verified, if he is not a Notary staff.

Article 40
Witnesses

1. The participation of two witnesses is mandatory:
 - 1.1. upon preparing a testament;
 - 1.2. for deeds involving one or more blind, deaf, mute or deaf and mute persons;
 - 1.3. for deeds involving one or more illiterate persons;
 - 1.4. for deeds involving persons who do not speak or understand the language used in the preparation of the deed;
 - 1.5. as otherwise required by law.
2. The Notary and the parties may decide to call two (2) witnesses for the preparation of other categories of deeds.
3. Adult persons, whose identity is known or can be ascertained in conformity with the procedures envisioned for participants to the notarized deeds pursuant to this law and who fulfill the general conditions for being witnesses in court proceedings, may be witnesses to notarized deeds, provided they are literate.
4. The following may not be a witness to a notarized deed:
 - 4.1. a person unable to testify due to a mental or physical disability;
 - 4.2. a person who has an interest or is likely to have an interest, whether direct or indirect, in the notarized transaction;
 - 4.3. a person who entertains a relationship with a party to the deed, with a person likely to benefit from the deed or with the Notary, such as warrants the Notary's exemption from performance of the act.
5. The witnesses to the deed must be present, at least, at the time of the reading of the act by the Notary to the participants, and upon signature of the act; and they shall sign the deed in the preparation of which they have participated.

Article 41
Deaf, mute and blind parties

1. A mute, or a deaf and mute, literate party, shall:
 - 1.1. read the original deed personally, and in a clear and unambiguous manner reflect to the Notary and the other participants, if any, that he has read the document and that its content conforms to his or her will;
 - 1.2. personally write on the original deed, before the signatures, that he or she has read it, and that he or she approves its content.
2. A blind party shall have the deed read to him or her by the Notary, before expressing his or her approval of the content of the deed, as envisioned in paragraph 1 of this Article.
3. The original deed must comprise a statement, to the effect that the provisions of paragraph 1 of this Article have been observed.
4. Where a party is both illiterate and deaf or mute or both, a person able to communicate with that party must be present, besides the two (2) witnesses or the other Notary. Such person shall meet all criteria for being a witness to a notarized deed, except that of literacy. Further, he or she may be related to the concerned party, if he or she does not have a personal interest in the legal transaction which is the subject matter of the deed.

5. If a party to the notarized deed is blind, deaf or mute, the witnesses or the other notary must be present when the parties issue a statement on disposal that would be entered into the original, or when reading the whole original to the parties, or when they are reading it themselves, or when the parties state their agreement and sign the original. This shall be reflected in the original deed.
6. In the cases provided for in paragraphs 3 and 4 of this Article, the notary shall ascertain that the person of confidence can communicate by sign language with the deaf, mute or deaf and mute person, and reflect the steps taken in this regard in the original deed.

CHAPTER VIII CONFIRMATION OF FACTS, CERTIFICATION OF DOCUMENTS, RECEIPT OF SWORN STATEMENTS

Article 42 General requirements

Upon issuing certifications and confirmations, the Notary shall:

- 1.1. ascertain the identity of the requesting party or parties, as envisioned in Article 38 of this law; and,
- 1.2. add the certification or confirmation clause, state the date of certification or confirmation, his signature and his or her official seal.

Article 43 Certification of copies of original documents

1. A Notary shall only certify copies of original documents prepared in the Notary office. A Notary may also certify copies of original documents brought for certification by a party, provided copy of the document is made in the notary office.
2. The copy must conform in all regards to the original document, including in respect of writing, punctuation and abbreviation of words. If parts of the original document were altered, deleted, struck through, inserted-to or added-to, this shall be reflected in the certification. The certification shall indicate whether the original document was torn, damaged or otherwise suspicious in its appearance, except where it is obvious from the very copy or photocopy of the document.
3. The Notary shall carefully and accurately compare the copy with the original and ascertain that the two (2) match. Should the Notary so conclude, he or she shall include a statement to this effect on the copy made. The notary shall further add:
 - 3.1. that the copy is of a document designated as an original by the party; or
 - 3.2. whether it is a copy of a certified or ordinary copy of an original document, in which case the notary shall state that the copy conforms in all regards to the copy, rather than the original document, which was not presented to him or her;
 - 3.3. whether the original document was written by hand or with a typing machine or another mechanized or electronic device or by chemical means, by pencil or pen; and
 - 3.4. where the original of the document is located according to the Notary's own

- knowledge or on the basis of the statements of the party or parties; and
- 3.5. if the party brought the document to be certified, the name and address of that party.
 4. Where certification is made of the copy of one part of a document, or of an extract from a document, the copy shall clearly indicate which parts of the document have not been copied.

Article 44

Certification of extracts of trade or business books

Upon certifying extracts from trade or business books, the notary shall compare the extract with the relevant items in the original books, and write on the extract the certification clause, noting that the extract fully corresponds with the relevant parts of the original book. The date of the review of the trade or business books shall also be indicated on the extract.

Article 45

Certification of Signature

1. The Notary may certify that a party personally signed a document in his or her presence, or that the signature, which already figured on the document, was confirmed by the party as being of his or her hand.
2. The certification clause shall be drawn on the original writ, with indication of the manner in which the identity of the signatory was ascertained, and an addendum to the effect that the signature is true. Under the addendum, the date shall be entered, followed by the notary's signature and his or her official seal.
3. Should the party requesting certification of his or her signature be blind or illiterate, the notary shall read out the writ to him or her before certifying the signature. In such a case, the presence of two witnesses is further required, in accordance with the provisions of Article 40 of this Law. Finally, should the Notary not know the language of the document, the document shall be read by an interpreter. The participation of two (2) witnesses and/or an interpreter shall be reflected in the certification.
4. If certification is requested of the signature of a person acting as a representative of a legal person or agency, the Notary shall confirm in the certification that the person concerned signed the writ on behalf of the legal person or agency concerned. However, he or she may do so only after being satisfied that the person is authorized to do so.

Article 46

Authentication of date

The Notary may confirm the time when document was presented to him or her, or to a third party in his or her presence. This shall be confirmed in the relevant document, with indication of the day, month and year when the document was presented to him or her. The Notary may add the hour when the presentation occurred, at the request of the party.

Article 47

Confirmation that a person is alive

1. A Notary may confirm that a person is alive if he or she knows that person personally and by name, or after ascertaining that person's identity pursuant to the provisions of Article 38 of this law.
2. It shall be confirmed, in the original of the document issued to the party, that the person concerned presented himself or herself before the Notary. The document shall further comprise indication of the day, the month and the year, and, if so requested by the party, the hour when these events occurred. The notary shall further state in the confirmation how the person's identity was ascertained.

Article 48

Confirmation of conclusions made by organs of a legal person

1. A Notary may be requested to confirm the conclusions of an assembly or meeting of some other body of a legal person. In such a case, the notary shall enter in the minutes the date, time and place of the session, then describe in detail the proceedings and debates being witnessed, and add all the information required for one's appreciation of the regularity of the proceedings, with particular emphasis on the conclusions of the session. The notary shall add all other information required by law.
2. The minutes from paragraph 1 of this Article shall be also signed by the person who chaired the meeting.
3. Upon request, the Notary may include in the minutes the identity and functions of all or some of the participants to the proceedings, for instance the chairperson or president of the meeting or assembly. If so, the notary shall ascertain such persons' identity in accordance with Article 38 of this law, and state in the minutes in which manner he did so.

Article 49

Confirmation of other facts

1. At the request of the parties, the notary may confirm facts, transactions and events which occurred in his presence, such as hearings on offers, auctions, drawings or statements made by persons regarding certain facts and the conditions in which the Notary himself, or with the participation of experts in the fields concerned, learnt of the facts, transactions or events.
2. The Notary shall prepare an original document regarding the confirmation of facts referred-to in Paragraph 1 of this Article. In this document, the Notary shall state the place, time, names and respective addresses of all parties and other participants, as well as a precise description of the facts, events or transactions occurred in his or her presence, or those whose occurrence he or she ascertained, and in which manner. The original document shall be signed by all participants. Should any of the participants refuse to sign the minutes, the Notary shall reflect this in the original document.

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3. The original document envisioned in paragraph 2 of this Article shall include the manner in which the identity of the party or parties to the confirmation was ascertained, as envisioned in Article 38 of this Law.

Article 50
Receipt of sworn statements

A Notary may receive sworn statements from parties. The notarized statement shall reflect the oath taken by the party concerned, as follows:

“I hereby swear upon my honor that I have spoken truly and faithfully in response to all questions asked to me by the Notary in regard to this matter and that I have not withheld any facts known to me in regard to this matter.”

CHAPTER IX
DEPOSIT OF VALUABLES, DOCUMENTS AND OTHER ITEMS

Article 51
Safe-keeping and handing over of documents

1. A Notary may take responsibility for the safe-keeping of documents. Such deposit has the effect of a court deposit.
2. The notarized deed reflecting the deposit shall contain the following information:
 - 2.1. the place where, and the date when, the documents were handed over;
 - 2.2. the names, profession and address of the person handing over the documents;
 - 2.3. the reason why the documents are deposited with the Notary;
 - 2.4. the person or persons who shall retrieve the documents and, if known, the date when the handing over of the documents is to take place.
3. The original document shall be signed by the depositing party and the Notary. The Notary shall affix his or her official seal on the original and keep such act *en minute*.
4. Should the documents be sent to the Notary in a letter, the notary shall record this fact in minutes, including the information referred-to in paragraph 2 of this Article, where known. The letter shall in such a case replace the signature of the person submitting the document.
5. The Notary shall issue a receipt regarding the taking over of the documents to the person handing over the documents. If the documents were received by mail, the receipt shall be sent, by mail, to the person who sent the documents.
6. The Notary shall ascertain the identity of the person to whom he or she delivers the documents in accordance with Article 38 of this law. The recipient of the documents shall confirm receipt of the documents by signing the original document.

Article 52

Safe-keeping and handing over of cash, valuables and securities

1. A Notary may take responsibility for the safe-keeping of cash, bills of exchange, cheques, government bonds and other securities and valuables for the purpose of handing over these items to a person or government agency, in connection with the compilation of a notarized deed. In such a case, the original notarized deed shall include the names of the person, or the government agency, who shall receive these items. Such deposit has the effect of a court deposit.
2. Should the taking over of the valuables or securities not be mentioned in the original notarized deed, a further notarized deed shall be prepared, comprising at least the following information:
 - 2.1. the number of the entry book and the depository book;
 - 2.2. the place, date and time of the takeover;
 - 2.3. the amount of cash or the value of the documents deposited;
 - 2.4. the name of the party who surrendered them for safe-keeping and handover;
 - 2.5. the action to be taken by the notary in respect of the cash or valuables deposited.
3. The Notary shall issue a receipt regarding the taking over of the cash, valuables or securities to the party. The receipt shall include the amount of the cash deposited, or a description of the securities or valuables deposited indicative of their value.
4. If the cash, valuables or securities are sent to the Notary by mail, the notary shall prepare an original deed upon receipt of such items, in accordance with paragraph 2 of this Article. The letter shall be attached to the original deed. Both shall be kept *en minute*.
5. The Notary shall keep the cash, securities or valuables deposited by the party separately from his own cash and securities. The securities shall be placed in a separate envelope, on which the notary shall inscribe reference to the file of the notarized deed and the names of the party concerned. The cash shall be placed by the Notary in a separate account in a bank or another financial institution. The Notary may also deposit all other valuables in a safe-deposit box in a bank or other financial institution providing such services. A forced execution against the Notary may not affect this separate account and/or safe-deposit box.
6. The Notary shall immediately surrender the cash, valuables and securities entrusted to him or her to the government agency or person designated in the notarized deed as the recipient, after ascertaining the recipient's identity in conformity with Article 38 of this law. The recipient's confirmation of receipt of the cash or securities shall be placed in the corresponding notary file, or in the book of deposits.

Article 53

Obligation to return

1. Should the Notary not be in a position to surrender the cash, the valuables or the securities to the intended recipient at the time specified in the notarized deed, he or she may, after such time has lapsed, with the relevant minutes surrender the cash,

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valuables or securities to the party or, where this proves impossible, to a judge responsible for safekeeping. In the latter case, the notary shall thereupon notify the party who surrendered these items of their handing over to a judge, by registered post or in some other reliable way.

2. If the original notarized deed does not comprise a time-limitation for the handing over of the items deposited, the notary shall act as envisioned in paragraph 1 of this Article at the latest fifteen (15) days from the day when take-over occurred.

Article 54

Notary acting as a court trustee

Articles 51 to 53 of this law also apply where the Notary, as a court trustee, takes over legacy documents, cash, securities or valuables.

CHAPTER X

DEFICIENT PROCESSING OF NOTARIAL ACTS

Article 55

Absolute nullity

Notwithstanding other provisions to the same effect in this or other laws, a notarized deed shall be deemed null and void:

- 1.1. if it was prepared:
 - 1.1.1. by a Notary who is not registered in the directory of Notaries;
 - 1.1.2. by a Notary who ceased to exercise his or her office, as envisioned in Articles 23 and 24 of this Draft Law;
 - 1.1.3. outside of the territorial jurisdiction of the Notary;
- 1.2. if the provisions of this or other laws regarding mandatory presence of witnesses or an interpreter were not observed;
- 1.3. if the provisions regarding illiterate, blind, deaf and mute participants were not respected;
- 1.4. if the provisions of this or other laws regarding required information in notarized deeds were not respected;
- 1.5. if the date and the name of the municipality on whose territory the act was drawn out are missing,

CHAPTER XI

ARCHIVES, NOTARIAL BOOKS AND ISSUANCE OF DISPATCHES AND COPIES OF ORIGINAL DEEDS

Article 56

General duty to archive or store, keep and preserve

The Notaries shall permanently keep and preserve all acts performed by them, items deposited with them and the registry books, directories and other books relevant to those acts. This duty extends to those under whose care notary archives are transferred and to those in the Notary's employ who have access to his or her archives.

Article 57

Safekeeping of original deeds and issuance of dispatches and copies

1. The Notary issues a dispatch of the original notarized deed to the parties. Such dispatches shall be identical in every respect to the form and content of the original deed. However, they shall be marked as being dispatches.
2. Except where otherwise defined in the original deed, a dispatch may only be issued:
 - 2.1. to the persons who concluded the legal transactions described in the document in their own name;
 - 2.2. to the persons in whose name the legal transaction was concluded;
 - 2.3. to those for whose benefit the legal transaction was concluded;
 - 2.4. to the legal heirs of the persons listed in sub-paragraphs 2.1. till 2.3. above.
3. If, due to the termination or temporary cessation of a Notary's functions, his or her notarized deeds and other files and documents are transferred for safekeeping to the competent municipal court, a government agency or another Notary, including a Deputy Notary, the court, agency or Notary concerned shall issue the documents specified under paragraph 3 of this Article.
4. One dispatch of the original notarized deed is issued for purposes of execution to the persons designated in the original as creditors, or their legal beneficiaries, providing that the conditions applicable to the form and content of notarized deeds, as envisioned in the present law, are met.
5. A further dispatch of the original may be issued for the purpose of a renewed attempt at execution of a notarized deed, in the following cases:
 - 5.1. where the persons specified under paragraphs 2 and 3 of this Article, or their legal successors agree thereto, as shown in a notary processed note on the original deed signed by the parties, or in a separate notarized deed attached to the original;
 - 5.2. if the first dispatch was returned to the Notary for being erroneous or faulty, or if the original dispatch was destroyed, damaged, or could not be resorted-to for any other reason;
 - 5.3. upon issuance, by the municipal court with jurisdiction over the Notary's seat, of an order for the issuance of a new dispatch of the original deed, at the concerned party's request, subject to the establishment, by the party concerned, of the need for such new dispatch.
6. Where an original is issued, no dispatch may be delivered to the parties, but only a copy of the original deed.

Article 58

Copies of the original deed

1. Except where otherwise provided in the original notarized deed, certified copies or ordinary copies of the original deeds regarding a legal transaction among living parties may be issued, at their request, to the parties to the deed who did not receive the dispatch or their legal representatives, heirs or other universal legal successors.

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2. All the persons listed in paragraph 1 of this Article have the right to access the notarized deeds at any time.

Article 59
Dispatch or copy of the original will

1. Except where otherwise provided in the original document, the dispatches or copies of the original deed containing one's last will, or whose provisions apply in the case of death of the author of the deed, whether prepared by the Notary or submitted to the notary in writing, may only be issued to the author of the deed or to those explicitly authorized by the author of the deed to receive such dispatches or copies. Proof of such authorization shall be adduced in the form of a certified document signed by the author of the will.
2. After the death of the author of the will, dispatches or copies of the original deed may only be delivered after disclosure of the last will.
3. The date when disclosure of the last will occurred shall be inscribed on the dispatch or copy delivered.

Article 60
Registry books

1. The Notaries shall keep the following books and registers in orderly fashion:
 - 1.1. a general business registry book, containing reference to all the acts and minutes prepared, whether relating to legal transactions, certifications and confirmations, or deposits of cash, valuables, securities or other documents, as well as the documents related to all their other activities, except those mentioned in sub paragraph 1.2. of this paragraph;
 - 1.2. a registry book for objections
 - 1.3. a directory of the parties who deposited items for disposal in the event of death, with indication of the number of the corresponding act;
 - 1.4. a deposit book for the taking over and handing over of cash, securities and valuables of other persons where, in addition to the precise indication of the deposit taken over by the Notary, the names and address of the depositing party shall be entered, as well as the names and address of the person who shall receive, and eventually received, the deposited object(s); and
 - 1.5. Common directories of the parties concerned with the data entered in the registry books referred-to under sub-paragraphs 1.1. and 1.2. of this paragraph
2. The registry books and other books mentioned in sub-paragraphs 1.1. and 1.2. of paragraph 1 of this Article shall be bound, with each page numbered and sewed in with a thread and certified by a seal of the Notary. The relevant data shall be entered immediately, in the order of each of the documents prepared or actions taken, at the time when such documents and actions are prepared or taken. All entries shall be clearly legible, without blank spaces, crossing, erasures or corrections.
3. The Notary shall sign and affix his or her seal on every page of the general business registry book.

4. All registry books and other notary books shall be bound every year with a binding of a maximum of ten (10) cm thickness, and their pages shall be numbered. On the page margin of the binding, the name of the notary public, the year and the ordinal number of the binding should be indicated.

Article 61

Transfer of notary archives and/or responsibility for issuance of transcripts and copies to parties in case of suspension

1. In the event of temporary suspension of a Notary, the Chamber of Notaries appoints another Notary for the purposes of issuing transcripts, certificates and extracts from the archives of the temporarily suspended Notary.
2. In the event of cessation of a Notary's functions, or of transfer of the Notary's seat to the resort of another municipal court, the municipal court with jurisdiction over the Notary's original seat shall keep the Notary's records and books, as well as the documents handed over to him or her in his or her official capacity, and the seals declared null and void. The municipal court of original jurisdiction in whose care the notary archives have been placed shall issue all transcripts and extracts of the records of the concerned Notary.
3. Subject to the approval of the Ministry of Justice, the records and books of a Notary who has ceased to carry out his or her functions, as well as the documents handed over to him or her in his or her official capacity may be handed over to the Notary replacing him or her.
4. Should the transferred or temporarily suspended Notary be reinstated as Notary in the district in which he or she previously had his or her seat, the Notary's records, books, seals and stamps shall be returned to him or her. The Ministry of Justice shall issue a decision to this effect.

Article 62

Secondary legislation

The Ministry of Justice may issue the appropriate regulations or directives regarding the archiving and storage of notary documents and items deposited with a Notary, and the form and archiving of all registry books, directories and other notary records.

CHAPTER XII THE CHAMBER OF NOTARIES

Article 63

General dispositions

1. The Chamber of Notaries ("Chamber"), a legal person in public law, shall operate pursuant to this Law and its statute, as adopted by the General Assembly of the Chamber of Notaries and approved by the Ministry of Justice.
2. The Chamber shall have its seat in Prishtinë/Priština and shall be comprised of all the Notaries in Kosovo. The membership in the Chamber of Notaries is obligatory.

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3. The Chamber is comprised of the following organs:
 - 3.1. a President and a Vice-President;
 - 3.2. a Committee;
 - 3.3. an Assembly;
 - 3.4. an Arbitration and Disciplinary Council; and
 - 3.5. an Audit Committee.
4. The statute of the Chamber shall provide for the organization of work of the bodies of the Chamber, the legal relationship between those bodies and the Notaries, the administration and management of the Chamber and other issues within the latter's competence.

Article 64

Functions and activities of the chamber

1. The functions of the Chamber are as follows:
 - 1.1. ensure that Notaries execute their professional duties in a conscientious and correct manner, comply with professional ethics and act in a dignified manner;
 - 1.2. harmonize professional activities of Notaries;
 - 1.3. organize training of notaries and employees of Notaries' offices; and
 - 1.4. organize candidate service.
2. In fulfillment of its objectives, the Chamber shall:
 - 2.1. represent Notaries before administrative agencies and other domestic and foreign institutions;
 - 2.2. prepare recommendations for the harmonizing of the practices of Notaries related to office;
 - 2.3. adopt a Notary Code of Ethics and Professional Conduct, which shall be approved by the Ministry of Justice;
 - 2.4. require written explanations from Notaries concerning complaints filed in their regard and where necessary and submit proposals for the commencement of disciplinary proceedings to the Ministry of Justice;
 - 2.5. establish compulsory contributions by Notaries to the Chamber;
 - 2.6. establish salaried offices within the Chamber;
 - 2.7. allocate funds from its budget to sustain notary offices generating an insufficient income due to circumstances independent of the concerned Notary, where maintaining such office is necessary to address the needs of the residents of the corresponding territorial jurisdiction;
 - 2.8. allocate subsidies to retired Notaries and their family members, where necessary;
 - 2.9. acquire and dispose of the real and movable property necessary for the performance of the duties specified in this Law; and
 - 2.10. perform all other activities consistent with the law and its statute.

Article 65
Monitoring and supervision of the Chamber

1. The legality of the activities of the Chamber shall be supervised by the Ministry of Justice, which may require from the Committee of the Chamber to submit the documents relevant to such supervision and file any objection against legal acts of, and measures taken by, bodies of the Chamber of Notaries, in accordance with the Law on Administrative Procedure and the Law on Administrative Disputes.
2. The Chamber shall submit a comprehensive annual report concerning its activities to the Ministry of Justice at a time determined by the latter. Such report shall further address the activities of the Notaries, acting notaries and notary candidates during the preceding year, and a work schedule for the discharge of the main duties of the Chamber for the following year, including the relevant financial assessments.

Article 66
Assembly meetings

1. The Committee convenes the Chamber's annual Assembly Meetings by giving written notice to all the members of the Chamber of the time, place and agenda of the Assembly Meeting at least two weeks in advance.
2. *Ad Hoc* Meetings of the Chamber's Assembly may be convened, in the manner envisioned in Paragraph 1 of this Article, to address urgent issues concerning the Notaries which need to be resolved before the annual Assembly Meeting, at the initiative of:
 - 2.1. the Committee of the Chamber of Notaries;
 - 2.2. the Ministry of Justice;
 - 2.3. at least one fifth of the members of the Chamber of Notaries.
3. The members of the Committee of the Chamber of Notaries shall participate in the Assembly meetings personally.

Article 67
Competence of the Chamber's Assembly

1. The Chamber's Assembly may enter on its agenda and adopt resolutions concerning any issue within the competence of the Chamber of Notaries.
2. The Chamber's Assembly shall have exclusive competence to decide on the following issues:
 - 2.1. approval and amendment of the Chamber's statute;
 - 2.2. election of the members of the Chamber's Committee, including the President of the Chamber and chairperson of the Committee;
 - 2.3. approval of annual budget;
 - 2.4. amount of the compulsory contribution of the Notaries to the Chamber;
 - 2.5. approval of annual reports;
 - 2.6. election of the members of the Audit Committee;
 - 2.7. election of the members of the Arbitration and Disciplinary Council.
3. The Assembly's resolutions shall be passed at the Meetings, on the basis of a

simple majority vote. A Meeting has a quorum if at least two-thirds of the total number of members of the Chamber are present, or represented. In the absence of a quorum, a further Meeting is convened by the members present.

Article 68
Committee and President of the Chamber

1. The members of the Chamber's Committee ("Committee"), including the President and the Vice-President of the Chamber, are elected by the Assembly through a secret ballot, for a term of three years. The Committee shall further comprise three other members of the Chamber.
2. Between the Chamber's Assembly sessions, the Committee shall perform all the duties of the Chamber which do not fall within the exclusive competence of other bodies of the Chamber. It shall ensure compliance with the Chamber's statute and the proper implementation of the Assembly's resolutions.
3. The President of the Chamber shall be the chairperson of the Committee. The President shall convene the Committee's regular sessions, which are usually held every month. He or she shall represent the Chamber in all legal acts.

Article 69
Audit Committee

1. The Chamber's Audit Committee ("Audit Committee") shall audit the economic activities and the management of the Chamber of Notaries, on its own initiative or at the request of at least one fifth of the members of the Chamber.
2. The Audit Committee shall review and comment on the annual report regarding the Chamber's activities, before submission of the report to the Chamber's Assembly.
3. The Audit Committee shall be comprised of at least three members, elected by the Assembly for a period of up to three years. The members of the Audit Committee may not be members of the Committee of the Chamber's Arbitration and Disciplinary Council.
4. The Audit Committee's resolutions are adopted on the basis of a majority vote.

Article 70
Arbitration and Disciplinary Council

1. The Chamber's Arbitration and Disciplinary Council ("Council") shall:
 - 1.1. decide on complaints against Notaries in disciplinary matters, as filed by members of the public or other Notaries, the Committee or the Audit Committee;
 - 1.2. act as an arbitrator in disputes among Notaries or involving notary candidates, or in disputes between notaries and their clients.
2. The Council may also decide *ex officio* to initiate disciplinary proceedings against a Notary if there are reasonable grounds to believe that a Notary may be in violation of his obligations as set forth in the law or the Notary Code of Ethics and Professional Conduct.

3. The Council shall be comprised of at least three members, elected by the Assembly for a period of up to three (3) years. The members of the Council shall not be members of the Committee or the Audit Committee. An appropriate number of alternative members shall be elected together with the members.
4. The Council shall be multi-ethnic and its members shall be distinguished Notaries meeting the highest standards of efficiency, competence and integrity. They shall be independent and impartial.
5. A member of the Council shall rescue himself or herself from hearing matters where legitimate concerns regarding his or her impartiality may arise.
6. The Council's decisions are taken on the basis of a majority vote.
7. The decisions of the Council shall be made public.

Article 71

Duty of confidentiality of members and employees of the Chamber

1. A Notary or an employee of the Chamber who, through his or her activities within the Chamber, obtains information regarding the content of notary acts, may disclose such information only where ordered to do so by a court, and subject to the permission of the Committee. This duty of confidentiality remains after the cessation of one's activities within the Chamber, whether as a member or as an employee.
2. A notary or an employee of the Chamber, who is disclosing such information, shall be liable to a criminal fine between five hundred (500) up to one hundred thousand (100.000) Euro.

CHAPTER XIII SUPERVISION AND DISCIPLINE

Article 72

General disposition regarding supervision of notary activities

The Ministry of Justice ascertains, in consultation with the Chamber of Notaries, that all notary activities are carried out in conformity with the applicable law. Such supervision includes the preparation of notarized deeds, the archiving of notarized deeds and observance of the notary fees.

Article 73

Regular supervision

1. The maintenance of each notary office, and the performance of the concerned notary's duties, shall be reviewed every two years, at a specific date, with prior notice to the concerned Notary of the date of the review by registered mail, facsimile or electronic message.
2. The concerned Notary or a person authorized by him or her shall comply with such notification and any directions issued by the Ministry of Justice in the context of the review.

3. Minutes shall be taken, describing the review. These minutes shall be signed by the persons who performed the supervision and by the Notary whose office and/or activities were reviewed. The review made of the Notary's registry books shall be recorded under the last entry in the concerned book.
4. The original copy of the minutes shall remain with the Chamber of Notaries, and legalized transcripts shall be given to the concerned Notary, the Ministry of Justice the President of the Municipal Court with jurisdiction over the seat of the Notary and the President of the Chamber of Notaries.

Article 74
Ad Hoc supervision

The Ministry of Justice may further order the performance of the *ad hoc* review of a notary office, in a manner and according to the procedure provided for the performance of regular supervisions, without prior notice to the concerned Notary.

Article 75
General dispositions regarding discipline

1. Disciplinary proceedings may be instituted against a Notary, notwithstanding civil or criminal proceedings, for conduct contradicting a notary's obligations pursuant to the law or the Notary Code of Ethics and Professional Conduct.
2. One's cessation of notary office does not affect disciplinary liability for conduct while assuming notary office.
3. Disciplinary proceedings are instituted within the Chamber of Notaries, by the Disciplinary Council, as envisioned in Article 70 of this Law.
4. The disciplinary sanctions are:
 - 4.1. written admonition;
 - 4.2. fine ranging from five hundred (500) Euros to five thousand (5000) Euros;
 - 4.3. temporary withdrawal of the right to perform notary activities for a maximum period of 6 months;
 - 4.4. removal from office.
5. A fine may be imposed cumulatively with the sanctions envisioned in subparagraphs 4.1, 4.3, and 4.4. of paragraph 4 of this Article.
6. The Disciplinary Council shall ensure that any sanction is proportional to the misconduct for which it is imposed.
7. The sanction consisting in removal from office may only be imposed by the Ministry of Justice, upon the proposal of the Disciplinary Council of the Chamber of Notaries.
8. A Notary upon whom a disciplinary sanction is imposed may challenge the Council's decision before an administrative disciplinary panel established by the Ministry of Justice, whose decision shall be deemed as the final administrative enactment.
9. The administrative disciplinary panel shall be comprised of five (5) members, including the Ministry of Justice or a representative, two (2) notaries, a professor of law and a judge.

10. An appeal against the decision of the administrative disciplinary panel before the competent court, pursuant to the Law on Administrative Disputes and the Law on Regular Courts, lies as of right, save in the case of sanctions consisting in a written admonition or a fine of less than seven hundred fifty (750) Euros.
11. An Administrative Instruction shall be issued, regulating further the procedure in disciplinary matters, as well as the administrative and judicial appellate procedures. The disciplinary procedure shall safeguard the rights of a Notary to be heard and to defend himself or herself or with the assistance of another Notary or Counsel.

CHAPTER XIV TRANSITIONAL AND FINAL PROVISIONS

Article 76 General dispositions

1. The respective amounts of provisional notary fees shall be determined by the Ministry of Justice within six months following the entry into force of this Law. These provisional notary fees shall apply until the Chamber determines, in consultation with the Ministry of Justice the new notary fees.
2. The Ministry of Justice shall adopt the necessary administrative directions and other secondary legislation describing in more detail, among other issues:
 - 2.1. the nature, content, form and modalities of preparation of notarized deeds;
 - 2.2. the keeping of all notary books, registers and other directories;
 - 2.3. the conditions of delivery of valuable items deposited with the notaries;
 - 2.4. the form, content, manner of delivery and recovery of the notary seals and office signs/advertisement (pannonceaux – enseignes, logo);
 - 2.5. the number and location of the notary offices.
3. During a transitional period of three (3) years, legal practitioners with five years of professional experience shall be deemed as fulfilling the criteria to eligibility set forth in Article 4, paragraph 1 sub-paragraph 1.3 of this Law.
4. The Notaries shall assume the functions envisioned in Article 29 of this law only after the transitional period from one (1) up to two (2) years following entry into force of this Law.
5. The Ministry of Justice shall organize the first notary examination within six (6) months following the entry into force of this Law.
6. The Ministry of Justice shall publish the first notice of competition for notary offices within one (1) month following such time as ten (10) applicants to the notary service have succeeded in the notary examination.
7. The Ministry of Justice shall continue publishing notices of competition for notary offices until such time as the Chamber of Notaries is established.
8. The first Assembly of the Chamber of Notaries shall be convened within one (1) month following assumption of office of the first notaries.
9. After three (3) years following the entry into force of this Law, the number and respective seats of the Kosovo notaries shall be defined by the Ministry of Justice after consultation with the Presidents of the Municipal Courts and the Chamber of Notaries.

Civil laws

10. Within one (1) year following entry into force of this Law, the Provisional Institutions of Self-Government shall submit to the Special Representative of the Secretary-General the amendments to the Law on Inheritance in Kosovo and the Law on non-Contested Procedure rendered necessary by this Law.

Article 77
Entry into Force of the Law

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

Law No. 03/L-10
17 October 2008

Promulgated by the Decree No. DL- 053 - 2008, dated 06.11.2008, of the President of Republic of Kosovo, Dr. Fatmir Sejdiu.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / PRISTINA: YEAR III / NO. 42 / 25 NOVEMBER 2008

LAW No. 04/L-002
ON AMENDING AND SUPPLEMENTING THE LAW NO. 03/L-010
ON NOTARY

Assembly of Republic of Kosovo;

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

Approves

LAW ON AMENDING AND SUPPLEMENTING THE LAW NO. 03/L-010
ON NOTARY

Article 1

1. In the whole text of the basic Law, the noun phrase **“President of the Court”** shall be replaced with the noun phrase **“President of the Court”**.
2. In the whole text of the basic Law, the noun phrase **“President of Chamber”** and **“Vice-President”** shall be replaced with the noun phrase **“President of Chamber”** and **“Vice-President”**.

Article 2

Article 4 of the basic Law, paragraph 2. in the last line of this paragraph the noun phrase: "in point d" shall be deleted and the noun phrase: "sub-paragraph 1.5, of paragraph 1 of this Article shall be added.

Article 3

Article 7 of the basic Law, paragraph 2 is amended and reworded as follows:

2. Candidates who meet the requirements for admission to the Notary Service, in accordance with the Law on Notary, may file a request to enter the notary exam in the Ministry of Justice.

Article 4

Article 10 of the basic Law, paragraph 4. sentence: "The indictment may be filed by unsatisfied candidates within eight (8) days following the publication of the decision" shall be deleted from the text of provision.

Article 5

Article 12 of the basic Law, paragraph 2 is amended and reworded as follows:

2. The Notary seals must be in accordance with easily identifiable circular model, and comprise the concerned Notary's name and surname and the seat of his or her office. General characteristics of the Notary seals shall, with the necessary adjustments, be consistent with the design of seals, as defined by the Law on Stamps in Institutions of the Republic of Kosovo.

Article 6

Article 30 of the basic Law, paragraph 1, sub-paragraph 1.4 shall be deleted from the text of provision.

Article 7

Article 44 of the basic Law shall be deleted while Article 45 shall become Article 44, Articles 46 till 77 shall be recounted with the numbers from 45 till 76.

Article 8

The title of Article 68 of the basic Law, "Committee and President of the Chamber" shall be replaced with "Committee and President of the Chamber."

Article 9

1. Article 76 of the basic Law, paragraph 10 is amended and reworded as follows:
 10. Within one (1) year following the entry into force of the amendment and supplementation of this law, the Ministry of Justice proposes the Law on Inheritance in Kosovo and the Law on Non-Contested Procedure, considered necessary by this law.
2. Article 76 of the basic Law, after paragraph 10, the new paragraph 11 shall be added, as follows:
 11. Ministry of Justice shall issue sub-legal acts in order to implement the Law on Notary.

Article 10

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

Law No. 04/ L-002
21 July 2011

Pursuant to the article 80, paragraph 5 of the Constitution of the Republic of Kosovo, Law shall be published in the Official Gazette of the Republic of Kosovo.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / No. 7 / 10 AVUGUST 2011, PRISTINA

LAW No. 03/L-139
ON EXPROPRIATION OF IMMOVABLE PROPERTY

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Assembly of Republic of Kosovo,

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

Approves

LAW ON EXPROPRIATION OF IMMOVABLE PROPERTY

CHAPTER I
GENERAL PROVISIONS

Article 1
Purpose of Law

1. The present law sets out:
 - 1.1. the rules and conditions under which the Government or a Municipality may expropriate a Person's ownership or other rights in or to immovable property;
 - 1.2. the rules and conditions under which the Government may authorize the temporary seizure and use of immovable property;
 - 1.3. the procedures governing the conduct of such an act of expropriation or seizure;
 - 1.4. the rules and procedures that shall be used in determining the amount and payment of compensation for such an expropriation or seizure; and
 - 1.5. other provisions governing ancillary matters related to such an expropriation or seizure.

Article 2 **Definitions**

1. For the purpose of interpreting and applying the present law, the following defined terms shall – whenever used in the present law - have the indicated meaning unless the context within which such term appears clearly intends another meaning:

“Applicant” shall mean a Public Authority, POE or other Person identified in paragraph 3 of Article 7 of the present law that submits an expropriation application to an Expropriating Authority for the expropriation of property. If the Expropriating Authority is acting on its own initiative, it shall be deemed to be the applicant.

“Beneficiary” shall mean the Person or Public Authority that, in accordance with Article 14 of the present law, receives a right of use and/or management over expropriated property from the concerned Expropriating Authority.

“Business Day” shall mean any day that is not a Saturday or a Sunday or an official holiday in Kosovo.

“Central Public Authority” means any Public Authority that is not a Municipal Public Authority.

“Comprehensive Proposal” means the Comprehensive Proposal for the Kosovo Status Settlement dated 26 March 2007.

“Expropriating Authority” shall mean a Municipality or the Government having the authority to expropriate property under Article 4 of the present law.

“Expropriation” shall mean any act by an Expropriating Authority that involves (i) the taking of any lawful right or interest held or owned by a Person in or to immovable property, or (ii) the compulsory establishment or creation of any servitude or other right of use over immovable property; provided, however, that the term “Expropriation” shall not apply to lawful actions taken by a public authority to enforce a lien on immovable property that has arisen under, or been established pursuant to, another law or a written contract.

“Final Decision” shall mean a decision adopted by an Expropriating Authority pursuant to the requirements of Article 11 of the present law.

“Immovable Property” shall include (i) land, (ii) buildings or specific parts of a building constructed on, above or under the land surface (iii) any fixtures and accessory parts that have been permanently attached to land or a building and that cannot, without unreasonable or uneconomic effort, be removed, and (iv) any unsevered fruits attached to such land.

“ICMM” shall mean the Independent Commission for Mines and Minerals.

“Infrastructure Contract” means a contract for the construction, enlargement, establishment or placement of significant works, infrastructure and/or facilities that promote the general economic and/or social welfare of Kosovo, and includes – but is not limited to – an agreement establishing a Public-Private Partnership.

“Interest Holder” shall mean and include any Person holding a specific lawful interest, other than an ownership interest, in or to immovable property.

“Municipal Public Authority” shall mean (i) a municipal authority or municipal body specified in the Law on Local Self Government, (ii) a department or other part or subunit of such a municipal authority or municipal body, or (iii) any other

body or authority that has been established by such a municipal authority or municipal body.

“Municipality” shall have the meaning assigned thereto by the Law on Local Self Government.

“Owner” shall mean and include any Person holding an ownership interest in or to immovable property.

“Person” shall mean a natural person, Undertaking or Public Authority.

“POE” means a publicly owned enterprise that has been classified as such by or pursuant to the Law on Publicly Owned Enterprises.

“Preliminary Decision” shall mean a decision adopted by an Expropriating Authority pursuant to the requirements of paragraph 1 of Article 10 of the present law.

“Public Authority” means any of the following: (i) any public body, authority or agency that exercises, pursuant to the law of Kosovo, public executive, legislative, regulatory, administrative or judicial powers, and includes (ii) any department or other part or subunit of such a public body, authority or agency.

“Public-Private Partnership” or **“Partnership”** shall mean a public-private partnership established pursuant to the Law on Public-Private Partnerships.

“Tendering Body” means a Public Authority that has, under the provisions of an international agreement or a law adopted by the Assembly, the authority to conduct a tendering procedure leading to the award of an Infrastructure Contract;

“Undertaking” shall mean any body, establishment, institution, association, enterprise, business organization, legal entity, or other organization.

2. Words of any gender used in the present law shall include any other gender and words in singular number shall be deemed to include the plural and the plural to include the singular.
3. Unless the context clearly requires another interpretation, any reference in the present law to another law, regulation or sub-normative act, or any specific provision(s) thereof, shall be interpreted as including any and all amendments thereto. If such a law, regulation or sub-normative act is repealed and replaced with successor legislation governing the same subject matter, such reference shall be interpreted as meaning such successor legislation and, where applicable, the analogous provision(s) thereof.

Article 3 General Provisions

1. Only an Expropriating Authority specified in Article 4 of the present law shall have the authority to expropriate immovable property. The authority of any such Expropriating Authority to expropriate immovable property shall be strictly subject to the limits, procedures, rules and conditions specified in the present law. No other Public Authority shall have the authority to expropriate property.
2. The present law only regulates the formal expropriation and seizure of immovable property by a Public Authorities. Nothing in the present law shall be interpreted as restricting a person’s right, whether arising under the Constitution, another law or an international agreement, to claim and seek compensation for losses caused by a

measure or act, or by a series of measures or acts, taken or adopted by one or more Public Authorities if such act(s) or measure(s) can be demonstrated to have an effect that is substantially equivalent to an expropriation.

3. The object of an expropriation within the scope of the present law may be private ownership or other private rights in or to immovable property, with the exception of rights in or to immovable property that falls with a class of property that the Constitution or the Comprehensive Proposal specifically provides shall not be subject to expropriation.
4. It is further provided that the Government, acting under the authority of paragraph 3 of Article 4 of the present law, may expropriate the ownership or other rights of a Municipality or a Municipal Public Authority in or to immovable property. In such a case, it is specifically provided that the concerned Municipality or Municipal Public Authority shall have the same rights provided by the present law to a private Person, including the rights to challenge in court the legitimacy of the expropriation and/or the adequacy of compensation. Except for acts taken in the exercise of such rights, no Municipality or Municipal Public Authority shall obstruct or interfere with the conduct of the Expropriation. In particular, it is specifically provided that:
 - 4.1. in no case shall a Municipality or Municipal Public Authority object to or obstruct the conduct of any Expropriation conducted by the Government under the authority of the present law because such Expropriation is or may be inconsistent with a spatial or urban plan or other legislative act or decision of a Municipal Public Authority, and
 - 4.2. the present law - and lawful Expropriations by the Government under the authority of the present law - shall prevail over any such plan, act or decision.

Article 4
Legitimate Public Purpose; Necessity; No Discrimination; Expropriating Authority

1. An Expropriating Authority shall have the authority to expropriate immovable property only when all of the following conditions are satisfied:
 - 1.1. the Expropriation is directly related to the accomplishment of a legitimate public purpose within its competence as specified in paragraph 2 or 3 of this Article;
 - 1.2. the legitimate public purpose cannot practically be achieved without the Expropriation;
 - 1.3. the public benefits to be derived from the Expropriation outweigh the interests that will be negatively affected thereby;
 - 1.4. the choice of the property to be expropriated has not been made for, or in the furtherance of, any discriminatory purpose or objective; and
 - 1.5. the Expropriating Authority has complied with all applicable provisions of the present law.
2. The Expropriating Authority of a Municipality shall be the mayor of such Municipality unless the municipal assembly of such Municipality designates,

through an act adopted pursuant to Article 12 of the Law on Local Self Government, another Municipal Public Authority to act as the Municipality's Expropriating Authority. The Expropriating Authority of a Municipality may expropriate immovable property only if:

- 2.1. the conditions specified in paragraph 1 of this Article are satisfied;
 - 2.2. the Expropriation will exclusively affect private rights falling within the scope of paragraph 3 of Article 3 of the present law;
 - 2.3. the concerned immovable property lies wholly within the Municipality's borders, and
 - 2.4. the Expropriation is clearly and directly related to the accomplishment of one of the following public purposes:
 - 2.4.1. the implementation of an urban and/or spatial plan that has been adopted and promulgated by a Municipal Public Authority in accordance with all applicable legal requirements;
 - 2.4.2. the construction or enlargement of a building or facility to be used by a Municipal Public Authority to fulfill its public functions; or
 - 2.4.3. the construction, enlargement, establishment or placement of any of the following infrastructure and/or facilities if this promotes the general economic and/or social welfare of the municipality or provides a public benefit to the population of the municipality and otherwise complies with applicable legal requirements:
 - 2.4.3.1. municipal roads (roads lying entirely within the Municipality) providing transportation services to the public;
 - 2.4.3.2. public facilities needed for the provision of public education, health and/or social welfare services within the Municipality by a Municipal Public Authority;
 - 2.4.3.3. pipes for providing public water and sewage services to residences within the Municipality;
 - 2.4.3.4. municipal landfill sites and sites for the depositing of public waste;
 - 2.4.3.5. municipal public cemeteries; or
 - 2.4.3.6. municipal public parks and municipal public sports facilities; or
 - 2.4.4. the acquisition of the surface rights needed by a Municipal Public Authority to implement an artisanal mining license granted to the Municipality by the ICMM pursuant to the Law on Mines and Minerals.
3. The Government shall have the authority to expropriate property for any legitimate public purpose not specified in sub-paragraphs 2.4.1 through 2.4.4 of this Article if the conditions specified in paragraph 1 of this Article are satisfied. With respect to such an Expropriation, the Government shall be the Expropriating Authority. Legitimate public purposes within the scope of this paragraph shall include, but not be limited to, the following:
- 3.1. the implementation of an urban and/or spatial plan that has been adopted and promulgated by a Central Public Authority in accordance with all

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- applicable legal requirements;
- 3.2. the construction or enlargement of a building or facility to be used by a Central Public Authority to fulfill its public functions;
- 3.3. the construction, enlargement, establishment or placement of infrastructure and/or facilities that promote the general economic and/or social welfare of Kosovo or provide another public benefit, including, but not limited to, the construction, enlargement, establishment or placement of:
 - 3.3.1. state or inter-municipal roads providing transportation services to the public, including toll roads;
 - 3.3.2. railways providing transportation services to the public;
 - 3.3.3. works, facilities, safety areas or fuel storage or disposal sites for or relating to the generation, supply, transmission or distribution of energy;
 - 3.3.4. mines and other works, safety areas and facilities for or relating to activities involving the exploitation of mineral resources;
 - 3.3.5. telecommunication lines and facilities, including telegraph and telephone lines, as well as radio and television facilities;
 - 3.3.6. public facilities needed for the provision of public education, health and/or social welfare services by a Central Public Authority;
 - 3.3.7. trunk pipelines required by a POE to provide water and sewage services to the public;
 - 3.3.8. landfill sites and sites for the depositing of public waste;
 - 3.3.9. dams;
 - 3.3.10. public water reservoirs;
 - 3.3.11. state cemeteries for distinguished veterans and public servants;
 - 3.3.12. public airports, including the required security zones around public airports;
 - 3.3.13. state public parks and state public sports facilities;
 - 3.3.14. environmental or nature reserves, including those to which public access may be restricted; or
 - 3.3.15. works, infrastructure, facilities, areas or sites covered by, or reasonably needed for the implementation of an Infrastructure Contract awarded by a Tendering Body; or
- 3.4. the protection of a monument of cultural heritage or a site of significant archeological, historic or scientific nature, but only if the site has been lawfully designated as such by a resolution of the Assembly and either:
 - 3.4.1. the owner of the immovable property where such a monument or site is located refuses to protect or – due to objective impossibility – cannot protect such monument or site; or
 - 3.4.2. such owner agrees to or requires the concerned property to be expropriated.
- 4. Property expropriated by the Expropriating Authority of a Municipality shall, upon completion of the expropriation process, become the property of the Municipality.
- 5. Property expropriated by the Government shall, upon completion of the expropriation process, become the property of the Republic of Kosovo.

CHAPTER II
PREPARATORY ACTIVITIES

Article 5
Preparatory Activities

1. At any time prior to initiating an expropriation procedure an Expropriating Authority may authorize the conduct of preparatory activities to determine the potential usefulness of one or more parcels of immovable property for a public purpose. Any such authorization shall be specified in detail in a written decision of the Expropriating Authority. Such written decision shall specify the parcel or parcels of immovable property to which the authorization relates, and shall become effective on the date the publication requirements of paragraph 2 of this Article have been fulfilled.
2. The Expropriating Authority shall publish each such decision authorizing the conduct of preparatory activities in the Official Gazette of Kosovo and in a newspaper enjoying wide circulation in Kosovo
3. To facilitate the professional conduct of preparatory activities, the Expropriating Authority may assign the authority to conduct such preparatory activities to another Public Authority or to a third party having the necessary expertise. If such third party is to be compensated for such preparatory activities with public money, such third party shall be selected through a lawful procurement process.
4. Preparatory activities may be conducted without the permission of the concerned Owners and Interest Holders.
5. The conduct of preparatory activities shall be subject to the following conditions:
 - 5.1. the Expropriating Authority, or the authorized Public Authority or third party, shall provide any Person who is or who claims to be an Owner or Interest Holder with respect to property that will be subject to preparatory activities at least twenty (20) Business Days' advance written notice of the times during which such activities will be conducted on each parcel of property; provided, that such notice is required to be given only to:
 - 5.1.1. such Persons whose names and addresses may be ascertained from the cadastral and other official immovable property records in Kosovo, including the records of the Kosovo Property Agency and the most recent property tax records, and
 - 5.1.2. other Persons who are then continuously and lawfully using the concerned property for residential or business purposes;
 - 5.2. such preparatory activities shall be conducted during normal business hours on Business Days unless:
 - 5.2.1. the nature or purpose of the preparatory activities requires that they be conducted at other times, or
 - 5.2.2. the location of the preparatory activities, including any route (other than a public street or road) used to enter or leave such location, will be at least one hundred (100) meters from any building lawfully being used for residential purposes; and
 - 5.3. such preparatory activities shall be conducted in a manner that reasonably

minimizes the amount of inconvenience or interference to any person then lawfully using the property.

Article 6 **Compensation for Damage Caused by Preparatory Activities**

1. Any Person who is an Owner or Interest Holder with respect to immovable property that is the subject of preparatory activities shall have a right to compensation for:
 - 1.1. any loss of use or enjoyment of the property or any part thereof during the conduct of the preparatory activities, and
 - 1.2. any other damage caused to the property or to such Person by such preparatory activities.
2. The Expropriating Authority shall be liable for the prompt payment of such compensation. If and to the extent specifically provided for by the decision authorizing the preparatory activities or by a contract, the Expropriating Authority shall have a right to reimbursement from the Public Authority or third party authorized to conduct the preparatory services.
3. The compensation required by paragraph 1 of this Article shall be in addition to any compensation required if the property becomes the subject of an Expropriation decision.
4. If the Expropriating Authority and the concerned Owner or Interest Holder cannot agree on amount of compensation required by paragraph 1 of this Article, the concerned Owner or Interest Holder shall have a right to file a claim for such compensation with the competent court.

CHAPTER III **EXPROPRIATION PROCEDURE**

Article 7 **Initiation and Termination of Expropriation Procedure**

1. If all applicable conditions previously specified in Article 4 of the present law are present, the concerned Expropriating Authority may proceed to carry out the concerned expropriation in accordance with the applicable procedures and requirements further established by the present law.
2. An expropriation procedure may be initiated by the responsible Expropriating Authority, as determined in accordance with Article 4 of the present law, on its own initiative or pursuant to an application submitted to the Expropriating Authority.
3. Applications may be submitted by a Public Authority or a POE. If the Expropriating Authority is the Government, an application may also be submitted by:
 - 3.1. a Public-Private Partnership;
 - 3.2. a party to an Infrastructure Contract awarded by a Tendering Body; or
 - 3.3. any lawful heir, successor, assignee or transferee of such a Partnership or

party. If the Expropriating Authority is acting on its own initiative, it shall cause one or more of its members or officials to prepare and submit the application.

4. An Expropriation procedure, or the relevant aspect thereof, shall be concluded or terminated when:
 - 4.1. the ownership right over the expropriated property is lawfully registered in the name of the Municipality (if the Expropriation was conducted by the Expropriating Authority of such Municipality) or the Republic of Kosovo (if the Government is the Expropriating Authority) after the conduct of the procedure and the payment of the compensation required by the present law;
 - 4.2. if the Expropriating Authority issues a decision that rejects, in whole or in part, the application for Expropriation:
 - 4.2.1. upon the expiration of the time period during which the Applicant may file a complaint with the competent court challenging such decision, if the Applicant has not timely filed such a complaint, or
 - 4.2.2. if the Applicant has timely filed such a complaint, the date on which a final non-appealable judgment has been issued by that court, or if applicable, an appellate court;
 - 4.3. prior to the adoption of an Expropriation decision, the Applicant withdraws its application, in whole or in part; or
 - 4.4. a final non-appealable judgment of a competent court requires such conclusion or termination.
5. From the day the Expropriation becomes effective: all pre-existing ownership and possessory rights, security interests, servitudes, construction rights, preemption rights and any other rights in or to the property expropriated by the Expropriation decision shall be terminated.

Article 8

Application for Expropriation

1. An application for Expropriation shall contain the following:
 - 1.1. the name and address of the Expropriating Authority and, if the Expropriating Authority is not acting on its own initiative, the name and address of the Applicant.
 - 1.2. the name and address of each Person who is, or who claims to be, an Owner or Interest Holder with respect to each and every concerned parcel of immovable property in so far as this information may be readily ascertained from the available cadastral and other official immovable property records in Kosovo, including the records of the Kosovo Property Agency and the most recent property tax records;
 - 1.3. the location and number of each and every concerned parcel of immovable property, and – if less than the entire area of any such parcel is to be expropriated and/or if less than all rights relating to any such parcel are to be expropriated – a specific description of the part and/or rights that are the subject of the application;
 - 1.4. for each such parcel, a description of any and all rights (whether confirmed

- or claimed) relating to such parcel that the Applicant is requesting to be expropriated.
- 1.5. a detailed description of the public purpose for which the expropriation is being requested;
 - 1.6. any significant documents demonstrating the legitimacy of the public purpose and/or the necessity of the applied for expropriation (or, if any such document is publicly available electronically, a clear indication of where such document may be obtained);
 - 1.7. information on whether, and to what extent, the requested expropriation includes fixtures, accessory parts and/or fruits of the immovable property; and
 - 1.8. detailed information, to the extent this is ascertainable from the records specified in item 1.2 of this paragraph, on any limitations on or disputes regarding the ownership or other rights or interests held or claimed to be held by Persons identified under item 1.2 of this paragraph.
2. The following documents shall be attached to the application for expropriation:
 - 2.1. for each concerned parcel: a copy of the possession list and other immovable property records relating thereto;
 - 2.2. the concerned cadastral plans and maps covering the concerned parcel(s);
 - 2.3. if more than one parcel is subject to the application, maps showing all such parcels and the surrounding area;
 - 2.4. an extract of the current spatial or urban plan covering such parcels, if such a plan exists;
 - 2.5. if applicable, any draft proposal or plan that has been submitted to the competent Public Authority for a building or facility that is planned or proposed to be constructed or enlarged on the property.
 3. The application for Expropriation shall be accompanied by documentation that provides satisfactory evidence that sufficient financial means are or will be available for the timely payment of the compensation that is reasonably estimated to be required in the event the application is approved.
 4. If the Expropriating Authority is the Government, and a right of use and/or management over the concerned property is to be sold, leased, granted or transferred by the Government to a Public-Private Partnership or a private Person pursuant to Article 14 of the present law, and such Partnership or Person is obligated to pay the costs that will be incurred by the Government in conducting the Expropriation, such Partnership or Person shall be required, concurrent with the submission of the application, to post a performance bond or irrevocable bank guarantee in favor of the Government in an amount that is reasonably estimated to equal the amount of such costs. Such bond or guarantee shall be submitted with the application and shall be acceptable only if issued by a financial institution that meets the minimum qualification requirements established by the CBK.
 5. Within fifteen (15) days after receiving the application, the Expropriating Authority shall make a prima facie review of the application to determine whether it appears to satisfy the legal requirements set out in Article 4 and paragraphs 1 through 3 of this Article. If the Expropriating Authority determines that the application does not appear to fulfill any such requirement, it shall not accept the

application, which shall be returned to the applicant together with a written statement of the reasons as to why the Expropriating Authority refused to accept the application. If the Expropriating Authority determines that an application appears to satisfy the referenced requirements, it shall adopt a written decision formally accepting the application for further processing in accordance with the present law.

6. Within five (5) Business Days after adopting a decision accepting an application for further processing, the Expropriating Authority shall send a copy of the application and all documents attached thereto to the Office of Immovable Property Valuation established pursuant to Article 22 of the present law and - if the Expropriating Authority is the Government - to the mayor of each municipality where each parcel of the concerned property is located.
7. Within ten (10) Business Days after adopting a decision accepting an application for further processing, the Expropriating Authority shall send the following documents to the Persons identified in the application pursuant to the requirement of sub-paragraph 1.2 of this Article:
 - 7.1. a copy of the Expropriating Authority's decision accepting the application for further processing;
 - 7.2. a copy of the application and all documents attached thereto;
 - 7.3. a notice that:
 - 7.3.1. describes the public purpose for which the Expropriation has been requested;
 - 7.3.2. specifies the time period, in accordance with paragraph 1 of Article 10 of the present law, within which the Expropriating Authority is required to approve or reject the application;
 - 7.3.3. states that any interested Person may submit written comments on the proposed Expropriation to the Expropriating Authority by a specified date, which shall be determined in accordance with paragraph 1 of Article 9 of the present law;
 - 7.3.4. states that:
 - 7.3.4.1. the Expropriating Authority will hold a public hearing on the concerned expropriation in each Municipality where concerned property is located;
 - 7.3.4.2. any Person who is a public official of the Municipality where the hearing is being held, or an Owner or Interest Holder with respect to concerned property lying within the Municipality where the hearing is being held, or the lawful attorney or representative of any such Person, shall have the right to attend such hearing;
 - 7.3.4.3. any such Person shall be given a reasonable opportunity to orally provide his/her views on the applied for Expropriation at such hearing in accordance with paragraphs 2 through 4 of Article 9 of the present law; and
 - 7.3.4.4. any Person who desires to attend and provide his/her views at such hearing must bring with them reasonable documentary evidence demonstrating that he/she is such a

- public official, Owner or Interest Holder, or the lawful attorney or representative of such a public official, Owner or Interest Holder.
- 7.3.5. provides a schedule, in accordance with the requirements of paragraph 2 of Article 9 of the present law, specifying the date, time and place of each public hearing; and
 - 7.3.6. contains the following statements:
 - 7.3.7. In the event that property covered by the application is expropriated at the conclusion of the expropriation procedure initiated pursuant to that application, no compensation will be owed or paid for the cost or value of any improvements made to such property, any facilities constructed or enlarged on the property, or any trees or crops planted on such property after the date the relevant publication requirements of paragraph 8 of Article 8 of the Republic of Kosovo's "Law on the Expropriation of Immovable Property" of 2009 have been fulfilled.
 - 7.3.8. Any person who claims to hold an ownership or other lawful interest in the concerned property is advised to review such law and to consider seeking professional legal advice to assist them in understanding their rights and obligations under that law.
- 7.4. a copy of the present law; and
 - 7.5. a copy of the valuation standards referred to in paragraph 6 of Article 15 of the present law.
8. Within ten (10) Business Days after adopting a decision accepting an application for further processing, the Expropriating Authority shall publish in the Official Gazette and in a newspaper enjoying wide circulation in Kosovo:
- 8.1. such decision; and
 - 8.2. a notice that:
 - 8.2.1. sets forth the information provided in the application pursuant to the requirements of items 1.1 through 1.4 of this Article;
 - 8.2.2. sets forth the information and statements required by item 7.3 of this Article; and
 - 8.2.3. contains an additional statement that any Person not named in the notice who claims to hold an ownership or other lawful interest in any parcel of the property described in the notice is required to immediately provide the Expropriating Authority with a written description of such claim and the legal basis therefor together with certified copies of any and all documents relating to such claim.
9. Within seven-to-ten (7-10) calendar days after first publishing the notice required by paragraph 8 of this Article, the Expropriating Authority shall again publish such notice in the same newspaper enjoying wide circulation in Kosovo.

Article 9 **Public Comment Period; Public Hearing**

- 1. Beginning on the date that the publication requirements of paragraph 8 of Article 8 of the present law have been fulfilled, there shall be a thirty (30) calendar day

- period during which any interested Person shall have the right to submit to the Expropriating Authority written comments on the requested Expropriation.
2. Immediately following the conclusion of the written comment period specified above, there shall be a fifteen (15) calendar day period during which the Expropriating Authority shall hold a public hearing on the requested expropriation in each Municipality where concerned property is located. Any Person who is a public official of the Municipality where such a hearing is being held, or an Owner or Interest Holder with respect to concerned property lying within the Municipality where the hearing is being held, or the lawful attorney or representative of any such Person, shall have the right to attend such hearing. Each such Person shall be given a reasonable opportunity to orally provide his/her views on the applied for expropriation.
 3. A representative of the Expropriating Authority may, at any time, require a Person who desires to attend, or is attending, such a hearing to provide reasonable documentary evidence demonstrating that he/she is a public official of the Municipality where the hearing is being held, or an Owner or Interest Holder with respect to concerned property lying with the Municipality where the hearing is being held, or the lawful attorney or representative of such a public official, Owner or Interest Holder. A Person who fails to provide such evidence when required by a representative of the Expropriating Authority may, at the discretion of such representative;
 - 3.1. be denied admittance to, or removed from, the hearing; or
 - 3.2. be permitted to attend the hearing as an observer only.
 4. Any Person who has demonstrated that he/she meets the requirements of paragraph 2 of this Article shall be given an opportunity to present his/her views on the concerned expropriation. The representative of the Expropriating Authority conducting the hearing may limit the amount of time that each such Person has to present his/her views if – and to the extent - the establishment of such a limit is reasonably necessary to ensure that every such Person in attendance has an opportunity to speak; provided, however, that in no case shall the amount of time allotted be less than five (5) minutes.
 5. A senior elected official from the Expropriating Authority shall attend, and shall be responsible for conducting, each such public hearing. Such official shall also be responsible for ensuring:
 - 5.1. that the proceedings at any such hearing are properly minuted and, if practicable, video-taped; and
 - 5.2. that a reasonable number of uniformed officers of the Kosovo Police Service are assigned to provide security services at the hearing. A lawyer for the Expropriating Authority and a lawyer for the applicant, if the Expropriating Authority is not acting on its own initiative, shall also be required to attend the public hearing. Other representatives of such institutions may also attend.

Article 10
Preliminary Decision on the Legitimacy of a Proposed Expropriation

1. Within thirty (30) days after the requirements of Article 9 of the present law have been satisfied, the Expropriating Authority shall consider the written comments submitted and the views expressed at the hearing(s) and shall:
 - 1.1. adopt a written decision, herein referred to as the “Preliminary Decision”, specifying whether - and to what extent – the expropriation requested in the application has been determined by the Expropriating Authority to satisfy each of the conditions specified in items 1.1 through 1.4 of Article 4 of the present law;
 - 1.2. include in such Preliminary Decision a notice advising the Applicant and any Person who is an Owner or Interest Holder with respect to property that is affected by such decision of their right to file a complaint with the competent court challenging such decision, or any aspect thereof, pursuant to Article 35 of the present law, within the thirty (30) day period specified in that Article; and
 - 1.3. include a notice that such Preliminary Decision shall become effective on the on the date such decision has been published in accordance with the requirements of paragraph 4 of Article 10 and Article 43 of the present law.
2. A Preliminary Decision shall reject the Expropriation applied for in the application – in whole or in part - if, after the conclusion of the written comment period and the conduct of the public hearing required by Article 9 of the present law, the Expropriating Authority determines that the proposed expropriation – or any aspect thereof - does not fulfill the legal requirements set out in items 1.1 through 1.4 of Article 4 of the present law.
3. Within five (5) Business Days after adopting a Preliminary Decision, the Expropriating Authority shall send such decision to the Applicant (unless the Expropriating Authority is the Applicant) and to the Persons identified in the application pursuant to item 1.2 of Article 8 of the present law, and any other Person who has – subsequent to the date the application was accepted for processing but before the Preliminary Decision was adopted – asserted a claim to be an Owner or Interest Holder with respect to the concerned immovable property.
4. Within ten (10) Business Days after adopting a Preliminary Decision, the Expropriating Authority shall publish such decision in the Official Gazette of Kosovo and in a newspaper enjoying wide circulation in Kosovo.
5. A Preliminary Decision shall become effective on the date such decision has been published in accordance with all requirements of paragraph 4 of this Article and Article 43 of the present law.

Article 11
Final Decision on Expropriation

1. The Expropriating Authority shall adopt a Final Decision approving or rejecting an application only during the six-month period that begins on the date occurring forty-five (45) days after the effective date of the Preliminary Decision. This six-

month period shall be referred to as the “Final Decision Period”, and such period shall be extended as provided for in paragraph 2 of this Article.

2. If one or more complaints are filed under Article 35 of the present law with respect to a Preliminary Decision – or any aspect thereof - adopted under Article 10 of the present law, the Final Decision Period established by paragraph 1 of this Article shall be extended by the number of days occurring between:
 - 2.1. the date on which the first such complaint was filed; and
 - 2.2. the date on which the competent court where such complaint(s) were originally filed has issued its judgment on all such complaints. If an appeal is filed by the complainant, the Final Decision Period shall also be extended as provided for in paragraph 11 of Article 35 of the present law.
3. The Expropriating Authority shall not adopt a Final Decision affecting any property or rights that are the subject of such a complaint while such complaint is pending before such court. If one or more complaints have been filed under Article 35 of the present law challenging only certain aspects of a Preliminary Decision, the Expropriating Authority may, but shall not be required to, proceed to adopt a Final Decision with respect to any unchallenged aspect prior to the issuance of a court judgment on such complaints. Such a Final Decision may be adopted at any time during the Final Decision Period, including any extension thereof under paragraph 2 of this Article. The adoption of any such Final Decision shall not prejudice the authority of the Expropriating Authority to later adopt, within the concerned Final Decision Period (including any extension thereof under paragraph 2 of this Article), additional Final Decisions relating to property or rights that were the subject of such a complaint, if each such additional Final Decision is in compliance with the applicable court judgment or order issued under Article 35 of the present law.
4. Every Final Decision on expropriation shall:
 - 4.1. comply with any applicable court order or judgment issued under Article 35 of the present law with respect to the Preliminary Decision;
 - 4.2. otherwise be limited in scope – in terms of the property or rights to property to be expropriated – to no more than that authorized by the Preliminary Decision; and
 - 4.3. contain:
 - 4.3.1. the names and addresses of the Applicant, the Persons identified in the application pursuant to item 1.2 of Article 8 of the present law, and any other Person who has – subsequent to the date the application was accepted for processing but before the Final Decision is issued – asserted a claim to be an Owner or Interest Holder with respect to the concerned immovable property;
 - 4.3.2. if the Final Decision approves the application, in whole or in part:
 - 4.3.2.1. the location and number of each and every parcel of immovable property that is to be expropriated;
 - 4.3.2.2. if less than entire area of any such parcel is to be expropriated and/or if less than all rights relating to any such parcel are to be expropriated, a specific description of the part and/or rights subject to the decision; and

- 4.3.2.3. the amount of compensation that the Office of Immovable Property Valuation has determined – in accordance with the present law – is to be paid to such Persons for the expropriated property, rights to property and/or direct damages caused by the expropriation;
 - 4.3.2.4. the valuation determination prepared by such office as required by Article 22 of the present law; and
 - 4.3.2.5. a description of any conditions that the expropriation is subject to;
 - 4.3.3. if the Final Decision rejects the application, in whole or in part, an explanation setting forth a detailed description of the reasons for the rejection;
 - 4.3.4. a statement that the Final Decision shall become effective on the date such decision has been published in both the Official Gazette of Kosovo and in a newspaper enjoying wide circulation in Kosovo in accordance with requirements of paragraph 6 of this Article and Article 43 of the present law; and
 - 4.3.5. a notice advising the Applicant and any Person who is an Owner or Interest Holder with respect to property or rights affected by such Final Decision of their right to file a complaint with the competent court challenging such decision, or any aspect thereof, pursuant to Article 36 or 37 of the present law, within the thirty (30) day period specified in those Articles.
5. Within five (5) Business Days after adopting a Final Decision, the Expropriating Authority shall send such decision to the Applicant (unless the Expropriating Authority is the Applicant) and to the other Persons, who are required to be identified in the Final Decision by item 4.3.1 of this Article.
6. Within ten (10) Business Days after adopting a Final Decision, the Expropriating Authority shall publish such decision in the Official Gazette of Kosovo and in a newspaper enjoying wide circulation in Kosovo.
7. A Final Decision shall become effective on the date such decision has been published in accordance with all requirements of paragraph 6 of this Article and Article 43 of the present law.
8. If a Final Decision authorizes an Expropriation, no change in the ownership or other rights of Persons in or to the concerned property shall be effected or implemented until the compensation required by the Final Decision has been paid in accordance with Article 16 of the present law. Upon the payment of such compensation, the concerned property shall be registered in the name of the concerned Municipality (if the Expropriating Authority is a Municipal Public Authority) or the Republic of Kosovo (if the Expropriating Authority is the Government).
9. Persons owning or possessing the concerned property shall not be required to vacate or surrender such property until thirty (30) calendar days have passed from the date on which the compensation specified in the Final Decision has been paid in accordance with Article 16 of the present law.
10. The Applicant or any Owner or Interest Holder having a direct and material

interest in the immovable property that is the subject of a Final Decision, whether or not identified in such decision, shall have the right to challenge such decision in accordance with Articles 36 or 37 of the present law by filing a complaint with the competent court in accordance with the provisions of those Articles.

11. Failure of the Expropriating Authority to formally take a Final Decision within the Final Decision Period as determined in accordance with paragraphs 1 and 2 of this Article shall constitute, by operation of the present law, a Final Decision rejecting the application in its entirety. Such a rejection shall be effective on the first Business Day that immediately follows the last day of the Final Decision Period. The Applicant may challenge such a Final Decision in accordance with the applicable provisions of the Law on Administrative Procedures as provided for in Article 39 of the present law.

Article 12

Registration of the Decision on Expropriation in the Cadastre

1. Immediately after adopting a Final Decision authorizing the expropriation of immovable property, the concerned cadastral body or bodies shall register such decision upon its submission by the Expropriating Authority.
2. Upon such registration, each Owner and Interest Holder with respect to the concerned property shall be prohibited from:
 - 2.1. transferring or granting, or attempting to transfer or grant, to any third person any ownership or other rights or interests in or to the concerned property, and
 - 2.2. undertaking any construction work on, above or under the surface of the concerned property.
3. If such Final Decision is subsequently revoked or cancelled, an Owner or Interest Holder with respect to the concerned property shall have the right to require the cadastral body to register any decision, order or final court judgment evidencing such revocation or cancellation.

Article 13

Expropriation of a Part of Immovable Property

If an Expropriating Authority issues a Preliminary Decision under Article 10 of the present law specifying its determination that the concerned public purpose justifies the expropriation of certain immovable property and/or rights to such property, and an Owner or Interest Holder with respect to such property and/or rights has good and sufficient reason to believe that the concerned public purpose can be achieved through the expropriation of a lesser amount of such property and/or rights, such Owner or Interest Holder shall have the right to file a complaint under Article 35 of the present law requesting the competent court to issue a judgment ordering the Expropriating Authority to reduce the scope of the Preliminary Decision to exclude that part of the Owner's or Interest Holder's property and/or rights not needed for the achievement of the public purpose. Any such complaint must be filed with the court within the time provided by Article 35 of the present law.

CHAPTER IV
TRANSFERS OF EXPROPRIATED PROPERTY TO A BENEFICIARY

Article 14
Transfers of Expropriated Property to a Beneficiary; Allocation of Costs

1. If the Government intends to expropriate surface rights to enable the holder of a license or permit issued by the ICMM to exercise the holder's rights under such license or permit, the Government shall first require such holder to execute a written commitment to pay the required compensation to the expropriated person(s). The Government shall conclude the Expropriation Process only after the payment of such compensation by the licensee or permit holder. The Government shall then grant a right of use over the concerned property to the concerned licensee or permit holder. The scope and duration of such right of use shall be reasonably related to enabling the licensee or permit holder to exercise its rights under the concerned license or permit.
2. If the Government expropriates property under paragraph 3 of Article 4 of the present law for the purpose of enabling the implementation of an Infrastructure Contract awarded by a Tendering Body, the Government may sell, lease, grant, assign or transfer a right of use and/or management over such property to the concerned contractor or Public-Private Partnership. The concerned contractor or Public-Private Partnership shall be required to bear the cost of the expropriation and to pay all required expropriation compensation unless:
 - 2.1. the concerned contract contains one or more provisions specifically providing for another allocation of such expropriation costs/compensation; and
 - 2.2. such provision(s) were clearly contained in the contract when it was put out for tender. If an Infrastructure Contract is awarded by a Tendering Body, and such contract has as one of its objects – but not as its exclusive object - the award of a right to acquire a license or permit from the ICMM, this paragraph 2, and not paragraph 1, of this Article, shall govern the allocation and payment of any costs related to the expropriation of necessary surface rights.
3. If necessary to accomplish the legitimate public purpose for which a piece of property was expropriated by the Government under items 3.1 or 3.3 of Article 4 of the present law, the Government may sell, lease, grant or transfer a right of use and/or management over such property to any of the following:
 - 3.1. a Central Public Authority;
 - 3.2. a Municipality;
 - 3.3. a POE;
 - 3.4. a Public-Private Partnership;
 - 3.5. a private Person, but only if such private Person:
 - 3.5.1. has been selected in an open transparent and competitive tendering procedure established pursuant to a law of Kosovo and such procedure had as its object, or one of its objects, the award of such right of use or management, or

- 3.5.2. holds a lawfully issued license from the competent Public Authority and the transfer is necessary to enable such Person to exercise its rights under such license.
4. If a POE or a Municipality acquires from the Government a right of use over expropriated property pursuant to item 3.2 or 3.3 of this Article, such POE or Municipality shall be required to pay or reimburse to the Government the cost of the expropriation and all required expropriation compensation.
 5. If a Public-Private Partnership or a private Person acquires from the Government a right of use over expropriated property pursuant to item 3.4 or 3.5 of this Article, such Partnership or Person shall be required to pay or reimburse to the Government the cost of the expropriation and all required expropriation compensation unless a lawful contract that has been duly executed by the Government or another authorized Central Public Authority contains one or more provisions specifically providing for another allocation of the concerned expropriation costs/compensation.
 6. If one of the foregoing provisions of this Article permits the Government to sell, lease, grant, assign or transfer a right of use and/or management to a POE, a Public-Private Partnership or a private Person, the Government may also sell, lease, grant, assign or transfer such a right to any lawful heir, successor, assign or transferee of such POE, Public-Private Partnership or private Person. Furthermore, a POE, Public-Private Partnership or private Person that acquires such a right may freely sell, assign, transfer, hypothecate, mortgage, pledge or otherwise alienate such right, except as may be provided otherwise by contract.
 7. No Expropriating Authority may sell, lease, grant or transfer to a third party any right or interest in expropriated property except as specifically authorized by this Article. Any permitted sale, lease, grant or transfer of a right of use and/or management by an Expropriating Authority shall be set forth in a formal written document, and such document shall be formally approved by a written decision of the concerned Expropriating Authority; such decision shall specify the public purpose justifying such sale, lease, grant or transfer. Such decision shall be published in the Official Gazette within five Business Days after its adoption. Both the document and the decision shall be duly filed in the applicable cadastral records.
 8. It is expressly provided that no right or interest in property expropriated by the Government for a purpose specified in item 3.2 or 3.4 of Article 4 of the present law shall be sold, leased, granted or transferred to any Person other than the concerned Central Public Authority for:
 - 8.1. in the case of property expropriated pursuant to item 3.2 of Article 4 of the present law, a period of ten (10) years following the conclusion of the expropriation; and
 - 8.2. in the case of property expropriated pursuant to item 3.2 of Article 4, a period of fifty (50) years following the conclusion of the expropriation. During the applicable period, no private Person shall be permitted to use or exploit such property; however, as appropriate, public access to such property may be permitted at reasonable times and under reasonable conditions. The responsibility for the supervision and maintenance of such property shall be assigned to the responsible Central Public Authority.

CHAPTER V COMPENSATION

Article 15 Basic Rules Governing the Determination of Amount of Compensation

1. Compensation shall be paid on the basis of the market value of the property as determined in accordance with the further provisions of the present law and the subsidiary legislation issued pursuant to paragraph 6 of this Article.
2. Compensation shall include the compensation of any demonstrable direct damages incurred by the expropriated person due to the expropriation plus the value of the immovable property expropriated, including – if applicable - its accessory parts and fruits.
3. Notwithstanding the foregoing, it is specifically provided that, in determining the amount of compensation owed, the following shall be excluded and not taken into account:
 - 3.1. the cost or value of any improvements to the property, facilities constructed or enlarged on the property, or trees and crops planted on the property after the date on which the publication requirements of paragraph 8 of Article 8 of the present law were fulfilled;
 - 3.2. any changes in the market value of the immovable property occurring after the earlier of the following:
 - 3.2.1. the date of the adoption of the decision authorizing preparatory activities on such property, or
 - 3.2.2. the date of the initial submission of the application for expropriation requesting the expropriation of such property; and
 - 3.3. any changes in the market value of the immovable property occurring prior to the events specified in item 3.2 of this paragraph, if such changes in value can be demonstrated to be attributable to price or market manipulation or speculation by Persons, or their relatives or associates, who were in possession of information about the impending or potential expropriation of the concerned property prior to those events.
4. Except as specifically provided in paragraph 5 of this Article, no compensation shall be owed or paid for the loss of any building or other structure (of any description) if such building or structure was:
 - 4.1. constructed in violation of any applicable law or regulation; and
 - 4.2. was not capable of being legalized under the law of Kosovo applicable on the date of the Final Decision authorizing its expropriation. If, on the date of such Final Decision, an illegally constructed building or structure is capable of being legalized but has not been so legalized, compensation for the loss of such building or structure shall be strictly limited to the documented costs incurred in its construction.
5. As an exception to paragraph 4 of this Article, it is specifically provided that compensation shall be paid for expropriated buildings that were constructed illegally on privately owned immovable property by the owner of such property if, and only if:

- 5.1. on the date actual construction activity commenced, it was impossible for the owner to obtain the necessary construction permit from the concerned Municipal Authority because, as of such date, no urban or spatial plan covering such property had yet been issued; and
- 5.2. in all other respects neither the building nor its construction were in violation of any other law or regulation then applicable. An owner of such a building shall have the burden of proving the date on which actual construction activity commenced and that both the building and its construction did not violate any other law or regulation then applicable.
6. The Ministry of Economy and Finance shall issue subsidiary legislation establishing a detailed methodology for calculating the compensation to be paid for expropriated property and expropriation-related damages. Such subsidiary legislation shall be consistent with:
 - 6.1. the requirements of this Article;
 - 6.2. the requirements of the decisions of the European Court of Human Rights; and
 - 6.3. any principles or guidelines on the calculation of such compensation that have been issued or suggested by international financial organizations. Such subsidiary legislation shall also take into account the valuation standards issued by the Ministry of Economy and Finance pursuant to paragraph 1 of Article 12 of UNMIK Regulation 2003/29 “On Taxes On Immovable Property in Kosovo”.

Article 16 **Payment of Compensation**

1. Except as provided in paragraph 5 of this Article, all compensation shall be paid in Euros or another freely convertible currency.
2. The Expropriating Authority shall pay, or shall require the applicant or anticipated Beneficiary – if any - to pay, the amount of compensation specified in the Final Decision to the affected Owners and Interest Holders. The compensation required by the Final Decision shall be:
 - 2.1. the amount established in the concerned valuation determination plus;
 - 2.2. interest on such amount that has accrued between the effective date of the Final Decision and the date of payment. Such interest shall accrue at a rate of seven percent (7%) simple annual interest and compound annually.
3. If a Person refuses to accept such compensation, it shall be put into a trust account in such Person’s name at the CBK. If a dispute arises regarding the identity of the Person lawfully entitled to receive a payment of such compensation, that amount shall be deposited in a trust account at the CBK for a beneficiary yet to be determined, and the dispute submitted to the competent court for resolution. Any amount put into such a trust account shall be deemed to have been “paid” for the purposes of the present law.
4. If a person files a complaint with the competent court pursuant to Article 36 of the present law challenging the adequacy of the compensation provided for in the Final Decision, and the court issues a judgment requiring the payment of additional

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- compensation, the Expropriating Authority shall pay, or shall require the applicant or anticipated Beneficiary – if any - to pay, such additional compensation.
5. If the Government is the Expropriating Authority, and the achievement of the concerned public purpose requires the expropriation of more than twenty (20) parcels of immovable property, the compensation requirement of the present law may be satisfied by providing any expropriated Person who agrees with:
 - 5.1. immovable property having a value that is equal to the compensation owed;
or
 - 5.2. a combination of cash and immovable property, which together have a value equal to the compensation owed.
 6. The amount of expropriation compensation specified in a Final Decision shall be paid in full within two (2) years from the effective date of the decision. If the required compensation is not paid within such time, the Person to whom such compensation is owed may thereafter file a complaint with the competent court requesting the court to issue an order revoking and canceling such decision.

Article 17

Compensation in the Event of the Termination of a Real Servitude

1. If an expropriation of immovable property results in the termination of a real servitude encumbering such property, the Final Decision shall require the Expropriating Authority to pay reasonable compensation, in an amount determined by the Office of Property Valuation, to the Persons who have been damaged by the loss of such servitude. Such compensation shall be an amount equal to the value of the servitude plus any direct damages caused by the loss of such servitude. Unless an applicable and lawfully awarded contract provides otherwise, the Expropriating Authority may order the Applicant or anticipated Beneficiary – if any – to pay such compensation.
2. If the loss of the servitude negatively affects the value of another parcel of property that had been served by such servitude, the Owner of such other parcel shall have the right to file a complaint under Article 36 of the present law, requesting the competent court to issue a judgment ordering the Expropriating Authority to pay compensation for such loss in value, if and to the extent such compensation is not already provided for in the concerned Final Decision.

Article 18

Compensation in the Event of a Partial Expropriation or the Termination of a Security Interest, a Personal Servitude, a Construction Right, a Right of Preemption, a Usufruct or a Right of Use

1. If, as a result of an expropriation, a personal servitude, construction right, right of preemption, usufruct or right of use on or to the expropriated property is terminated, the Final Decision shall require the Expropriating Authority to pay reasonable compensation, as determined by the Office of Property Valuation, to the Persons who have been damaged by the loss of such servitude or right. Unless an applicable and lawfully awarded contract provides otherwise, the Expropriating

Authority may order the Applicant or anticipated Beneficiary – if any – to pay such compensation.

2. The holder of any lawful security interest in or to expropriated property or rights securing a debt (such as a lien, pledge, mortgage, hypothecation or other security interest) shall be entitled to receive, from the Expropriating Authority, that part of the required expropriation compensation that is sufficient to discharge such debt in full. If the amount of the required expropriation compensation is insufficient to discharge the debt in full, the debtor (and - if applicable - any guarantor of the debt) shall be exclusively liable for the deficiency in accordance with any contract governing the obligations relating to the debt.
3. If a Final Decision authorizes the expropriation of part of a parcel of immovable property and, as a result, the un-expropriated part suffers a loss of value, or can reasonably be expected to suffer a loss of value, the Owner of the un-expropriated part such shall have the right to file a complaint under Article 37 of the present law requesting the competent court to issue a judgment ordering the Expropriating Authority to pay compensation for such loss in value, if and to the extent such compensation is not already provided for in the Final Decision.

Article 19

Compensation in the Event of the Termination of a Lease Contract

1. Subject to the lessor's compliance with the obligation imposed by paragraph 2 of this Article, if, as a result of the expropriation of property, a lease contract with respect to such property is terminated, the Expropriating Authority shall compensate the lessee for any damage incurred due to the termination of such lease contract. Unless an applicable and lawfully awarded contract provides otherwise, the Expropriating Authority may also order the applicant or anticipated Beneficiary – if any – to pay such compensation.
2. If the lease contains one or more provisions giving the lessor the right to terminate the lease with or without cause prior to the lease contract's stated expiration date, the lessor shall, immediately after the effective date of the Final Decision authorizing the expropriation of the concerned property, exercise that right and provide the lessee with any prior notice of termination required by the lease. The adoption of the Final Decision by the Expropriating Authority shall itself be deemed sufficient cause for such termination. Any failure or delay of the lessor to comply with the obligation imposed by this paragraph shall make the lessor, and not the Expropriating Authority, liable for any damages to the lessee resulting from such failure or delay.

Article 20

Temporary Accommodation

In the event of an expropriation of a building or of a specific part of a building that has been lawfully constructed and that is used as a dwelling, the Expropriating Authority shall provide the inhabitants with temporary accommodations for a period of four (4) months following the expiration of the thirty (30) calendar day period provided for in

paragraph 9 of Article 11 of the present law, unless the Applicant or anticipated Beneficiary – if any - and the inhabitants agree otherwise. The Expropriating Authority may fulfill this obligation in whole or in part by allowing the inhabitants to continue to occupy the expropriated building for all or any part of such four (4) month period. Unless an applicable and lawfully awarded contract provides otherwise, the Expropriating Authority may order the Applicant or anticipated Beneficiary – if any – to bear the cost of providing any such temporary accommodation.

CHAPTER VI DETERMINATION OF AMOUNT OF COMPENSATION

Article 21

Competent Authority for the Implementation of the Valuation Procedure

1. The Ministry of Economy and Finance shall establish, within its Department of Property Tax, an Office of Immovable Property Valuation which shall be the competent public authority for valuing any immovable property that is subject to an expropriation procedure by any Expropriating Authority.
2. The Office of Immovable Property Valuation may engage other experts and establish committees to inspect and assist in the valuation of the property to be expropriated. Private experts may be engaged pursuant to a lawful procurement procedure.

Article 22

Valuation of Immovable Property

1. With respect to the valuation of rights in immovable property, the Office of Immovable Property Valuation shall value such property in accordance with the subsidiary legislation issued pursuant to paragraph 6 of Article 15 of the present law. Such valuation shall take into consideration, if available, the most recent valuation of the property made by the Municipality where the property is located pursuant to its obligations under Article 12 of UNMIK Regulation 2003/29 “On Taxes On Immovable Property in Kosovo”.
2. During the valuation process, Owners and Interest Holders shall have the right to submit their written views concerning such valuation to the Office of Property Valuation. All communications between the Office of Property Valuation and any such Owner or Interest Holder, or a Person acting on their behalf, shall be done in writing only, and all such written communications shall be fully subject to the public disclosure requirements of the Law on Access to Official Documents.
3. The Office of Immovable Property Valuation shall issue in writing its final valuation determination within one hundred fifty (150) days after the date it received the application from the Expropriating Authority pursuant to paragraph 6 of Article 8 of the present law. Such determination shall contain:
 - 3.1. the overall valuation of the property being expropriated with a breakdown, if necessary, of the components of such valuation;
 - 3.2. a valuation of any and all other damages required to be paid by the present law;

- 3.3. a description of the specific methodology used to make such valuations;
 - 3.4. an explanation as to how such methodology, and the resulting valuations, comply with the requirements of paragraph 6 of Article 15 of the present law and the subsidiary legislation issued pursuant thereto;
 - 3.5. the details of the Persons to whom compensation is to be paid and the amount of compensation to be paid to each; and
 - 3.6. the details of the Persons, if any, who sought compensation but were determined not to be entitled thereto. This determination shall be provided to the Expropriating Authority, which shall attach it to the Final Decision, if one is adopted.
4. Any Owner or Interest Holder who disagrees with any aspect of the valuation determination shall have, after the effective date of a Final Decision attaching such determination, the right to challenge such valuation determination, in whole or in part, by filing a complaint with the competent court in accordance with Article 36 of the present law.

Article 23

Costs

1. The costs of the valuation procedure shall be borne by the Expropriating Authority. Unless an applicable and lawfully awarded contract provides otherwise, the Expropriating Authority may also order the Applicant or anticipated Beneficiary – if any – to pay such costs.
2. The costs of the valuation procedure shall be the costs incurred by the Office of Immovable Property Valuation in connection with the valuation of the property and the associated rights and interests therein, and the determination of the amount of compensation to be paid to affected Persons. The Office of Immovable Property Valuation shall calculate and determine the amount of such costs and provide a detailed written determination thereof to the Expropriating Authority. If the Applicant or anticipated Beneficiary is required to pay such costs, the Expropriating Authority shall provide this determination to the party that is required to bear the costs.
3. Other costs incurred by the Expropriating Authority in connection with the expropriation procedure (including the costs related to the preparation of documents, the publication of notices, the payment of expert fees, administrative expenses and cadastral fees) shall also be borne by the Expropriating Authority. Unless an applicable and lawfully awarded contract provides otherwise, the Expropriating Authority may also order the Applicant or anticipated Beneficiary – if any – to pay such costs. If the Expropriating Authority requires the Applicant or an anticipated Beneficiary to pay such costs, the Expropriating Authority shall prepare, in writing, a detailed determination of all such costs and provide this determination to the party that is required to bear the costs.
4. If the Applicant or the anticipated Beneficiary, if any, is required to pay any such costs, and such party disagrees with any determination of such costs, such party may demand, within thirty (30) days, that such determination be reviewed by the Expropriating Authority. The Expropriating Authority shall issue a decision in

writing affirming or modifying such determination within ninety (90) calendar days after receiving such demand. Failure of the Expropriating Authority to act within such ninety (90) day period shall be deemed an affirmation of the determination. If the Applicant or anticipated Beneficiary remains dissatisfied with such determination, such party shall have the right to file a complaint with the competent court challenging such decision and/or determination.

CHAPTER VII RENOUNCEMENT OF EXPROPRIATION

Article 24 Renouncement of Expropriation

1. The Applicant may renounce its expropriation request, in whole or in part, at anytime prior to the adoption of a Final Decision on its application by providing a written notice to that effect to the Expropriating Authority. In the event of such a renouncement, the Expropriating Authority shall immediately:
 - 1.1. adopt a decision canceling the expropriation procedure, or the relevant part thereof;
 - 1.2. publish such decision in the Official Gazette and a newspaper enjoying wide circulation in Kosovo, and
 - 1.3. send a copy of such decision to all previously identified Owners and Interest Holders with respect to property that is no longer subject to the expropriation procedure.
2. In the event of a renouncement, the Applicant or the anticipated Beneficiary (if the renouncement was at the anticipated Beneficiary's request) shall:
 - 2.1. reimburse all costs incurred by the Expropriating Authority and the Office of Immovable Property Valuation in conducting the expropriation procedure or – in the event of a partial renouncement – the portion of such costs allocable to the part of the procedure that has been cancelled; and
 - 2.2. reimburse to the Owners and Interest Holders whose property is no longer subject to the expropriation procedure the documented costs and damages incurred as a direct consequence of the expropriation procedure.
3. The Expropriating Authority shall, if necessary to ensure the payment of the costs and damages specified in paragraph 2 of this Article, use the funds covered by a performance bond posted by the Applicant or anticipated Beneficiary under paragraph 4 of Article 8 of the present law.

CHAPTER VIII TRANSFER OF POSSESSION AND OWNERSHIP

Article 25 Possession

The Expropriating Authority, Applicant or Beneficiary (if any), may acquire possession over the expropriated property only after the expiration of the thirty (30) calendar day period provided for in paragraph 9 of Article 11 of the present law.

Article 26
Ownership

1. As required by paragraph 8 of Article 11 of the present law, no change in the ownership or other rights of Persons in or to the property shall be effected or implemented until the Final Decision becomes effective and the compensation specified in the decision has been paid in accordance with Article 16 of the present law. As soon as such conditions have been fulfilled, the relevant cadastral office shall register the property in the name of:
 - 1.1. the concerned Municipality, if the Expropriating Authority is the Expropriating Authority of a Municipality, or
 - 1.2. the Republic of Kosovo, if the Expropriating Authority is the Government.
The cadastral office shall also register any right of use or management sold, leased, transferred or granted pursuant to Article 14 of the present law.
2. Where necessary to effect the expropriation of a part of a parcel of immovable property, the cadastral office shall divide such parcel.
3. Following the registration of the property in the name of the Municipality or the Republic of Kosovo, all pre-existing rights or interests in such property shall be cancelled and the cadastral office shall ensure that such cancellation is reflected in the relevant records. If, however, the expropriation decision specifically indicates that a pre-existing right or interest is to remain in effect, in whole or in part, this cancellation requirement shall not apply thereto.

CHAPTER IX
RETURN OF EXPROPRIATED PROPERTY

Article 27
Return of Expropriated Property

1. A person whose ownership rights in immovable property have been expropriated, shall have the right, which may only be exercised within the ten-year period following the effective date of the Final Decision, to file a complaint with the competent court requesting such court to issue an order re-establishing the person's ownership rights in the concerned property, in whole or in part, if all of the following conditions are present:
 - 1.1. the concerned property was not expropriated by the Government for a purpose specified by, or falling within the scope of item 3.3. of Article 4 of the present law;
 - 1.2. the complainant provides substantial evidence to the court demonstrating:
 - 1.2.1. that the expropriated property, or the relevant part thereof, has been substantially and actively used by the Expropriating Authority or a Beneficiary for a period of three (3) years or more for a purpose that is not a legitimate public purpose or related to a legitimate public purpose; or
 - 1.2.2. that, during the eight-year period following the effective date of the concerned Final Decision, the expropriated property, or the relevant

part thereof, was not actively used for any purpose; provided, however, that this reason may not be invoked as a basis for the return of property if there have been significant measures undertaken during the referenced eight-year period to prepare the property for a use that constitutes a legitimate public purpose; and

- 1.3. the complainant agrees:
 - 1.3.1. to return any and all expropriation compensation paid or provided in connection with the expropriation of the property; and
 - 1.3.2. if that expropriation compensation (or any part thereof) was paid in cash, to pay interest, calculated in accordance with paragraph 2 of Article 16 of the present law, on the amount of that cash compensation for the period beginning on the date it was paid and ending on the date it is returned.
2. The concerned Expropriating Authority, the Applicant or the Beneficiary, if any, shall have the right to contest such a complaint before the court.

Article 28 **Right of First Refusal**

1. Except as provided in paragraph 2 of this Article, during the ten (10) year period following the effective date of the concerned Final Decision, an expropriated Person shall have a right of first refusal if the Expropriating Authority decides to sell or otherwise transfer ownership rights in the property to a private third party for a use that does not constitute a legitimate public purpose.
2. The right of first refusal provided for by paragraph 1 of this Article, shall not apply if the concerned property was expropriated by the Government for a purpose specified by, or falling within the scope of, item 3.3 of Article 4 of the present law.

CHAPTER X **TEMPORARY USE OF IMMOVABLE PROPERTY**

Article 29 **Conditions for Temporary Use**

1. The Government may, by a formal written decision, decide to occupy and temporarily use any privately or publicly owned immovable property if such action:
 - 1.1. is necessary for the implementation of urgent measures required for the protection of life, health, or property or the enforcement or restoration of public order; and
 - 1.2. such measures become necessary because of a force majeure event or because of war, riots, civil unrest or a similar extraordinary event.
2. The temporary occupation and use shall be deemed necessary if there are no other reasonably practical alternatives.

Article 30
Legal Consequences of Temporary Use

1. During the temporary use of the immovable property, the rights of the Owner and any lawful possessor to use the property shall be suspended.
2. The Public Authority designated by the Government to implement the decision on the temporary use of the immovable property (the “implementing authority”) shall be obligated:
 - 2.1. to exercise reasonable care when using the property; and
 - 2.2. to the extent practicable under the circumstances, to avoid or prevent damage to the property.

Article 31
Duration of Use

The temporary occupation and use of the property shall last only so long as this is necessary to implement a measure specified in paragraph 1 of Article 29 of the present law.

Article 32
Compensation

1. The Owner of the immovable property and any other person whose possession or use rights were negatively affected by the temporary use shall have the right to receive reasonable compensation from the Government for the temporary loss of such rights.
2. The average lease rate for immovable property of identical or similar characteristics in the neighborhood of the concerned immovable property shall be used as the basis for determining the amount of compensation owed by Government under paragraph 1 of this Article.
3. In addition, the Owner and any other Person whose property was damaged during such temporary use shall receive reasonable compensation for such damage if such damage was:
 - 3.1. caused by the implementing authority; or
 - 3.2. caused by another Person, third party or natural cause if, and to the extent practicable under the circumstances, such damage was reasonably avoidable or preventable by the implementing authority.

Article 33
Decision

1. The decision on the temporary use of immovable property may be made by the Government on its own initiative or upon the request of another Public Authority.
2. If such a request is submitted by another Public Authority, the Government shall issue its written decision on such a request within three (3) days after the request is received.

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3. A request submitted by another Public Authority shall contain the following:
 - 3.1. complete and detailed information about such Public Authority;
 - 3.2. the precise location of the immovable property that is proposed for temporary use;
 - 3.3. a detailed explanation of the reasons for the request;
 - 3.4. an estimate as to the expected duration of the temporary use; and
 - 3.5. a detailed estimate of the amount of compensation that will be owed by the Government at the conclusion of the temporary use;
4. If the Government approves the request, the Government's written decision required by paragraph 2 of this Article shall contain the following:
 - 4.1. the identity of the Public Authority responsible for implementing the decision;
 - 4.2. the precise location of the immovable property that is the subject of the decision;
 - 4.3. the reasons for the decision and the duration of the authorized temporary use of the immovable property; and
 - 4.4. the amount of compensation to be paid for its use.
5. The duration of the temporary use of the immovable property may be extended by another written decision of the Government if the implementing authority submits a request for such an extension that satisfies the requirements of paragraph 3 of this Article and if the extension is justified by a reason specified in paragraph 1 of Article 29 of the present law.
6. Any decision on temporary use adopted by the Government shall become effective on the day of its adoption and shall be published within five (5) Business Days in the Official Gazette.

Article 34 Return of Immovable Property

Upon the expiration of the time limit set out in a Government decision authorizing the temporary use of property, the implementing authority shall have no right or authority to use the immovable property. The implementing authority shall immediately remove all installations and facilities established on or under the immovable property during the time of its use, unless otherwise agreed with the Owner and – if applicable – any other Person having a lawful right to use or possess the immovable property.

CHAPTER XI LEGAL REMEDIES

Article 35 Complaints Challenging a Preliminary Decision on the Legitimacy of a Proposed Expropriation

1. If a Person is an Owner or an Interest Holder with respect to immovable property that is the subject of an expropriation procedure, and such Person reasonably believes that the concerned Preliminary Decision – or any aspect thereof - is

- contrary to one or more of the conditions established in paragraph 1 of Article 4 of the present law, such Person shall have the right to file a complaint with a court of competent jurisdiction challenging such Preliminary Decision, in whole or in part.
2. If the Expropriating Authority is the Expropriating Authority of a Municipality, the complaint shall be filed with the concerned municipal court. If the Expropriating Authority is the Government, the complaint shall be filed with the Supreme Court of Kosovo.
 3. Any such complaint must be filed within thirty (30) calendar days after the effective date of the concerned Preliminary Decision as specified in paragraph 5 of Article 10 of the present law. If such a complaint is filed after the expiration of such thirty (30) calendar day period it shall be rejected by the court.
 4. Within five (5) calendar days after filing such a complaint, the complainant shall ensure that five (5) accurate and complete copies of such complaint (including any attachments or documents filed therewith) are delivered by hand to the legal office of the concerned Expropriating Authority. If the complainant fails to comply with this requirement, the court shall reject the complaint.
 5. The Expropriating Authority shall have forty-five (45) days after receiving the copies required by paragraph 4 of this Article to file its response with the court.
 6. Immediately after receiving the response of the Expropriating Authority, the court shall:
 - 6.1. handle the entire case as a matter of extreme urgency;
 - 6.2. shall prioritize such case over all other matters being handled by the court;
 - 6.3. shall issue its judgment on the case within ninety (90) calendar days after receiving the Expropriating Authority's response; and
 - 6.4. shall schedule all proceedings in the case in a manner that will enable the court to issue its judgment within such ninety (90) calendar day period.
 7. If the court determines that the Preliminary Decision, or an aspect thereof, fails to satisfy one or more of the conditions specified in paragraph 1 of Article 4 of the present law, the court may:
 - 7.1. issue a judgment requiring the Expropriating Authority to terminate the expropriation procedure in its entirety, if the court determines that the entire procedure does not satisfy one or more of the conditions specified in paragraph 1 of Article 4 of the present law; or
 - 7.2. issue a judgment requiring the Expropriating Authority to modify the Preliminary Decision and the scope of the expropriation procedure to exclude certain property and/or rights if the court determines that the expropriation of such property and/or rights would be contrary to one or more of the conditions specified in paragraph 1 of Article 4 of the present law.
 8. The Expropriating Authority shall not issue a Final Decision with respect to any property or rights that are the subject of a complaint that has been timely filed under this Article until the court where such complaint was filed issues a judgment on that complaint.
 9. Except as provided in paragraphs 10 and 12 of this Article, a judgment of a court under this Article shall be appealable in accordance with the generally applicable law governing such appeals.

10. Such an appeal must be filed within thirty (30) calendar days after the issuance of the judgment being appealed. Within five (5) calendar days after filing such an appeal, the appellant shall ensure that five (5) accurate and complete copies of such appeal (including any attachments or documents filed therewith) are delivered by hand to other party; if the appellant fails to comply with this requirement, the court shall reject the appeal. The other party shall have thirty (30) days after receiving such copies to file its response.
11. If an appeal is filed by the complainant against a judgment, or any aspect thereof, in favor of the Expropriating Authority, the filing of such appeal shall in no way impair the power or authority of the Expropriating Authority to take any action that is consistent with such judgment, including continuing with the conduct of the expropriation procedure, issuing a Final Decision on the expropriation and implementing such decision. The Expropriating Authority may, at its discretion, also delay the taking of any such action with respect to the property and/or rights that are the subject of such an appeal; in such event, the time period specified in paragraphs 1 and 2 of Article 11 of the present law for the issuance of a Final Decision with respect to such property and/or rights shall be appropriately extended; however the exercise of such discretion by the Expropriating Authority shall not impair its power or authority to take an action specified in the first sentence of this paragraph at any time prior to the issuance of a judgment on such appeal.
12. If the complainant prevails in its appeal, the appellate court shall:
 - 12.1. if the Expropriating Authority has not yet issued a Final Decision with respect to the concerned property and/or rights (or any part thereof), issue a judgment ordering the Expropriating Authority to modify the Preliminary Decision to exclude any property or rights that are not then subject to a Final Decision, if the appellate court determines that the expropriation of such property and/or rights would be contrary to one or more of the conditions specified in paragraph 1 of Article 4 of the present law; and/or
 - 12.2. if the Expropriating Authority has issued a Final Decision with respect to the concerned property or rights (or any part thereof), issue a judgment ordering the Expropriating Authority to pay to the complainant:
 - 12.2.1. the expropriation compensation and damages required by the other provisions of the present law, if such have not already been paid, and
 - 12.2.2. an additional amount that is equal to two (2) times the amount of expropriation compensation required by the present law for any property and/or rights that the appellate court determines were expropriated in violation of paragraph 1 of Article 4 of the present law.
13. If the appeal is filed by the Expropriating Authority against a judgment, or any aspect thereof, in favor of the complainant, the appellate court shall:
 - 13.1. handle such appeal as a matter of extreme urgency;
 - 13.2. shall prioritize such appeal over all appeals being handled by the appellate court;
 - 13.3. shall issue its judgment on the appeal within ninety (90) days after receiving the appeal; and

- 13.4. shall schedule all proceedings in the appeal in a manner that will enable the appellate court to issue its judgment within such ninety (90) day period.

Article 36

Complaints Challenging the Adequacy of Compensation

1. If an Expropriating Authority issues a Final Decision under Article 11 of the present law, any concerned Owner or Interest Holder with respect to property and/or rights expropriated by such decision may file a complaint with a court of competent jurisdiction challenging the amount of compensation and/or damages that such decision provides shall be paid to such Owner and/or Interest Holder.
2. If the Expropriating Authority is the Expropriating Authority of a Municipality, the complaint shall be filed with the concerned municipal court. If the Expropriating Authority is the Government, the complaint shall be filed with the Supreme Court of Kosovo.
3. Any such complaint must be filed no later than thirty (30) calendar days after the effective date of the concerned Final Decision as specified in paragraph 7 of Article 11 of the present law. If such a complaint is filed after the expiration of such thirty (30) day period it shall be rejected by the court.
4. Within five (5) calendar days after filing such a complaint, the complainant shall ensure that five (5) copies of such complaint are delivered by hand to the legal office of the concerned Expropriating Authority. If the complainant fails to comply with this requirement, the court shall reject the complaint.
5. The Expropriating Authority shall have thirty (30) calendar days after receiving the copies required by paragraph 4 of this Article to file its response with the court.
6. If a complaint is filed under this Article, the court shall have the authority to recalculate the amount of compensation and/or damages specified in the concerned decision in accordance with the requirements of the present law. If the court determines that the concerned decision specifies an amount of expropriation compensation and/or damages that is less than or greater than the amount required by the present law, the court shall issue a judgment modifying the Final Decision to adjust the amount of expropriation compensation and/or damages owed to the complainant.
7. A judgment of a court under this Article shall be appealable in accordance with the generally applicable law governing such appeals.
8. Neither the filing of a complaint under this Article, nor the filing of an appeal with respect to a judgment on such a complaint, shall have any effect on the effectiveness of the concerned decision or the power or authority of the Expropriating Authority to continue with the implementation of the concerned decision. The amount of compensation and/or damages specified in such decision shall be paid in accordance with the applicable requirements of the present law; however the payment of such compensation and/or damages shall not prejudice the court's authority under paragraph 6 of this Article to issue a judgment modifying the amount of compensation and/or damages owed. If the court increases the amount of compensation owed, the Expropriating Authority shall pay (or shall order the applicant or Beneficiary to pay) the amount of the increase. If the court

reduces the amount of compensation and/or damages owed, the persons who received excess compensation or damages shall be ordered to return the amount of such excess to the party who paid it.

Article 37

Complaints for Compensation for Damages Arising from a Partial Expropriation

1. If, as provided in paragraph 3 of Article 18 of the present law, a Final Decision authorizes the expropriation of part of a parcel of immovable property and, as a result, the un-expropriated part suffers, or is reasonably expected to suffer, a loss of value, the Owner of the un-expropriated part shall have the right to file a complaint under this Article requesting the competent court to issue a judgment ordering the Expropriating Authority to pay compensation for such loss in value, if and to the extent such compensation is not provided for in the Final Decision.
2. If the Expropriating Authority is the Expropriating Authority of a Municipality, the complaint shall be filed with the concerned municipal court. If the Expropriating Authority is the Government, the complaint shall be filed with the Supreme Court of Kosovo.
3. Any such complaint must be filed no later than thirty (30) calendar days after the effective date of the concerned Final Decision. If such a complaint is filed after the expiration of such thirty (30) day period it shall be rejected by the court.
4. Within five (5) calendar days after filing such a complaint, the complainant shall ensure that five (5) copies of such complaint are delivered by hand to the legal office of the concerned Expropriating Authority. If the complainant fails to comply with this requirement, the court shall reject the complaint.
5. The Expropriating Authority shall have thirty (30) calendar days after receiving the copies required by paragraph 4 of this Article to file its response with the court.
6. A judgment of a court under this Article shall be appealable in accordance with the generally applicable law governing such appeals.

Article 38

Complaints Challenging the Legitimacy of a Decision Authorizing the Temporary Use of Property

1. If a Person is an Owner or an Interest Holder with respect to immovable property that is the subject of a decision issued by the Government authorizing the temporary use of such property, and such Person reasonably believes that the decision does not satisfy the conditions specified in Article 29 of the present law, such Person shall have the right to file a complaint with the Supreme Court of Kosovo challenging such decision.
2. Such a complaint may be filed anytime after the date of the concerned decision until it is no longer in effect.
3. Within two (2) calendar days after filing such a complaint, the complainant shall ensure that five (5) copies of such complaint are delivered by hand to the legal office of the Government. If the complainant fails to comply with this requirement, the court shall reject the complaint.

4. The Government shall have seven (7) calendar days after receiving the copies required by paragraph 3 of this Article to file its response with the court.
5. If such a complaint is filed, the court shall handle the case as a matter of the highest priority and shall issue a decision within thirty (30) days after the filing of the complaint.
6. A judgment of the court under this Article shall be appealable in accordance with the generally applicable law governing such appeals.

Article 39
Other Disputes

1. Complaints and other legal disputes falling within the scope of Article 35, 36, 37 or 38 of the present law shall be handled as provided in those Articles. In the event of a conflict between such an Article and the provisions of the Law on Administrative Procedure or any other procedural law, such Article shall prevail.
2. All other legal disputes relating to an act taken or a decision adopted by a Public Authority under the authority of the present law shall be subject to and governed by the applicable provisions of the Law on Administrative Procedure; provided, however, that any provision of the Law on Administrative Procedure eliminating or unreasonably restricting the right of an affected Person (a Person who has been specifically affected by such an act or decision) to file a complaint with a competent court challenging such act or decision shall be not be applied.

CHAPTER XII
TRANSITIONAL, MISCELLANEOUS AND FINAL PROVISIONS

Article 40
Ongoing Procedures

Expropriation procedures that were initiated prior to the entry into force of the present law shall be governed by the provisions of the law applicable on the day such procedures were initiated. If, as of the date the present law enters into force, compensation has not yet been paid for property or rights expropriated pursuant to expropriation procedures that were initiated within the immediately preceding three (3) year period, the amount of compensation due shall be governed by the present law.

Article 41
Issuance of Sub-normative Acts

1. The Ministry of Economy and Finance shall have the exclusive authority to issue any sub-normative acts that are specifically required by the present law or otherwise necessary for its due and proper implementation.
2. Within sixty (60) days after the promulgation of the present law, the Ministry of Economy and Finance shall establish the Office of Immovable Property Valuation required by Article 21 of the present law.
3. Within one hundred and twenty (120) days after the promulgation of the present

law, the Ministry of Economy and Finance shall promulgate the subsidiary legislation required by paragraph 6 of Article 15 of the present law.

Article 42

Notices and Communications

If a provision of the present law requires that a written notice or other communication be sent to a Person, such requirement shall be satisfied if and when such notice or communication is deposited, properly addressed and postage prepaid, with the official postal service of Kosovo. The notice or communication shall be “properly addressed” if it is addressed to the Person at such Person’s last known address, but only if such information may be readily ascertained from the available cadastral and other official immovable property records in Kosovo, including the records of the Kosovo Property Agency and the most recent property tax records. If such information is not readily ascertainable from such records, the provision requiring such notice or other communication shall be inapplicable with respect to such Person.

Article 43

Publication Requirements

If a provision of the present law requires an Expropriating Authority to publish a decision, notice or other document in the Official Gazette of Kosovo, a newspaper and/or another publication, the Expropriating Authority shall be required to publish such decision, notice or other document in each of the official languages of Kosovo. All official language versions of any such decision, notice or document shall be published simultaneously in the same publication and in the same manner.

Article 44

Interpretation

1. The provisions of the present law shall be interpreted and applied in a manner that complies with the European Convention on Human Rights and Fundamental Freedoms (including the Protocols thereto) as said Convention has been interpreted and applied by the European Court of Human Rights.
2. The present law shall not apply to the Law on the Privatization Agency of Kosovo or any actions taken by the Privatization Agency of Kosovo pursuant to its mandate under such law. The present law shall not be interpreted or applied as limiting or restricting any expropriatory aspect or effect of such law, and the legitimacy of the public purpose justifying such aspect or effect, which is set forth in the preamble of such law, is hereby re-affirmed.

Article 45

Delegation

1. If the Expropriating Authority is the Government, it may delegate to a Ministry or other Central Public Authority the responsibility for:

Law No. 03/L-139 on expropriation of immovable property

- 1.1. implementing and/or defending any aspect of a Preliminary Decision or a Final Decision; and/or
- 1.2. ensuring that the publication and other requirements of the present law applicable to such decision are fulfilled.

Article 46
Repeal of Prior Legislation

The Law on Expropriation (Official Gazette, KSAK 21/78) and all amendments thereto shall be repealed by the present law, and such law shall have no further force or effect except as specifically provided in Article 40 of the present law.

Article 47
Entry into Force

The present law shall enter into force immediately following its promulgation in accordance with Article 80 Of the Constitution.

Law No. 03/L-139
26 March 2009

Promulgated by the Decree No. DL-011-2009, dated 23.04.2009, of the President of Republic of Kosovo, Dr. Fatmir Sejdiu.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / PRISTINA: YEAR IV / No. 52 / 08 MAY 2009

LAW No. 04/L-115
ON AMENDING AND SUPPLEMENTING THE LAWS RELATED
TO THE ENDING OF INTERNATIONAL SUPERVISION
OF INDEPENDENCE OF KOSOVO

Assembly of Republic of Kosovo;

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

Approves

LAW ON AMENDING AND SUPPLEMENTING THE LAWS RELATED
TO THE ENDING OF INTERNATIONAL SUPERVISION
OF INDEPENDENCE OF KOSOVO

Article 1
Purpose

1. The purpose of this Law is to amend and supplement the following laws on ending the International Supervision of Independence of Kosovo:
 - 1.1. Law No. 03/L-121 on the Constitutional Court of the Republic of Kosovo;
 - 1.2. Law No. 03/L-075 on the Establishment of the Office of the Auditor General of Kosovo and the Audit Office of Kosovo;
 - 1.3. Law No.04/L-034 on the Privatization Agency of Kosovo;
 - 1.4. Law No. 03/L-079 on Amending UNMIK Regulation 2006/50 on the Resolution of Claims Relating to Private Immovable Property, Including Agricultural and Commercial Property;
 - 1.5. Law No. 04/L-033 on the Special Chamber of the Supreme Court of Kosovo on Privatization Agency Related Matters;
 - 1.6. Law on amending and supplementing Law No. 04/L-101 on Pension Funds of Kosovo;
 - 1.7. Customs and Excise Code of Kosovo No. 03/L-109;
 - 1.8. Law No. 03/L-222 on Tax Administration and Procedures;
 - 1.9. Law No. 03/L-199 on Courts;
 - 1.10. Law No.03/ L -223 on Kosovo Judicial Council;
 - 1.11. Law No.03/ L -224 on Kosovo Prosecutorial Council;
 - 1.12. Law No. 02/ L -31 on Freedom of Religion in Kosovo;
 - 1.13. Law No. 03/ L -139 on Expropriation of Immovable Property;
 - 1.14. Law No. 03/ L -047 on the Protection and Promotion of the Rights of Communities and their Members in Kosovo;
 - 1.15. Law No. 03/ L -041 on Administrative Municipal Boundaries;

Law No. 04/L-115 on amending and supplementing the laws related to the ending of...

- 1.16. Law No. 03/ L -068 on Education in the Municipalities of the Republic of Kosovo;
- 1.17. Law No. 03/ L -034 on Citizenship of Kosovo;
- 1.18. Law No.03/ L -237 on Population and Housing Census;
- 1.19. Law No. 03/ L -046 on Kosovo Security Force;
- 1.20. Law No. 03/L-082 on Service in the Kosovo Security Force;
- 1.21. Law No. 03/L-033 on Status, Immunities and Privileges of Diplomatic and Consular Missions and Personnel in Kosovo and the International Military Presence and its Personnel.

Article 2

Amending and Supplementing the Law No. 03/L-121 on the Constitutional Court of the Republic of Kosovo (the Law)

1. Article 15 of the basic Law, after paragraph 1 there is added a new paragraph 2 with the following text:
 2. International judges appointed in accordance with the Constitution and this Law shall continue to receive the salary specified in their appointment decision. The Government of Kosovo shall participate in providing funding for international judges for the determined period equivalent to the salary of national judges.
2. Article 55 of the basic Law, paragraph 1 and 2 shall be deleted from the text of the Law and there shall be added a new paragraph as following:
Mandate of international judges appointed in accordance with the Constitution shall continue under the terms and conditions specified in the appointment decision.

Article 3

Amending and Supplementing the Law No. 03/L-075 on the Establishment of the Office of the Auditor General of Kosovo and the Audit Office of Kosovo (the Law)

1. Article 8 of the basic Law shall be reworded with the following text:

Article 8

The Auditor General appointed in accordance with the Constitution and this Law shall continue in his position until the termination of his mandate with the compensation specified in the specific terms of his appointment. The Government of Kosovo shall provide funding in the amount determined in the agreement between the Government of Kosovo and the Office of the Auditor General.

Article 4

Amending and Supplementing the Law No. 04/L-034 on the Privatization Agency of Kosovo (the Law)

1. Article 3 of the basic Law, paragraph 1.12 which defines the International Civilian Representative shall be deleted from the text of the Law.

Civil laws

2. Article 12 of the basic Law, paragraph 3 shall be reworded with the following text:
 3. The Assembly, upon nomination by the Government, shall appoint three (3) international members as Directors of the Board. The Board shall also appoint a citizen of Kosovo as Director of the Executive Secretariat of the Board who shall not be a member of the Board. The Board shall also appoint one of its members, other than the Chairman, to serve as Vice Chairman. The appointment, removal or change in the terms of reference of the Director of the Executive Secretariat shall require the affirmative vote of a majority of the Board Directors. The term of appointment of the international members shall be until 31 August 2014.
3. Article 14 of the basic Law, paragraphs 7 and 9 shall be applicable till the end of mandate of international members of the Board.
4. Article 31 of the basic Law, after paragraph 5 there is added a new paragraph 6 with the following text:
 6. If an international board member appointed in accordance with Article 31(5) resigns from the Board, and, if such resignation or removal takes place before 31 August 2014 he/she shall be substituted by another international.

Article 5

Amending and Supplementing the Law No. 03/L-079 on Amending UNMIK Regulation 2006/50 on the Resolution of Claims Relating to Private Immovable Property, Including Agricultural and Commercial Property (the Law)

1. Article 4 of the basic Law amending Article 5.2 of the Regulation shall be reworded as following:
 - 5.2. The Supervisory Board shall be composed of five (5) members, appointed by the Assembly upon nomination by the Prime Minister.
2. Article 8 of the basic Law amending Article 6.1 of the Regulation shall be reworded with the following text:
 - 6.1. The Executive Secretariat shall have a Director and a Deputy Director who shall be appointed by the Assembly upon the nomination by the Prime Minister.
3. Article 10 of the basic Law amending Article 7.1 of the Regulation shall be reworded with the following text:
 - 7.1. The Commission shall be composed of three (3) members that shall be appointed by the Assembly upon nomination by the President of the Supreme Court of the Republic of Kosovo.
4. Article 13 of the basic Law shall be reworded with the following text:

Article 13

The Assembly, in consultation with the Commission, may establish additional panels of the Commission, members of which shall be appointed based on Articles 7.1 and 7.2.

5. Article 16 of the basic Law amending Article 12.8 of the Regulation shall be reworded as following:

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- 12.8. The Supreme Court of Kosovo shall decide on appeals in a panel of three (3) judges who shall be appointed by the President of the Supreme Court of Kosovo.
6. After Article 27 of the basic Law, there is added a new Article 27A with the following text:

Article 27A

1. The mandate of the three (3) international members of the supervisory Board (including the Chairman), the Director of the Executive Secretariat, two (2) international members of the Committee (including the Chairman) and two (2) international judges in the appeals panels of the Supreme Court appointed in accordance with the Constitution, shall continue under the terms and conditions specified in the appointment decision.
2. International members and judges appointed in accordance with the Constitution and this Law shall continue to receive the salary specified in their terms of their appointment.
3. The Government of Kosovo shall provide funding for the Director of the Executive Secretariat equivalent to the salary of a national member of the Supervisory Board.
4. If an international board member appointed in accordance with the Constitution resigns from his/her position, and, if such resignation or removal takes place before 31 August 2014 he/she shall be substituted by another international nominated by the Prime Minister for the positions of members of the Supervisory Board of the Property Agency and Director of the Executive Secretariat as well as nominated by the President of the Supreme Court for the positions of members of Property Claims Commission and members of the Appeals Panel of the Supreme Court, after consultations with the EUSR.

Article 6

Amending and Supplementing the Law No. 04/L-033 on the Special Chamber of the Supreme Court of Kosovo on Privatization Agency Related Matters (the Law)

1. Article 2 of the basic Law, paragraph 1.3 shall be deleted from the text of the Law.
2. Article 2 of the basic Law, paragraph 1.7 shall be reworded with the following text:
 - 1.7. International judge - every judge of the European Mission for Security and Defense Policies that has been appointed in accordance with this Law.
3. Article 11 of the basic Law, paragraph 2 of the Law shall be reworded with the following text:
 2. Upon entry into force of this law, the Special Chamber shall continue to implement and comply with the principle of compensation instead of physical restitution. When determining the remedy to be awarded in any particular case, the Special Chamber shall also take due account of the applicable provisions of the Law No.04/L-034 on Privatization Agency of Kosovo, including the public purposes as set out in the preamble of that Law.

Article 7

Amending and Supplementing Law No. 04/L-101 on Pension Funds of Kosovo

1. Article 4 of the basic Law, paragraph 4.6 shall be reworded with the following text:
 - 4.6. Selection Committee shall propose candidates to the Assembly for vacancies for the membership or re-appointment of members of the Governing Board. The Selection Committee shall consist of the Governor of CBK-Chairperson, the Auditor General and the Minister of Finance. The term of each appointed Governing Board member shall be three (3) years, with the possibility of reappointment. If the Board Members term has expired and no new member has been appointed, then the existing Board Members will continue their mandate for ninety (90) days.

Article 8

Amending and Supplementing the Customs and Excise Code of Kosovo No. 03/L-109 (the Code)

1. Article 309 of the basic Law which regulates the appointment of General Director of Customs upon consent by the ICR shall be deleted from the text of the Law.
2. Article 1 of Annex D of the Code shall be deleted and reworded with the following text:

Article 1

This Annex provides for special exemptions as defined in this Annex to be granted to religious communities as defined by applicable legislation, including legislation on religious freedoms, in accordance with the Constitution of the Republic of Kosovo.

Article 9

Amending and Supplementing the Law No. 03/L-222 on Tax Administration and Procedures (the Law)

1. Article 1 of the basic Law, paragraph 1.32 which defines the ICR shall be deleted from the text of the Law.
2. Article 8 of the basic Law, paragraph 2 in the third line the word “and ICR” shall be deleted.
3. Article 88 of the basic Law shall be deleted from the text of Law.

Article 10

Amending and Supplementing the Law No. 03/L-199 on Courts (the Law)

1. Article 10 of the basic Law, paragraph 11 shall be reworded with the following text:
 11. If there is no basic court in one of the new municipalities established according to the Law on Administrative Boundaries of Municipalities, the

Law No. 04/L-115 on amending and supplementing the laws related to the ending of...

Municipality, with a decision of the Municipal Assembly, may submit a request to Kosovo Judicial Council (KJC) to decide for the establishment of a basic court in its territory, or for one of existing basic courts in the territory of another municipality to have jurisdiction over the territory of the new municipality. The same right applies for the existing municipality, where majority of population belongs to non-majority community in Kosovo, and where there is no basic court.

- 11.1. KJC shall approve such requests, unless it is considered that caseload for that jurisdiction is insufficient to justify the existence of a separate court.
 - 11.2. When KJC approves a request for establishing a new basic court, the competent authorities shall undertake all necessary measures to ensure that such new court is established and is operational within a period of six (6) months from the date decision is taken.
 - 11.3. If KJC does not approve the request for establishment of a new basic court, or when municipality requests an existing court to have jurisdiction over its territory, the competent authorities shall undertake all necessary measures to improve access of local communities to justice, which is difficult due to geographic isolation, lack of security, or for other relevant factors. These measures may include establishment in the territory of new municipality of a department of existing basic court which was requested by the new municipality to have a jurisdiction over its territory, or that the basic court enables sessions to be held in the territory of new municipality.
2. Article 17 of the basic Law, paragraph 3 shall be reworded with the following text:
 3. The composition of the Court of Appeals shall reflect the ethnic diversity of the Republic of Kosovo and principles of gender equality. In accordance with the Constitution of the Republic of Kosovo and respective applicable legislation and in order to ensure community participation in the judiciary, fifteen percent (15%) of the total seats on the Court of Appeals, but in no case fewer than ten (10) seats, shall be guaranteed to judges from communities that are not in the majority in Kosovo.

Article 11

Amending and Supplementing the Law No. 03/L-223 on the Kosovo Judicial Council (the Law)

1. Article 2 of the basic Law, paragraph 1.2 shall be deleted from the text of the Law.
2. Article 4 of the basic Law, paragraph 1.3 shall be reworded with the following text:
 - 1.3. In order to ensure that courts reflect the ethnic composition of their area of jurisdiction in accordance with Article 104 (3) of the Constitution and the relevant applicable legislation, the Council shall consider filling vacancies or reserving seats for members of the Communities that are not majority in Kosovo.
3. Article 7 of the basic Law shall be reworded with the following text:

Article 7

Mandate of Council members

Council members are elected for a term of five (5) years, as provided in Article 108(6) of the Constitution and this Law. A member may be elected for one additional non-consecutive mandate of five (5) years.

4. Article 16 of the basic Law, paragraph 3 shall be reworted with the following text:
 3. In accordance with Article 104(3) of the Constitution, the Council shall implement targeted recruitment actions and other measures that it considers necessary and appropriate to ensure that a court or a court branch reflects the ethnic composition of their area of jurisdiction.
5. Article 17 of the basic Law, paragraph 1 shall be reworted as following:
 1. The Kosovo Judicial Council shall take necessary measures to increase the number of judges from communities that are not in the majority in Kosovo among judges serving in Kosovo. To fulfill its responsibilities, the Council shall, inter alia, give preference, among equally qualified applicants to serve as judges, to members of Communities that are not in the majority in Kosovo as provided for in Article 108 of the Constitution.
6. Article 17 of the basic Law, after paragraph 5, there shall be added three new paragraphs 6, 7 and 8 with the following text:
 6. The Kosovo Judicial Council shall develop a special regulation to outline the process of appointment and reappointment of judges from communities that are underrepresented among judges serving in Kosovo.
 7. Preference given to equally qualified applicants from under-represented communities shall be applicable for as long as the percentage of judges of non-majority communities in Kosovo is under fifteen percent (15%) and/or far as long as percentage of judges who are members of Serbian community in Kosovo is under eight percent (8%).
 8. The mandate of two (2) international members of the Council appointed in accordance with the Constitution shall continue under the terms and conditions specified in the appointment decision. International members appointed in accordance with the Constitution and this Law shall continue to receive their salaries.
9. Article 52 of the basic Law shall be deleted from the text of the Law.

Article 12

Amending and Supplementing the Law No. 03/L-224 on the Kosovo Prosecutorial Council (the Law)

1. Article 2 of the basic Law, paragraph .1.7 shall be deleted from the text of the Law.
2. Article 4 of the basic Law, paragraph 1.3 shall be reworted with the following text:
 - 1.3. Ensuring that prosecution offices reflect the ethnic composition of their area of jurisdiction in accordance with Articles 109(4) and 110(3) of the Constitution.
3. Article 17 of the basic Law, paragraph 3 shall be reworted with the following text:

Law No. 04/L-115 on amending and supplementing the laws related to the ending of...

3. The Council shall implement recruitment actions and other measures that it considers necessary to ensure that a prosecution office reflects the ethnic composition of its area of respective jurisdiction.
4. Article 17 of the basic Law, after paragraph 3 there is added a new paragraph 4 with the following text:
 4. The Council shall develop a special regulation to outline the process of appointment and reappointment of prosecutors from Kosovo communities that are currently underrepresented among prosecutors serving in Kosovo.
5. Article 18 of the basic Law, paragraph 1 shall be reworded with the following text:
 1. The Council shall take necessary measures in order to increase the number of prosecutors from non-communities in Kosovo. The Council shall give preference, among equally qualified applicants to serve as prosecutors to members of Communities that are underrepresented in Kosovo as provided in Articles 109(4) and 110(3) of the Constitution.
6. Article 18 of the basic Law, after paragraph 5, there is added a new paragraph 6 with the following text:
 6. Preference given to equally qualified applicants from under-represented communities shall be applicable for as long as the percentage of prosecutors of non-majority communities in Kosovo is under fifteen percent (15%) and/or for as long as percentage of prosecutors who are members of Serb community in Kosovo is under eight percent (8%).

Article 13

Amending and Supplementing the Law No. 02/L-31 on Freedom of Religion in Kosovo (the Law)

1. First part of preamble of the Law shall be reworded with the following text:
Based on Article 65 (1) and in compliance with transitional and final provisions of Chapter XIII and XIV of the Constitution of Republic of Kosovo.
2. After Article 7 of the basic Law, a new Article 7A shall be added with the following text:

Article 7A

Status of the Serbian Orthodox Church

1. The Serbian Orthodox Church in Kosovo shall be considered as an integral part of the Serbian Orthodox Church (SOC).
2. The name and the internal organization of the Serbian Orthodox Church, including its hierarchy and activities shall be respected.
3. There will be no arbitrary prohibition of entry in Kosovo, or residence within Kosovo for priests, candidates for priesthood, monks, nuns and visitors.
4. Article 7 of the basic Law paragraph 7.3 words “**establish and**”, shall be deleted from the text of the Law.
5. Article 8 of the basic Law, paragraph 1 shall be reworded with the following text:
 1. Buildings and premises belonging to religious communities dedicated to the

performance of religious ceremonies are considered inviolable with regard to governmental authorities' intervention and they shall be entered only upon consent of the respective religious institution, unless a judicial order is issued due to illegal activities or in the case of imminent danger to life or health.

6. Article 12 of the basic Law, after paragraph 12.4, a new paragraph 12.5 shall be added with the following text:

12.5. In addition to the aforementioned exemptions, religious communities enjoy customs duty and tax privileges for economic activities, specific to their financial self-sustainability, as will be defined in the sub-legal law to be issued by the Minister of Finance. Such privileges shall cover import and purchase of relevant products, materials, tools and livestock; and export of products resulting from the above mentioned activities.

Article 14

Amending and Supplementing the Law No. 03/L-139 on Expropriation of Immovable Property (the Law)

1. Article 2 of the basic Law paragraph 1. definition “**the Comprehensive Status Proposal**” shall be deleted from the text o the law.
2. Article 3 of the basic Law, paragraph 3 shall be reworded with the following text:
 3. The object of an expropriation within the scope of this law may be private ownership and other private rights in or to immovable property, with the exception of rights in or to immovable property that falls with a class of property that the Constitution specifically provides, shall not be subject to expropriation.
3. Article 3 of the basic Law, paragraph 3, a new sub-paragraph 3.1. shall be added with the following text:
 - 3.1. Movable and immovable property and other asset of the Serbian Orthodox Church shall be indefensible and shall not be subject to expropriation.

Article 15

Amending and Supplementing the Law No. 03/L-047 on the Protection and Promotion of the Rights of Communities and their Members in Republic of Kosovo (the Law)

1. After Article 3 of the basic Law, a new Article 3.A shall be added with the following text:

Article 3A

Rights of Refugees and Internally Displaced Persons

1. All refugees from Kosovo and internally displaced persons shall have the right to return and claim their property and personal possessions in accordance with national and international laws. Each individual shall have the right to make a free decision and to be informed about his/her place of return.
2. Institutions of the Republic of Kosovo shall take all necessary measures to facilitate and to create favourable atmosphere conducive to the safe and dignified return of refugees and displaced persons, based upon 'their free and informed

- Law No. 04/L-115 on amending and supplementing the laws related to the ending of... decisions, including efforts to promote and protect their freedom of movement and protection from intimidation.
3. Conditions for return of displaced persons and mechanisms of cooperation with relevant international institutions shall be defined by the institutions of Republic of Kosovo in accordance with the Constitution and applicable laws.

Article 16
**Amending and Supplementing the Law No. 03/L-041 on Administrative
Municipal Boundaries (the Law)**

1. Article 7 of the basic Law, paragraph 3 shall be reworded with the following text:
 3. The Board shall consist of eleven (11) members, with five (5) representatives selected by each municipality, and one (1) representative selected by the Prime Minister.
2. Article 7 of the basic Law paragraph 4 shall be reworded with the following text:
 4. The Chairman of Board shall be appointed by the Prime Minister.
3. Article 14 of the basic Law the term “**the ICR will undertake**” shall be deleted and replaced by the term: “**undertakes**”.
4. In Annex 1 (Cadastral Zone) of the Law, denomination of municipality Hani i Elezit in Serbian and English language shall change as follows: Elez Han.

Article 17
**Amending and Supplementing the Law No. 03/L-068 on Education in the
Municipalities of the Republic of Kosovo (the Law)**

1. Article 13 of the basic Law, paragraph 1, sub-paragraph (c) shall be reworded with the following text:
 - (c) One (1) member, selected by Prime Minister.
2. Article 14 of the basic Law, paragraph (b), sub-paragraph (iv) shall be reworded with the following text:
 - (iv) One (1) member, selected by Prime Minister.

Article 18
**Amending and Supplementing the Law No. 03/L-034 on Citizenship of Kosovo
(the Law)**

1. The title of Article 29 of the basic Law shall be reworded with the following text:

Article 29
Registration and Determination of Citizenship

Article 19
**Amending and Supplementing the Law No. 03/L-237 on Population and Housing
Census (the Law)**

1. Article 12 of the basic law, paragraph 4.12. shall be reworded with the following text:
 - 4.12. One (1) representative from Public Universities, member;

Article 20
Amending and Supplementing the Law No. 03/L-046 on the Kosovo Security Force (the Law)

1. Article 9 of the basic Law paragraph 3 shall be reworded with the following text:
 3. The Kosovo Security Force is structured and prepared to fulfill security functions not appropriate for the police or other law enforcement organizations.
2. Article 10 of the basic Law, paragraph 2 shall be reworded with the following text:
 2. The Kosovo Security Force shall be lightly armed and shall not have heavy weapons, such as tanks, heavy artillery or offensive air capability. A full review of these limits shall be conducted not earlier than five (5) years from the date this Law No.03/L-046 on Kosovo Security Force enters into force. The initial tasks of the Kosovo Security Force shall be:
3. Article 4 of the basic Law, paragraph 2, item (e) shall be deleted from the text of the Law.

Article 21
Amending and Supplementing the Law No. 03/L-082 on Service in the Kosovo Security Force (the Law)

1. Article 5 of the basic Law shall be deleted from the text of the Law.

Article 22
Amending and supplementing the Law No. 03/L-033 on the Status, Immunities, and Privileges of Diplomatic and Consular Missions and Personnel in Kosovo and of the International Military Presence and its Personnel

1. Article 3 of the basic Law, paragraph 2, item (a) shall be reworded with the following text:
 - (a) International Civilian Office and Special Representative of the European Union.
2. Article 3 of the basic Law paragraph 3 shall be reworded with the following text:
 - 3.3. Individuals appointed by the International Civilian Representative, pursuant to the Comprehensive Proposal on Kosovo Status Settlements, dated 26 March 2007, whose mandate has not been terminated before the ending of supervised independence shall enjoy the status, privileges and immunities as defined under the basic Law.
3. Article 4 of the basic Law paragraph 6 shall be reworded with the following text:
 - 4.6. Minister of Foreign Affairs may not declare the EUSR or a member of his personnel, members of the ICO personnel, including individuals defined under Article 3.3 of the basic Law or members of EULEX mission, persona non grata.
4. Article 4 of the basic Law, paragraph 7 shall be deleted from the text of the Law.

Article 23

1. All international members appointed by the International Civilian Representative, in compliance with the Constitution of Republic of Kosovo, with the exception of Privatization Agency of Kosovo, Kosovo Property Agency, international judges of the Appeals Panel of the Supreme Court and two judges of the Property Claims Commission, if for any reason they leave their positions before 31 August 2014, they shall be replaced by a local member.
2. If any of the applicable laws in the Republic of Kosovo uses terms ICO or ICR, the same shall be abrogated and replaced with respective local institutions.

II. FINAL PROVISIONS

Article 24

Entry into force

This Law shall enter into force upon entry into force of Constitutional amendments on ending international supervision of independence.

Law No. 04/L-115
31 August 2012

Promulgated by Decree No.DL-036-2012, dated 04.09.2012, President of the Republic of Kosovo Atifete Jahjaga.

**OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / No. 25 / 07
SEPTEMBER 2012, PRISTINA**

**LAW No. 03/L-205
ON AMENDING AND SUPPLEMENTING LAW NO. 03/L-139 ON
EXPROPRITATION OF IMMOVABLE PROPERTY**

The Assembly of Republic of Kosovo;

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

Approves:

**LAW ON AMENDING AND SUPPLEMENTING LAW NO. 03/L-139
ON EXPROPRITATION OF IMMOVABLE PROPERTY**

**Article 1
The purpose**

The purpose of this law is to amend and supplement the Law no.03/L-139 on Expropriation of Immovable Property in order to improve its implementation and to explain the implementation in relation to immovable property which was socially owned property on or after 22 March 1989.

**Article 2
Amendments and supplements in the Law on Expropriation of Immovable
property**

1. The following amendments shall be made in the Law no.03/L-139 “on Expropriation of Immovable Property”:
 - 1.1. In paragraph 1 Article 9, the word “thirty (30)” is replaced with “ten (10)”.
 - 1.2. Sub-paragraph 1.2 of paragraph 1 Article 10 is deleted and reworded as the following:
 - 1.2. include in such Preliminary Decision a notice advising any Person who is an Owner or Interest Holder with respect to property that is affected by the Preliminary Decision and who has good reason to believe that the Preliminary Decision is contrary to one or more of the conditions specified in paragraph 1 of Article 4 of this law of their right to file a complaint with the competent court under Article 35 of this law challenging such decision, or any aspect thereof, within the thirty (30) day period following the effective date of such Preliminary Decision; and”
 - 1.3. Paragraph 1 Article 11 shall be deleted and replaced as the following:
1. The Expropriating Authority shall adopt a Final Decision approving or rejecting an expropriation application, whether in whole or in part, only during the twelve-

month period that begins on the date occurring fifteen (15) days after the effective date of the Preliminary Decision. This twelve-month period shall be referred to as the "Final Decision Period". The Final Decision Period shall be subject to extension in accordance paragraph 2 of this Article. If the application covers more than one parcel of property, the Expropriating Authority may issue one or more Final Decisions, with each such Final Decision covering one or more of the concerned parcels.

- 1.4. The last sentence of paragraph 2 Article 11 shall be deleted and replaced with the following:

If an appeal is filed, the Final Decision Period shall be further extended by the number of days occurring between the date on which the original judgment is issued and the date on which the appeal is decided.
- 1.5. Paragraph 9 of Article 11 shall be deleted and replaced with the following:
9. Persons owning or possessing the concerned property shall not be required to vacate or surrender such property until:
 - 9.1. in the case of a building that is actively being used for residential or business purposes, twenty (20) calendar days have passed from the date on which the compensation specified in the Final Decision has been paid in accordance with Article 16 of this law; or
 - 9.2. in the case of any other property, ten (10) calendar days have passed from the date on which the compensation specified in the Final Decision has been paid in accordance with Article 16 of this law.
- 1.6. The text of Article 25 shall be deleted and replaced with the following:

The Expropriating Authority, Applicant or Beneficiary (if any), may take possession of the expropriated property only after the expiration of the applicable period specified in paragraph 9 of Article 11 of this law.
- 1.7. Paragraphs 3-13 of Article 35 shall be deleted and replaced with the following paragraphs 3-15:
3. Any such complaint must be filed with the competent court within fifteen (15) calendar days after the effective date of the concerned Preliminary Decision as specified in paragraph 5 of Article 10 of this law. On the same day that the complainant files the complaint with the court, the complainant shall also immediately and directly deliver five (5) accurate and complete copies of such complaint (including any attachments and documents filed therewith) to the legal office of the concerned Expropriating Authority. If the requirements of this paragraph are not fulfilled, the court shall reject the complaint.
4. If the requirements of paragraph 3 have been fulfilled, the court shall immediately review the concerned complaint and, on its own initiative, issue a decision rejecting the complaint, or any part thereof, if the court determines that the complaint or the concerned part concerns an issue that is not clearly and directly related to the compliance of a Preliminary Decision with the conditions specified in paragraph 1 of Article 4 of this law. The court shall provide a copy of any such decision to the complainant and the concerned Expropriating Authority.
5. The Expropriating Authority shall have fifteen (15) days after receiving the copies required by paragraph 3 to file its response with the court. The Expropriating Authority shall not be required to file a response to any complaint, or any part of a

- complaint, that has been rejected by the court pursuant to paragraph 3 or 4 of this Article.
6. Immediately after receiving the response of the Expropriating Authority, the court shall:
 - 6.1. handle the entire case as a matter of extreme urgency;
 - 6.2. prioritize such case over all other cases and matters pending before the court;
 - 6.3. issue its judgment on the case within thirty (30) calendar days after receiving the Expropriating Authority's response; and
 - 6.4. schedule all proceedings in the case in a manner that will enable the court to issue its judgment within such thirty (30) calendar day period."
 7. If the court determines, within the thirty (30) day period specified in sub-paragraph 6.3 paragraph 6 of this Article, that the Preliminary Decision, or an aspect thereof, fails to satisfy one or more of the conditions specified in paragraph 1 of Article 4 of this law, the court may:
 - 7.1. issue a judgment requiring the Expropriating Authority to terminate the expropriation procedure in its entirety, if the court determines that the entire procedure does not satisfy one or more of the conditions specified in paragraph 1 of Article 4 of this law; or
 - 7.2. issue a judgment requiring the Expropriating Authority to modify the Preliminary Decision and the scope of the expropriation procedure to exclude certain property and/or rights if the court determines that the expropriation of such property and/or rights would be contrary to one or more of the conditions specified in paragraph 1 of Article 4 of this law.
 8. If the court fails to actually issue a judgment within the thirty (30) day period specified in subparagraph 6.3 paragraph 6 of this Article, the court shall be deemed – as a matter of law - to have issued a judgment rejecting the complaint in its entirety immediately upon the expiration of such thirty (30) day period.
 9. The Expropriating Authority shall not issue a Final Decision with respect to any property or rights that are the subject of a complaint that has been timely filed under this Article until the court where such complaint was filed issues a judgment on that complaint or is deemed, under paragraph 8 of this Article, to have issued such a judgment.
 10. Except as provided in paragraphs 11, 13 and 14 of this Article, any judgment on - or rejection of - a complaint by a court under the previous paragraphs of this Article shall be appealable in accordance with the generally applicable law governing such appeals.
 11. Such an appeal must be filed within fifteen (15) days calendar days after the issuance of the judgment being appealed. On the same day that the appellant files its appeal with the court, the appellant shall also immediately and directly deliver five (5) accurate and complete copies of such appeal (including any attachments and documents filed therewith) to the other party. If the requirements of this paragraph are not fulfilled, the appellate court shall reject the appeal. The other party shall have fifteen (15) days after receiving such copies to file its response.
 12. The filing of an appeal shall in no way impair the power or authority of the Expropriating Authority to take any action that is consistent with the judgment

Law No. 03/L-205 on amending and supplementing Law No. 03/L-139 on expropriation of...

being appealed, including – if such action is consistent with such judgment - continuing with the conduct of the expropriation procedure, issuing one or more Final Decisions on the expropriation and implementing such decision(s).

13. Upon receipt of such an appeal, the appellate court shall:
 - 13.1. handle the entire case as a matter of extreme urgency;
 - 13.2. prioritize such case over all other cases and matters pending before the court;
 - 13.3. issue its judgment on the appeal within thirty (30) calendar day period following the date on which it received the other party's response or the date on which the fifteen (15) day period for filing a response expires, whichever occurs earlier; and
 - 13.4. schedule all proceedings in the case in a manner that will enable the court to issue its judgment within such thirty (30) calendar day period.”
2. Article 35 of the law in force, two new paragraphs 14 and 15 are added as following:
14. If the appeal has been filed by the complainant and the complainant prevails on such appeal, the appellate court shall:
 - 14.1. if the Expropriating Authority has not yet issued a Final Decision with respect to the concerned property and/or rights (or any part thereof), issue a judgment ordering the Expropriating Authority to modify the Preliminary Decision to exclude any property or rights that are not then subject to a Final Decision, if the appellate court determines that the expropriation of such property and/or rights would be contrary to one or more of the conditions specified in paragraph 1 of Article 4 of this law; and/or
 - 14.2. if the Expropriating Authority has issued a Final Decision with respect to the concerned property or rights (or any part thereof), issue a judgment ordering the Expropriating Authority to pay to the complainant:
 - 14.2.1. the expropriation compensation and damages required by the other provisions of this law, if such have not already been paid, and
 - 14.2.2. an additional amount that is equal to two (2) times the amount of expropriation compensation required by this law for any property and/or rights that the appellate court determines were expropriated in violation of paragraph 1 of Article 4 of this law.
15. If the competent court determines that no aspect of a complaint or an appeal filed under this Article has a reasonable basis in fact or in law, and that the Person filing such complaint or appeal knew or should have known that the complaint or appeal was without any reasonable factual or legal basis, the court may require such Person to pay the costs and other damages incurred by the other party as a consequence of the filing of such complaint or appeal.
 - 1.8. Paragraph 7 of Article 36 shall be deleted and replaced with the following:
 7. A judgment of a court under this Article shall be appealable in accordance with the applicable law governing such appeals.
 - 1.9. Paragraph 6 of Article 37 shall be deleted and replaced with the following:
 6. A judgment of a court under this Article shall be appealable in accordance with the applicable law governing such appeals.
 - 1.10. Paragraph 6 of Article 38 shall be deleted and replaced with the following:

6. A judgment of a court under this Article shall be appealable in accordance with the applicable law governing such appeals.”
- 1.11. A new paragraph 3 at the end of Article 44 is added as following:
 3. With respect to any immovable property that comprised socially owned property on or after 22 March 1989:
 - 3.1. if the requirements of paragraph 1 of Article 4 are fulfilled, the Government may expropriate such property or, if the property is then under the administration of a public authority, remove such property from the administration of such public authority and use such property to accomplish the concerned public purpose;
 - 3.2. any such expropriation or removal of property from the administration of a public authority shall be subject to the procedural and other provisions of this law governing the expropriation of immovable property. In particular, the amount of required compensation shall be determined in accordance with this law; and
 - 3.3. if the property has been removed from the administration of the Privatization Agency of Kosovo, the amount of such required compensation shall be paid to PAK. PAK shall hold such compensation in trust for the satisfaction of any applicable employee entitlements and owner and creditor claims with respect to the concerned property. The distribution of such compensation – including, if applicable, the return of any surplus to the Government – shall be subject to the same laws and rules as are applicable to distribution of other funds held in trust by PAK.

Article 3 Final Provisions

1. A consolidated text of the Law No.03/L-139 including amendments defined in Article 2 of this law shall be prepared and published in Official Gazette together with this law. The consolidated text of the Law No.03/L-139 immediately after the title shall include words” with amendments and supplements dated”, and continues with the date of entry into force of this law.
2. This law shall enter into force immediately following its promulgation in accordance with Article 80 of the Constitution of Republic of Kosovo.

**Law No. 03/L-205
28 October 2010**

Promulgated by Decree No. DL-075-2010, dated 17.11.2010, Acting President of the Republic of Kosovo, Dr. Jakup Krasniqi.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / PRISTINA: YEAR V / No. 91 / 10 DECEMBER 2010

**LAW No. 03/L-139
ON EXPROPRIATION OF IMMOVABLE PROPERTY
WITH AMENDMENTS AND SUPPLEMENTS MADE ON THE LAW NO.03/L-205
DATED 28 OCTOBER 2010**

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The Assembly of Republic of Kosovo;

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

Approves:

**LAW ON EXPROPRIATION OF IMMOVABLE PROPERTY
WITH AMENDMENTS AND SUPPLEMENTS MADE ON THE LAW NO.03/L-205
DATED 28 OCTOBER 2010**

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Purpose of Law**

1. This law sets out:
 - 1.1. the rules and conditions under which the Government or a Municipality may expropriate a Person's ownership or other rights in or to immovable property;
 - 1.2. the rules and conditions under which the Government may authorize the temporary seizure and use of immovable property;
 - 1.3. the procedures governing the conduct of such an act of expropriation or seizure;

- 1.4. the rules and procedures that shall be used in determining the amount and payment of compensation for such an expropriation or seizure; and
- 1.5. other provisions governing ancillary matters related to such an expropriation or seizure.

Article 2

Definitions

1. For the purpose of interpreting and applying this law, the following defined terms shall – whenever used in this law - have the indicated meaning unless the context within which such term appears clearly intends another meaning:

“Applicant” shall mean a Public Authority, POE or other Person identified in paragraph 3 of Article 7 of this law that submits an expropriation application to an Expropriating Authority for the expropriation of property. If the Expropriating Authority is acting on its own initiative, it shall be deemed to be the applicant.

“Beneficiary” shall mean the Person or Public Authority that, in accordance with Article 14 of this law, receives a right of use and/or management over expropriated property from the concerned Expropriating Authority.

“Business Day” shall mean any day that is not a Saturday or a Sunday or an official holiday in Kosovo.

“Central Public Authority” means any Public Authority that is not a Municipal Public Authority.

“Comprehensive Proposal” means the Comprehensive Proposal for the Kosovo Status Settlement dated 26 March 2007.

“Expropriating Authority” shall mean a Municipality or the Government having the authority to expropriate property under Article 4 of this law.

“Expropriation” shall mean any act by an Expropriating Authority that involves (i) the taking of any lawful right or interest held or owned by a Person in or to immovable property, or (ii) the compulsory establishment or creation of any servitude or other right of use over immovable property; provided, however, that the term “Expropriation” shall not apply to lawful actions taken by a public authority to enforce a lien on immovable property that has arisen under, or been established pursuant to, another law or a written contract.

“Final Decision” shall mean a decision adopted by an Expropriating Authority pursuant to the requirements of Article 11 of this law.

“Immovable Property” shall include (i) land, (ii) buildings or specific parts of a building constructed on, above or under the land surface (iii) any fixtures and accessory parts that have been permanently attached to land or a building and that cannot, without unreasonable or uneconomic effort, be removed, and (iv) any unsevered fruits attached to such land.

“ICMM” shall mean the Independent Commission for Mines and Minerals.

“Infrastructure Contract” means a contract for the construction, enlargement, establishment or placement of significant works, infrastructure and/or facilities that promote the general economic and/or social welfare of Kosovo, and includes – but is not limited to – an agreement establishing a Public-Private Partnership.

“Interest Holder” shall mean and include any Person holding a specific lawful

interest, other than an ownership interest, in or to immovable property.

“Municipal Public Authority” shall mean (i) a municipal authority or municipal body specified in the Law on Local Self Government, (ii) a department or other part or subunit of such a municipal authority or municipal body, or (iii) any other body or authority that has been established by such a municipal authority or municipal body.

“Municipality” shall have the meaning assigned thereto by the Law on Local Self Government.

“Owner” shall mean and include any Person holding an ownership interest in or to immovable property.

“Person” shall mean a natural person, Undertaking or Public Authority.

“POE” means a publicly owned enterprise that has been classified as such by or pursuant to the Law on Publicly Owned Enterprises.

“Preliminary Decision” shall mean a decision adopted by an Expropriating Authority pursuant to the requirements of paragraph 1 of Article 10 of this law.

“Public Authority” means any of the following: (i) any public body, authority or agency that exercises, pursuant to the law of Kosovo, public executive, legislative, regulatory, administrative or judicial powers, and includes (ii) any department or other part or subunit of such a public body, authority or agency.

“Public-Private Partnership” or “Partnership” shall mean a public-private partnership established pursuant to the Law on Public-Private Partnerships.

“Tendering Body” means a Public Authority that has, under the provisions of an international agreement or a law adopted by the Assembly, the authority to conduct a tendering procedure leading to the award of an Infrastructure Contract;

“Undertaking” shall mean any body, establishment, institution, association, enterprise, business organization, legal entity, or other organization.

2. Words of any gender used in this law shall include any other gender and words in singular number shall be deemed to include the plural and the plural to include the singular.
3. Unless the context clearly requires another interpretation, any reference in this law to another law, regulation or sub-normative act, or any specific provision(s) thereof, shall be interpreted as including any and all amendments thereto. If such a law, regulation or sub-normative act is repealed and replaced with successor legislation governing the same subject matter, such reference shall be interpreted as meaning such successor legislation and, where applicable, the analogous provision(s) thereof.

Article 3 **General Provisions**

1. Only an Expropriating Authority specified in Article 4 of this law shall have the authority to expropriate immovable property. The authority of any such Expropriating Authority to expropriate immovable property shall be strictly subject to the limits, procedures, rules and conditions specified in this law. No other Public Authority shall have the authority to expropriate property.
2. This law only regulates the formal expropriation and seizure of immovable

property by a Public Authorities. Nothing in this law shall be interpreted as restricting a person's right, whether arising under the Constitution, another law or an international agreement, to claim and seek compensation for losses caused by a measure or act, or by a series of measures or acts, taken or adopted by one or more Public Authorities if such act(s) or measure(s) can be demonstrated to have an effect that is substantially equivalent to an expropriation.

3. The object of an expropriation within the scope of this law may be private ownership or other private rights in or to immovable property, with the exception of rights in or to immovable property that falls with a class of property that the Constitution or the Comprehensive Proposal specifically provides shall not be subject to expropriation.
4. It is further provided that the Government, acting under the authority of paragraph 3 of Article 4 of this law, may expropriate the ownership or other rights of a Municipality or a Municipal Public Authority in or to immovable property. In such a case, it is specifically provided that the concerned Municipality or Municipal Public Authority shall have the same rights provided by this law to a private Person, including the rights to challenge in court the legitimacy of the expropriation and/or the adequacy of compensation. Except for acts taken in the exercise of such rights, no Municipality or Municipal Public Authority shall obstruct or interfere with the conduct of the Expropriation. In particular, it is specifically provided that:
 - 4.1. in no case shall a Municipality or Municipal Public Authority object to or obstruct the conduct of any Expropriation conducted by the Government under the authority of this law because such Expropriation is or may be inconsistent with a spatial or urban plan or other legislative act or decision of a Municipal Public Authority, and
 - 4.2. this law - and lawful Expropriations by the Government under the authority of this law - shall prevail over any such plan, act or decision.

Article 4
Legitimate Public Purpose; Necessity; No Discrimination;
Expropriating Authority

1. An Expropriating Authority shall have the authority to expropriate immovable property only when all of the following conditions are satisfied:
 - 1.1. the Expropriation is directly related to the accomplishment of a legitimate public purpose within its competence as specified in paragraph 2 or 3 of this Article;
 - 1.2. the legitimate public purpose cannot practically be achieved without the Expropriation;
 - 1.3. the public benefits to be derived from the Expropriation outweigh the interests that will be negatively affected thereby;
 - 1.4. the choice of the property to be expropriated has not been made for, or in the furtherance of, any discriminatory purpose or objective; and
 - 1.5. the Expropriating Authority has complied with all applicable provisions of this law.

2. The Expropriating Authority of a Municipality shall be the mayor of such Municipality unless the municipal assembly of such Municipality designates, through an act adopted pursuant to Article 12 of the Law on Local Self Government, another Municipal Public Authority to act as the Municipality's Expropriating Authority. The Expropriating Authority of a Municipality may expropriate immovable property only if:
 - 2.1. the conditions specified in paragraph 1 of this Article are satisfied;
 - 2.2. the Expropriation will exclusively affect private rights falling within the scope of paragraph 3 of Article 3 of this law;
 - 2.3. the concerned immovable property lies wholly within the Municipality's borders, and
 - 2.4. the Expropriation is clearly and directly related to the accomplishment of one of the following public purposes:
 - 2.4.1. the implementation of an urban and/or spatial plan that has been adopted and promulgated by a Municipal Public Authority in accordance with all applicable legal requirements;
 - 2.4.2. the construction or enlargement of a building or facility to be used by a Municipal Public Authority to fulfill its public functions; or
 - 2.4.3. the construction, enlargement, establishment or placement of any of the following infrastructure and/or facilities if this promotes the general economic and/or social welfare of the municipality or provides a public benefit to the population of the municipality and otherwise complies with applicable legal requirements:
 - 2.4.3.1. municipal roads (roads lying entirely within the Municipality) providing transportation services to the public;
 - 2.4.3.2. public facilities needed for the provision of public education, health and/or social welfare services within the Municipality by a Municipal Public Authority;
 - 2.4.3.3. pipes for providing public water and sewage services to residences within the Municipality;
 - 2.4.3.4. municipal landfill sites and sites for the depositing of public waste;
 - 2.4.3.5. municipal public cemeteries; or
 - 2.4.3.6. municipal public parks and municipal public sports facilities; or
 - 2.4.4. the acquisition of the surface rights needed by a Municipal Public Authority to implement an artisanal mining license granted to the Municipality by the ICMM pursuant to the Law on Mines and Minerals.
3. The Government shall have the authority to expropriate property for any legitimate public purpose not specified in sub-paragraphs 2.4.1 through 2.4.4 of this Article if the conditions specified in paragraph 2 of this Article are satisfied. With respect to such an Expropriation, the Government shall be the Expropriating Authority. Legitimate public purposes within the scope of this paragraph shall include, but not be limited to, the following:

Civil laws

- 3.1. the implementation of an urban and/or spatial plan that has been adopted and promulgated by a Central Public Authority in accordance with all applicable legal requirements;
- 3.2. the construction or enlargement of a building or facility to be used by a Central Public Authority to fulfill its public functions;
- 3.3. the construction, enlargement, establishment or placement of infrastructure and/or facilities that promote the general economic and/or social welfare of Kosovo or provide another public benefit, including, but not limited to, the construction, enlargement, establishment or placement of:
 - 3.3.1. state or inter-municipal roads providing transportation services to the public, including toll roads;
 - 3.3.2. railways providing transportation services to the public;
 - 3.3.3. works, facilities, safety areas or fuel storage or disposal sites for or relating to the generation, supply, transmission or distribution of energy;
 - 3.3.4. mines and other works, safety areas and facilities for or relating to activities involving the exploitation of mineral resources;
 - 3.3.5. telecommunication lines and facilities, including telegraph and telephone lines, as well as radio and television facilities;
 - 3.3.6. public facilities needed for the provision of public education, health and/or social welfare services by a Central Public Authority;
 - 3.3.7. trunk pipelines required by a POE to provide water and sewage services to the public;
 - 3.3.8. landfill sites and sites for the depositing of public waste;
 - 3.3.9. dams;
 - 3.3.10. public water reservoirs;
 - 3.3.11. state cemeteries for distinguished veterans and public servants;
 - 3.3.12. public airports, including the required security zones around public airports;
 - 3.3.13. state public parks and state public sports facilities;
 - 3.3.14. environmental or nature reserves, including those to which public access may be restricted; or
 - 3.3.15. works, infrastructure, facilities, areas or sites covered by, or reasonably needed for the implementation of an Infrastructure Contract awarded by a Tendering Body; or
- 3.4. the protection of a monument of cultural heritage or a site of significant archeological, historic or scientific nature, but only if the site has been lawfully designated as such by a resolution of the Assembly and either:
 - 3.4.1. the owner of the immovable property where such a monument or site is located refuses to protect or – due to objective impossibility – cannot protect such monument or site; or
 - 3.4.2. such owner agrees to or requires the concerned property to be expropriated.
4. Property expropriated by the Expropriating Authority of a Municipality shall, upon completion of the expropriation process, become the property of the Municipality.
5. Property expropriated by the Government shall, upon completion of the expropriation process, become the property of the Republic of Kosovo.

CHAPTER II PREPARATORY ACTIVITIES

Article 5 Preparatory Activities

1. At any time prior to initiating an expropriation procedure an Expropriating Authority may authorize the conduct of preparatory activities to determine the potential usefulness of one or more parcels of immovable property for a public purpose. Any such authorization shall be specified in detail in a written decision of the Expropriating Authority. Such written decision shall specify the parcel or parcels of immovable property to which the authorization relates, and shall become effective on the date the publication requirements of paragraph 2 of this Article have been fulfilled.
2. The Expropriating Authority shall publish each such decision authorizing the conduct of preparatory activities in the Official Gazette of Kosovo and in a newspaper enjoying wide circulation in Kosovo
3. To facilitate the professional conduct of preparatory activities, the Expropriating Authority may assign the authority to conduct such preparatory activities to another Public Authority or to a third party having the necessary expertise. If such third party is to be compensated for such preparatory activities with public money, such third party shall be selected through a lawful procurement process.
4. Preparatory activities may be conducted without the permission of the concerned Owners and Interest Holders.
5. The conduct of preparatory activities shall be subject to the following conditions:
 - 5.1. the Expropriating Authority, or the authorized Public Authority or third party, shall provide any Person who is or who claims to be an Owner or Interest Holder with respect to property that will be subject to preparatory activities at least twenty (20) Business Days' advance written notice of the times during which such activities will be conducted on each parcel of property; provided, that such notice is required to be given only to:
 - 5.1.1. such Persons whose names and addresses may be ascertained from the cadastral and other official immovable property records in Kosovo, including the records of the Kosovo Property Agency and the most recent property tax records, and
 - 5.1.2. other Persons who are then continuously and lawfully using the concerned property for residential or business purposes;
 - 5.2. such preparatory activities shall be conducted during normal business hours on Business Days unless:
 - 5.2.1. the nature or purpose of the preparatory activities requires that they be conducted at other times, or
 - 5.2.2. the location of the preparatory activities, including any route (other than a public street or road) used to enter or leave such location, will be at least one hundred (100) meters from any building lawfully being used for residential purposes; and
 - 5.3. such preparatory activities shall be conducted in a manner that reasonably

minimizes the amount of inconvenience or interference to any person then lawfully using the property.

Article 6 **Compensation for Damage Caused by Preparatory Activities**

1. Any Person who is an Owner or Interest Holder with respect to immovable property that is the subject of preparatory activities shall have a right to compensation for:
 - 1.1. any loss of use or enjoyment of the property or any part thereof during the conduct of the preparatory activities, and
 - 1.2. any other damage caused to the property or to such Person by such preparatory activities.
2. The Expropriating Authority shall be liable for the prompt payment of such compensation. If and to the extent specifically provided for by the decision authorizing the preparatory activities or by a contract, the Expropriating Authority shall have a right to reimbursement from the Public Authority or third party authorized to conduct the preparatory services.
3. The compensation required by paragraph 1 of this Article shall be in addition to any compensation required if the property becomes the subject of an Expropriation decision.
4. If the Expropriating Authority and the concerned Owner or Interest Holder cannot agree on amount of compensation required by paragraph 1 of this Article, the concerned Owner or Interest Holder shall have a right to file a claim for such compensation with the competent court.

CHAPTER III **EXPROPRIATION PROCEDURE**

Article 7 **Initiation and Termination of Expropriation Procedure**

1. If all applicable conditions previously specified in Article 4 of this law are present, the concerned Expropriating Authority may proceed to carry out the concerned expropriation in accordance with the applicable procedures and requirements further established by this law.
2. An expropriation procedure may be initiated by the responsible Expropriating Authority, as determined in accordance with Article 4 of this law, on its own initiative or pursuant to an application submitted to the Expropriating Authority.
3. Applications may be submitted by a Public Authority or a POE. If the Expropriating Authority is the Government, an application may also be submitted by:
 - 3.1. a Public-Private Partnership;
 - 3.2. a party to an Infrastructure Contract awarded by a Tendering Body; or
 - 3.3. any lawful heir, successor, assignee or transferee of such a Partnership or party. If the Expropriating Authority is acting on its own initiative, it shall

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cause one or more of its members or officials to prepare and submit the application.

4. An Expropriation procedure, or the relevant aspect thereof, shall be concluded or terminated when:
 - 4.1. the ownership right over the expropriated property is lawfully registered in the name of the Municipality (if the Expropriation was conducted by the Expropriating Authority of such Municipality) or the Republic of Kosovo (if the Government is the Expropriating Authority) after the conduct of the procedure and the payment of the compensation required by this law;
 - 4.2. if the Expropriating Authority issues a decision that rejects, in whole or in part, the application for Expropriation:
 - 4.2.1. upon the expiration of the time period during which the Applicant may file a complaint with the competent court challenging such decision, if the Applicant has not timely filed such a complaint, or
 - 4.2.2. if the Applicant has timely filed such a complaint, the date on which a final non-appealable judgment has been issued by that court, or if applicable, an appellate court;
 - 4.3. prior to the adoption of an Expropriation decision, the Applicant withdraws its application, in whole or in part; or
 - 4.4. a final non-appealable judgment of a competent court requires such conclusion or termination.
5. From the day the Expropriation becomes effective: all pre-existing ownership and possessory rights, security interests, servitudes, construction rights, preemption rights and any other rights in or to the property expropriated by the Expropriation decision shall be terminated.

Article 8

Application for Expropriation

1. An application for Expropriation shall contain the following:
 - 1.1. the name and address of the Expropriating Authority and, if the Expropriating Authority is not acting on its own initiative, the name and address of the Applicant.
 - 1.2. the name and address of each Person who is, or who claims to be, an Owner or Interest Holder with respect to each and every concerned parcel of immovable property in so far as this information may be readily ascertained from the available cadastral and other official immovable property records in Kosovo, including the records of the Kosovo Property Agency and the most recent property tax records;
 - 1.3. the location and number of each and every concerned parcel of immovable property, and – if less than the entire area of any such parcel is to be expropriated and/or if less than all rights relating to any such parcel are to be expropriated – a specific description of the part and/or rights that are the subject of the application;
 - 1.4. for each such parcel, a description of any and all rights (whether confirmed or claimed) relating to such parcel that the Applicant is requesting to be expropriated.

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- 1.5. a detailed description of the public purpose for which the expropriation is being requested;
 - 1.6. any significant documents demonstrating the legitimacy of the public purpose and/or the necessity of the applied for expropriation (or, if any such document is publicly available electronically, a clear indication of where such document may be obtained);
 - 1.7. information on whether, and to what extent, the requested expropriation includes fixtures, accessory parts and/or fruits of the immovable property; and
 - 1.8. detailed information, to the extent this is ascertainable from the records specified in sub-paragraph 1.2 of this paragraph, on any limitations on or disputes regarding the ownership or other rights or interests held or claimed to be held by Persons identified under sub-paragraph 1.2 of this paragraph.
2. The following documents shall be attached to the application for expropriation:
 - 2.1. for each concerned parcel: a copy of the possession list and other immovable property records relating thereto;
 - 2.2. the concerned cadastral plans and maps covering the concerned parcel(s);
 - 2.3. if more than one parcel is subject to the application, maps showing all such parcels and the surrounding area;
 - 2.4. an extract of the current spatial or urban plan covering such parcels, if such a plan exists;
 - 2.5. if applicable, any draft proposal or plan that has been submitted to the competent Public Authority for a building or facility that is planned or proposed to be constructed or enlarged on the property.
 3. The application for Expropriation shall be accompanied by documentation that provides satisfactory evidence that sufficient financial means are or will be available for the timely payment of the compensation that is reasonably estimated to be required in the event the application is approved.
 4. If the Expropriating Authority is the Government, and a right of use and/or management over the concerned property is to be sold, leased, granted or transferred by the Government to a Public-Private Partnership or a private Person pursuant to Article 14 of this law, and such Partnership or Person is obligated to pay the costs that will be incurred by the Government in conducting the Expropriation, such Partnership or Person shall be required, concurrent with the submission of the application, to post a performance bond or irrevocable bank guarantee in favor of the Government in an amount that is reasonably estimated to equal the amount of such costs. Such bond or guarantee shall be submitted with the application and shall be acceptable only if issued by a financial institution that meets the minimum qualification requirements established by the CBK.
 5. Within fifteen (15) days after receiving the application, the Expropriating Authority shall make a prima facie review of the application to determine whether it appears to satisfy the legal requirements set out in Article 4 and paragraphs 1 through 3 of this Article. If the Expropriating Authority determines that the application does not appear to fulfill any such requirement, it shall not accept the application, which shall be returned to the applicant together with a written statement of the reasons as to why the Expropriating Authority refused to accept the application. If the

Expropriating Authority determines that an application appears to satisfy the referenced requirements, it shall adopt a written decision formally accepting the application for further processing in accordance with this law.

6. Within five (5) Business Days after adopting a decision accepting an application for further processing, the Expropriating Authority shall send a copy of the application and all documents attached thereto to the Office of Immovable Property Valuation established pursuant to Article 22 of this law and - if the Expropriating Authority is the Government - to the mayor of each municipality where each parcel of the concerned property is located.
7. Within ten (10) Business Days after adopting a decision accepting an application for further processing, the Expropriating Authority shall send the following documents to the Persons identified in the application pursuant to the requirement of sub-paragraph 1.2, paragraph 1 of this Article:
 - 7.1. a copy of the Expropriating Authority's decision accepting the application for further processing;
 - 7.2. a copy of the application and all documents attached thereto;
 - 7.3. a notice that:
 - 7.3.1. describes the public purpose for which the Expropriation has been requested;
 - 7.3.2. specifies the time period, in accordance with paragraph 1 of Article 10 of this law, within which the Expropriating Authority is required to approve or reject the application;
 - 7.3.3. states that any interested Person may submit written comments on the proposed Expropriation to the Expropriating Authority by a specified date, which shall be determined in accordance with paragraph 1 of Article 9 of this law;
 - 7.3.4. states that:
 - 7.3.4.1. the Expropriating Authority will hold a public hearing on the concerned expropriation in each Municipality where concerned property is located;
 - 7.3.4.2. any Person who is a public official of the Municipality where the hearing is being held, or an Owner or Interest Holder with respect to concerned property lying within the Municipality where the hearing is being held, or the lawful attorney or representative of any such Person, shall have the right to attend such hearing;
 - 7.3.4.3. any such Person shall be given a reasonable opportunity to orally provide his/her views on the applied for Expropriation at such hearing in accordance with paragraphs 2 through 4 of Article 9 of this law; and
 - 7.3.4.4. any Person who desires to attend and provide his/her views at such hearing must bring with them reasonable documentary evidence demonstrating that he/she is such a public official, Owner or Interest Holder, or the lawful attorney or representative of such a public official, Owner or Interest Holder.

- 7.3.5. provides a schedule, in accordance with the requirements of paragraph 2 of Article 9 of this law, specifying the date, time and place of each public hearing; and
- 7.3.6. contains the following statements:

In the event that property covered by the application is expropriated at the conclusion of the expropriation procedure initiated pursuant to that application, no compensation will be owed or paid for the cost or value of any improvements made to such property, any facilities constructed or enlarged on the property, or any trees or crops planted on such property after the date the relevant publication requirements of paragraph 8 of Article 8 of the Republic of Kosovo’s “Law on the Expropriation of Immovable Property” of 2009 have been fulfilled.

Any person who claims to hold an ownership or other lawful interest in the concerned property is advised to review such law and to consider seeking professional legal advice to assist them in understanding their rights and obligations under that law.
- 7.4. a copy of this law; and
- 7.5. a copy of the valuation standards referred to in paragraph 6 of Article 15 of this law.
8. Within ten (10) Business Days after adopting a decision accepting an application for further processing, the Expropriating Authority shall publish in the Official Gazette and in a newspaper enjoying wide circulation in Kosovo:
 - 8.1. such decision; and
 - 8.2. a notice that:
 - 8.2.1. sets forth the information provided in the application pursuant to the requirements of sub-paragraphs 1.1 through 1.4 of this Article;
 - 8.2.2. sets forth the information and statements required by sub-paragraph 7.3 of this Article; and
 - 8.2.3. contains an additional statement that any Person not named in the notice who claims to hold an ownership or other lawful interest in any parcel of the property described in the notice is required to immediately provide the Expropriating Authority with a written description of such claim and the legal basis therefore together with certified copies of any and all documents relating to such claim.
9. Within seven-to-ten (7-10) calendar days after first publishing the notice required by paragraph 8 of this Article, the Expropriating Authority shall again publish such notice in the same newspaper enjoying wide circulation in Kosovo.

Article 9

Public Comment Period and Public Hearing

1. Beginning on the date that the publication requirements of paragraph 8 of Article 8 of this law have been fulfilled, there shall be a ten (10) calendar day period during which any interested Person shall have the right to submit to the Expropriating Authority written comments on the requested Expropriation.
2. Immediately following the conclusion of the written comment period specified

above, there shall be a fifteen (15) calendar day period during which the Expropriating Authority shall hold a public hearing on the requested expropriation in each Municipality where concerned property is located. Any Person who is a public official of the Municipality where such a hearing is being held, or an Owner or Interest Holder with respect to concerned property lying within the Municipality where the hearing is being held, or the lawful attorney or representative of any such Person, shall have the right to attend such hearing. Each such Person shall be given a reasonable opportunity to orally provide his/her views on the applied for expropriation.

3. A representative of the Expropriating Authority may, at any time, require a Person who desires to attend, or is attending, such a hearing to provide reasonable documentary evidence demonstrating that he/she is a public official of the Municipality where the hearing is being held, or an Owner or Interest Holder with respect to concerned property lying with the Municipality where the hearing is being held, or the lawful attorney or representative of such a public official, Owner or Interest Holder. A Person who fails to provide such evidence when required by a representative of the Expropriating Authority may, at the discretion of such representative;
 - 3.1. be denied admittance to, or removed from, the hearing; or
 - 3.2. be permitted to attend the hearing as an observer only.
4. Any Person who has demonstrated that he/she meets the requirements of paragraph 2 of this Article shall be given an opportunity to present his/her views on the concerned expropriation. The representative of the Expropriating Authority conducting the hearing may limit the amount of time that each such Person has to present his/her views if – and to the extent - the establishment of such a limit is reasonably necessary to ensure that every such Person in attendance has an opportunity to speak; provided, however, that in no case shall the amount of time allotted be less than five (5) minutes.
5. A senior elected official from the Expropriating Authority shall attend, and shall be responsible for conducting, each such public hearing. Such official shall also be responsible for ensuring:
 - 5.1. that the proceedings at any such hearing are properly minuted and, if practicable, video-taped; and
 - 5.2. that a reasonable number of uniformed officers of the Kosovo Police Service are assigned to provide security services at the hearing. A lawyer for the Expropriating Authority and a lawyer for the applicant, if the Expropriating Authority is not acting on its own initiative, shall also be required to attend the public hearing. Other representatives of such institutions may also attend.

Article 10

Preliminary Decision on the Legitimacy of a Proposed Expropriation

1. Within thirty (30) days after the requirements of Article 9 of this law have been satisfied, the Expropriating Authority shall consider the written comments submitted and the views expressed at the hearing(s) and shall:
 - 1.1. adopt a written decision, herein referred to as the “Preliminary Decision”,

specifying whether - and to what extent – the expropriation requested in the application has been determined by the Expropriating Authority to satisfy each of the conditions specified in sub-paragraphs 1.1 through 1.4 of Article 4 of this law;

- 1.2. include in such Preliminary Decision a notice advising any Person who is an Owner or Interest Holder with respect to property that is affected by the Preliminary Decision and who has good reason to believe that the Preliminary Decision is contrary to one or more of the conditions specified in paragraph 1 of Article 4 of this law of their right to file a complaint with the competent court under Article 35 of this law challenging such decision, or any aspect thereof, within the thirty (30) day period following the effective date of such Preliminary Decision; and
 - 1.3. include a notice that such Preliminary Decision shall become effective on the on the date such decision has been published in accordance with the requirements of paragraph 4 of Article 10 and Article 43 of this law.
2. A Preliminary Decision shall reject the Expropriation applied for in the application – in whole or in part - if, after the conclusion of the written comment period and the conduct of the public hearing required by Article 9 of this law, the Expropriating Authority determines that the proposed expropriation – or any aspect thereof - does not fulfill the legal requirements set out in sub-paragraphs 1.1 through 1.4 of Article 4 of this law.
 3. Within five (5) Business Days after adopting a Preliminary Decision, the Expropriating Authority shall send such decision to the Applicant (unless the Expropriating Authority is the Applicant) and to the Persons identified in the application pursuant to sub-paragraph 1.2 of Article 8 of this law, and any other Person who has – subsequent to the date the application was accepted for processing but before the Preliminary Decision was adopted – asserted a claim to be an Owner or Interest Holder with respect to the concerned immovable property.
 4. Within ten (10) Business Days after adopting a Preliminary Decision, the Expropriating Authority shall publish such decision in the Official Gazette of Kosovo and in a newspaper enjoying wide circulation in Kosovo.
 5. A Preliminary Decision shall become effective on the date such decision has been published in accordance with all requirements of paragraph 4 of this Article and Article 43 of this law.

Article 11

Final Decision on Expropriation

1. The Expropriating Authority shall adopt a Final Decision approving or rejecting an expropriation application, whether in whole or in part, only during the twelve-month period that begins on the date occurring fifteen (15) days after the effective date of the Preliminary Decision. This twelve-month period shall be referred to as the “Final Decision Period”. The Final Decision Period shall be subject to extension in accordance paragraph 2 of this Article. If the application covers more than one parcel of property, the Expropriating Authority may issue one or more Final Decisions, with each such Final Decision covering one or more of the concerned parcels.

2. If one or more complaints are filed under Article 35 of this law with respect to a Preliminary Decision – or any aspect thereof - adopted under Article 10 of this law, the Final Decision Period established by paragraph 1 of this Article shall be extended by the number of days occurring between:
 - 2.1. the date on which the first such complaint was filed; and
 - 2.2. the date on which the competent court where such complaint(s) were originally filed has issued its judgment on all such complaints. If an appeal is filed, the Final Decision Period shall be further extended by the number of days occurring between the date on which the original judgment is issued and the date on which the appeal is decided.
3. The Expropriating Authority shall not adopt a Final Decision affecting any property or rights that are the subject of such a complaint while such complaint is pending before such court. If one or more complaints have been filed under Article 35 of this law challenging only certain aspects of a Preliminary Decision, the Expropriating Authority may, but shall not be required to, proceed to adopt a Final Decision with respect to any unchallenged aspect prior to the issuance of a court judgment on such complaints. Such a Final Decision may be adopted at any time during the Final Decision Period, including any extension thereof under paragraph 2 of this Article. The adoption of any such Final Decision shall not prejudice the authority of the Expropriating Authority to later adopt, within the concerned Final Decision Period (including any extension thereof under paragraph 2 of this Article), additional Final Decisions relating to property or rights that were the subject of such a complaint, if each such additional Final Decision is in compliance with the applicable court judgment or order issued under Article 35 of this law.
4. Every Final Decision on expropriation shall:
 - 4.1. comply with any applicable court order or judgment issued under Article 35 of this law with respect to the Preliminary Decision;
 - 4.2. otherwise be limited in scope – in terms of the property or rights to property to be expropriated – to no more than that authorized by the Preliminary Decision; and
 - 4.3. contain:
 - 4.3.1. the names and addresses of the Applicant, the Persons identified in the application pursuant to sub-paragraph 1.2 of Article 8 of this law, and any other Person who has – subsequent to the date the application was accepted for processing but before the Final Decision is issued – asserted a claim to be an Owner or Interest Holder with respect to the concerned immovable property;
 - 4.3.2. if the Final Decision approves the application, in whole or in part:
 - 4.3.2.1. the location and number of each and every parcel of immovable property that is to be expropriated;
 - 4.3.2.2. if less than entire area of any such parcel is to be expropriated and/or if less than all rights relating to any such parcel are to be expropriated, a specific description of the part and/or rights subject to the decision; and
 - 4.3.2.3. the amount of compensation that the Office of Immovable Property Valuation has determined – in accordance with

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- 9.2. in the case of any other property, ten (10) calendar days have passed from the date on which the compensation specified in the Final Decision has been paid in accordance with Article 16 of this law.
10. The Applicant or any Owner or Interest Holder having a direct and material interest in the immovable property that is the subject of a Final Decision, whether or not identified in such decision, shall have the right to challenge such decision in accordance with Articles 36 or 37 of this law by filing a complaint with the competent court in accordance with the provisions of those Articles.
11. Failure of the Expropriating Authority to formally take a Final Decision within the Final Decision Period as determined in accordance with paragraphs 1 and 2 of this Article shall constitute, by operation of this law, a Final Decision rejecting the application in its entirety. Such a rejection shall be effective on the first Business Day that immediately follows the last day of the Final Decision Period. The Applicant may challenge such a Final Decision in accordance with the applicable provisions of the Law on Administrative Procedures as provided for in Article 39 of this law.

Article 12

Registration of the Decision on Expropriation in the Cadastre

1. Immediately after adopting a Final Decision authorizing the expropriation of immovable property, the concerned cadastral body or bodies shall register such decision upon its submission by the Expropriating Authority.
2. Upon such registration, each Owner and Interest Holder with respect to the concerned property shall be prohibited from:
 - 2.1. transferring or granting, or attempting to transfer or grant, to any third person any ownership or other rights or interests in or to the concerned property, and
 - 2.2. undertaking any construction work on, above or under the surface of the concerned property.
3. If such Final Decision is subsequently revoked or cancelled, an Owner or Interest Holder with respect to the concerned property shall have the right to require the cadastral body to register any decision, order or final court judgment evidencing such revocation or cancellation.

Article 13

Expropriation of a Part of Immovable Property

If an Expropriating Authority issues a Preliminary Decision under Article 10 of this law specifying its determination that the concerned public purpose justifies the expropriation of certain immovable property and/or rights to such property, and an Owner or Interest Holder with respect to such property and/or rights has good and sufficient reason to believe that the concerned public purpose can be achieved through the expropriation of a lesser amount of such property and/or rights, such Owner or Interest Holder shall have the right to file a complaint under Article 35 of this law requesting the competent court to issue a judgment ordering the Expropriating

Authority to reduce the scope of the Preliminary Decision to exclude that part of the Owner's or Interest Holder's property and/or rights not needed for the achievement of the public purpose. Any such complaint must be filed with the court within the time provided by Article 35 of this law.

CHAPTER IV TRANSFERS OF EXPROPRIATED PROPERTY TO A BENEFICIARY

Article 14 Transfers of Expropriated Property to a Beneficiary; Allocation of Costs

1. If the Government intends to expropriate surface rights to enable the holder of a license or permit issued by the ICMM to exercise the holder's rights under such license or permit, the Government shall first require such holder to execute a written commitment to pay the required compensation to the expropriated person(s). The Government shall conclude the Expropriation Process only after the payment of such compensation by the licensee or permit holder. The Government shall then grant a right of use over the concerned property to the concerned licensee or permit holder. The scope and duration of such right of use shall be reasonably related to enabling the licensee or permit holder to exercise its rights under the concerned license or permit.
2. If the Government expropriates property under paragraph 3 of Article 4 of this law for the purpose of enabling the implementation of an Infrastructure Contract awarded by a Tendering Body, the Government may sell, lease, grant, assign or transfer a right of use and/or management over such property to the concerned contractor or Public-Private Partnership. The concerned contractor or Public-Private Partnership shall be required to bear the cost of the expropriation and to pay all required expropriation compensation unless:
 - 2.1. the concerned contract contains one or more provisions specifically providing for another allocation of such expropriation costs/compensation; and
 - 2.2. such provision(s) were clearly contained in the contract when it was put out for tender. If an Infrastructure Contract is awarded by a Tendering Body, and such contract has as one of its objects – but not as its exclusive object - the award of a right to acquire a license or permit from the ICMM, this paragraph 2, and not paragraph 1, of this Article, shall govern the allocation and payment of any costs related to the expropriation of necessary surface rights.
3. If necessary to accomplish the legitimate public purpose for which a piece of property was expropriated by the Government under sub-paragraph 3.1 or 3.3 paragraph 3 of Article 4 of this law, the Government may sell, lease, grant or transfer a right of use and/or management over such property to any of the following:
 - 3.1. a Central Public Authority;
 - 3.2. a Municipality;
 - 3.3. a POE;

- 3.4. a Public-Private Partnership;
- 3.5. a private Person, but only if such private Person:
 - 3.5.1. has been selected in an open transparent and competitive tendering procedure established pursuant to a law of Kosovo and such procedure had as its object, or one of its objects, the award of such right of use or management, or
 - 3.5.2. holds a lawfully issued license from the competent Public Authority and the transfer is necessary to enable such Person to exercise its rights under such license.
4. If a POE or a Municipality acquires from the Government a right of use over expropriated property pursuant to sub-paragraph 3.2 or 3.3 paragraph 3 of this Article, such POE or Municipality shall be required to pay or reimburse to the Government the cost of the expropriation and all required expropriation compensation.
5. If a Public-Private Partnership or a private Person acquires from the Government a right of use over expropriated property pursuant to sub-paragraph 3.4 or 3.5 paragraph 3 of this Article, such Partnership or Person shall be required to pay or reimburse to the Government the cost of the expropriation and all required expropriation compensation unless a lawful contract that has been duly executed by the Government or another authorized Central Public Authority contains one or more provisions specifically providing for another allocation of the concerned expropriation costs/compensation.
6. If one of the foregoing provisions of this Article permits the Government to sell, lease, grant, assign or transfer a right of use and/or management to a POE, a Public-Private Partnership or a private Person, the Government may also sell, lease, grant, assign or transfer such a right to any lawful heir, successor, assign or transferee of such POE, Public-Private Partnership or private Person. Furthermore, a POE, Public-Private Partnership or private Person that acquires such a right may freely sell, assign, transfer, hypothecate, mortgage, pledge or otherwise alienate such right, except as may be provided otherwise by contract.
7. No Expropriating Authority may sell, lease, grant or transfer to a third party any right or interest in expropriated property except as specifically authorized by this Article. Any permitted sale, lease, grant or transfer of a right of use and/or management by an Expropriating Authority shall be set forth in a formal written document, and such document shall be formally approved by a written decision of the concerned Expropriating Authority; such decision shall specify the public purpose justifying such sale, lease, grant or transfer. Such decision shall be published in the Official Gazette within five Business Days after its adoption. Both the document and the decision shall be duly filed in the applicable cadastral records.
8. It is expressly provided that no right or interest in property expropriated by the Government for a purpose specified in sub-paragraph 3.2 or 3.4 paragraph 3 of Article 4 of this law shall be sold, leased, granted or transferred to any Person other than the concerned Central Public Authority for:
 - 8.1. in the case of property expropriated pursuant to sub-paragraph 3.2 paragraph 3 of Article 4 of this law, a period of ten (10) years following the conclusion of the expropriation; and

- 8.2. in the case of property expropriated pursuant to sub-paragraph 3.4 paragraph 3 of Article 4, a period of fifty (50) years following the conclusion of the expropriation.

During the applicable period, no private Person shall be permitted to use or exploit such property; however, as appropriate, public access to such property may be permitted at reasonable times and under reasonable conditions. The responsibility for the supervision and maintenance of such property shall be assigned to the responsible Central Public Authority.

CHAPTER V COMPENSATION

Article 15

Basic Rules Governing the Determination of Amount of Compensation

1. Compensation shall be paid on the basis of the market value of the property as determined in accordance with the further provisions of this law and the subsidiary legislation issued pursuant to paragraph 6 of this Article.
2. Compensation shall include the compensation of any demonstrable direct damages incurred by the expropriated person due to the expropriation plus the value of the immovable property expropriated, including – if applicable - its accessory parts and fruits.
3. Notwithstanding the foregoing, it is specifically provided that, in determining the amount of compensation owed, the following shall be excluded and not taken into account:
 - 3.1. the cost or value of any improvements to the property, facilities constructed or enlarged on the property, or trees and crops planted on the property after the date on which the publication requirements of paragraph 8 of Article 8 of this law were fulfilled;
 - 3.2. any changes in the market value of the immovable property occurring after the earlier of the following:
 - 3.2.1. the date of the adoption of the decision authorizing preparatory activities on such property, or
 - 3.2.2. the date of the initial submission of the application for expropriation requesting the expropriation of such property; and
 - 3.3. any changes in the market value of the immovable property occurring prior to the events specified in sub-paragraph 3.2 of this paragraph, if such changes in value can be demonstrated to be attributable to price or market manipulation or speculation by Persons, or their relatives or associates, who were in possession of information about the impending or potential expropriation of the concerned property prior to those events.
4. Except as specifically provided in paragraph 5 of this Article, no compensation shall be owed or paid for the loss of any building or other structure (of any description) if such building or structure was:
 - 4.1. constructed in violation of any applicable law or regulation; and
 - 4.2. was not capable of being legalized under the law of Kosovo applicable on the date of the Final Decision authorizing its expropriation. If, on the date of

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such Final Decision, an illegally constructed building or structure is capable of being legalized but has not been so legalized, compensation for the loss of such building or structure shall be strictly limited to the documented costs incurred in its construction.

5. As an exception to paragraph 4 of this Article, it is specifically provided that compensation shall be paid for expropriated buildings that were constructed illegally on privately owned immovable property by the owner of such property if, and only if:
 - 5.1. on the date actual construction activity commenced, it was impossible for the owner to obtain the necessary construction permit from the concerned Municipal Authority because, as of such date, no urban or spatial plan covering such property had yet been issued; and
 - 5.2. in all other respects neither the building nor its construction were in violation of any other law or regulation then applicable. An owner of such a building shall have the burden of proving the date on which actual construction activity commenced and that both the building and its construction did not violate any other law or regulation then applicable.
6. The Ministry of Economy and Finance shall issue subsidiary legislation establishing a detailed methodology for calculating the compensation to be paid for expropriated property and expropriation-related damages. Such subsidiary legislation shall be consistent with:
 - 6.1. the requirements of this Article;
 - 6.2. the requirements of the decisions of the European Court of Human Rights; and
 - 6.3. any principles or guidelines on the calculation of such compensation that have been issued or suggested by international financial organizations. Such subsidiary legislation shall also take into account the valuation standards issued by the Ministry of Economy and Finance pursuant to paragraph 1 of Article 12 of UNMIK Regulation 2003/29 “On Taxes on Immovable Property in Kosovo”.

Article 16

Payment of Compensation

1. Except as provided in paragraph 5 of this Article, all compensation shall be paid in Euros or another freely convertible currency.
2. The Expropriating Authority shall pay, or shall require the applicant or anticipated Beneficiary – if any - to pay, the amount of compensation specified in the Final Decision to the affected Owners and Interest Holders. The compensation required by the Final Decision shall be:
 - 2.1. the amount established in the concerned valuation determination plus;
 - 2.2. interest on such amount that has accrued between the effective date of the Final Decision and the date of payment. Such interest shall accrue at a rate of seven percent (7%) simple annual interest and compound annually.
3. If a Person refuses to accept such compensation, it shall be put into a trust account in such Person’s name at the CBK. If a dispute arises regarding the identity of the Person lawfully entitled to receive a payment of such compensation, that amount

shall be deposited in a trust account at the CBK for a beneficiary yet to be determined, and the dispute submitted to the competent court for resolution. Any amount put into such a trust account shall be deemed to have been “paid” for the purposes of this law.

4. If a person files a complaint with the competent court pursuant to Article 36 of this law challenging the adequacy of the compensation provided for in the Final Decision, and the court issues a judgment requiring the payment of additional compensation, the Expropriating Authority shall pay, or shall require the applicant or anticipated Beneficiary – if any - to pay, such additional compensation.
5. If the Government is the Expropriating Authority, and the achievement of the concerned public purpose requires the expropriation of more than twenty (20) parcels of immovable property, the compensation requirement of this law may be satisfied by providing any expropriated Person who agrees with:
 - 5.1. immovable property having a value that is equal to the compensation owed;
or
 - 5.2. a combination of cash and immovable property, which together have a value equal to the compensation owed.
6. The amount of expropriation compensation specified in a Final Decision shall be paid in full within two (2) years from the effective date of the decision. If the required compensation is not paid within such time, the Person to whom such compensation is owed may thereafter file a complaint with the competent court requesting the court to issue an order revoking and canceling such decision.

Article 17

Compensation in the Event of the Termination of a Real Servitude

1. If an expropriation of immovable property results in the termination of a real servitude encumbering such property, the Final Decision shall require the Expropriating Authority to pay reasonable compensation, in an amount determined by the Office of Property Valuation, to the Persons who have been damaged by the loss of such servitude. Such compensation shall be an amount equal to the value of the servitude plus any direct damages caused by the loss of such servitude. Unless an applicable and lawfully awarded contract provides otherwise, the Expropriating Authority may order the Applicant or anticipated Beneficiary – if any – to pay such compensation.
2. If the loss of the servitude negatively affects the value of another parcel of property that had been served by such servitude, the Owner of such other parcel shall have the right to file a complaint under Article 36 of this law, requesting the competent court to issue a judgment ordering the Expropriating Authority to pay compensation for such loss in value, if and to the extent such compensation is not already provided for in the concerned Final Decision.

Article 18

Compensation in the Event of a Partial Expropriation or the Termination of a Security Interest, a Personal Servitude, a Construction Right, a Right of Preemption, a Usufruct or a Right of Use

1. If, as a result of an expropriation, a personal servitude, construction right, right of preemption, usufruct or right of use on or to the expropriated property is terminated, the Final Decision shall require the Expropriating Authority to pay reasonable compensation, as determined by the Office of Property Valuation, to the Persons who have been damaged by the loss of such servitude or right. Unless an applicable and lawfully awarded contract provides otherwise, the Expropriating Authority may order the Applicant or anticipated Beneficiary – if any – to pay such compensation.
2. The holder of any lawful security interest in or to expropriated property or rights securing a debt (such as a lien, pledge, mortgage, hypothecation or other security interest) shall be entitled to receive, from the Expropriating Authority, that part of the required expropriation compensation that is sufficient to discharge such debt in full. If the amount of the required expropriation compensation is insufficient to discharge the debt in full, the debtor (and - if applicable - any guarantor of the debt) shall be exclusively liable for the deficiency in accordance with any contract governing the obligations relating to the debt.
3. If a Final Decision authorizes the expropriation of part of a parcel of immovable property and, as a result, the un-expropriated part suffers a loss of value, or can reasonably be expected to suffer a loss of value, the Owner of the un-expropriated part such shall have the right to file a complaint under Article 37 of this law requesting the competent court to issue a judgment ordering the Expropriating Authority to pay compensation for such loss in value, if and to the extent such compensation is not already provided for in the Final Decision.

Article 19

Compensation in the Event of the Termination of a Lease Contract

1. Subject to the lessor's compliance with the obligation imposed by paragraph 2 of this Article, if, as a result of the expropriation of property, a lease contract with respect to such property is terminated, the Expropriating Authority shall compensate the lessee for any damage incurred due to the termination of such lease contract. Unless an applicable and lawfully awarded contract provides otherwise, the Expropriating Authority may also order the applicant or anticipated Beneficiary – if any – to pay such compensation.
2. If the lease contains one or more provisions giving the lessor the right to terminate the lease with or without cause prior to the lease contract's stated expiration date, the lessor shall, immediately after the effective date of the Final Decision authorizing the expropriation of the concerned property, exercise that right and provide the lessee with any prior notice of termination required by the lease. The adoption of the Final Decision by the Expropriating Authority shall itself be deemed sufficient cause for such termination. Any failure or delay of the lessor to

comply with the obligation imposed by this paragraph shall make the lessor, and not the Expropriating Authority, liable for any damages to the lessee resulting from such failure or delay.

Article 20

Temporary Accommodation

In the event of an expropriation of a building or of a specific part of a building that has been lawfully constructed and that is used as a dwelling, the Expropriating Authority shall provide the inhabitants with temporary accommodations for a period of four (4) months following the expiration of the thirty (30) calendar day period provided for in paragraph 9 of Article 11 of this law, unless the Applicant or anticipated Beneficiary – if any - and the inhabitants agree otherwise. The Expropriating Authority may fulfill this obligation in whole or in part by allowing the inhabitants to continue to occupy the expropriated building for all or any part of such four (4) month period. Unless an applicable and lawfully awarded contract provides otherwise, the Expropriating Authority may order the Applicant or anticipated Beneficiary – if any – to bear the cost of providing any such temporary accommodation.

CHAPTER VI

DETERMINATION OF AMOUNT OF COMPENSATION

Article 21

Competent Authority for the Implementation of the Valuation Procedure

1. The Ministry of Economy and Finance shall establish, within its Department of Property Tax, an Office of Immovable Property Valuation which shall be the competent public authority for valuing any immovable property that is subject to an expropriation procedure by any Expropriating Authority.
2. The Office of Immovable Property Valuation may engage other experts and establish committees to inspect and assist in the valuation of the property to be expropriated. Private experts may be engaged pursuant to a lawful procurement procedure.

Article 22

Valuation of Immovable Property

1. With respect to the valuation of rights in immovable property, the Office of Immovable Property Valuation shall value such property in accordance with the subsidiary legislation issued pursuant to paragraph 6 of Article 15 of this law. Such valuation shall take into consideration, if available, the most recent valuation of the property made by the Municipality where the property is located pursuant to its obligations under Article 12 of UNMIK Regulation 2003/29 “On Taxes On Immovable Property in Kosovo”.
2. During the valuation process, Owners and Interest Holders shall have the right to submit their written views concerning such valuation to the Office of Property

Valuation. All communications between the Office of Property Valuation and any such Owner or Interest Holder, or a Person acting on their behalf, shall be done in writing only, and all such written communications shall be fully subject to the public disclosure requirements of the Law on Access to Official Documents.

3. The Office of Immovable Property Valuation shall issue in writing its final valuation determination within one hundred fifty (150) days after the date it received the application from the Expropriating Authority pursuant to paragraph 6 of Article 8 of this law. Such determination shall contain:
 - 3.1. the overall valuation of the property being expropriated with a breakdown, if necessary, of the components of such valuation;
 - 3.2. a valuation of any and all other damages required to be paid by this law;
 - 3.3. a description of the specific methodology used to make such valuations;
 - 3.4. an explanation as to how such methodology, and the resulting valuations, comply with the requirements of paragraph 6 of Article 15 of this law and the subsidiary legislation issued pursuant thereto;
 - 3.5. the details of the Persons to whom compensation is to be paid and the amount of compensation to be paid to each; and
 - 3.6. the details of the Persons, if any, who sought compensation but were determined not to be entitled thereto. This determination shall be provided to the Expropriating Authority, which shall attach it to the Final Decision, if one is adopted.
4. Any Owner or Interest Holder who disagrees with any aspect of the valuation determination shall have, after the effective date of a Final Decision attaching such determination, the right to challenge such valuation determination, in whole or in part, by filing a complaint with the competent court in accordance with Article 36 of this law.

Article 23 **Costs**

1. The costs of the valuation procedure shall be borne by the Expropriating Authority. Unless an applicable and lawfully awarded contract provides otherwise, the Expropriating Authority may also order the Applicant or anticipated Beneficiary – if any – to pay such costs.
2. The costs of the valuation procedure shall be the costs incurred by the Office of Immovable Property Valuation in connection with the valuation of the property and the associated rights and interests therein, and the determination of the amount of compensation to be paid to affected Persons. The Office of Immovable Property Valuation shall calculate and determine the amount of such costs and provide a detailed written determination thereof to the Expropriating Authority. If the Applicant or anticipated Beneficiary is required to pay such costs, the Expropriating Authority shall provide this determination to the party that is required to bear the costs.
3. Other costs incurred by the Expropriating Authority in connection with the expropriation procedure (including the costs related to the preparation of documents, the publication of notices, the payment of expert fees, administrative

expenses and cadastral fees) shall also be borne by the Expropriating Authority. Unless an applicable and lawfully awarded contract provides otherwise, the Expropriating Authority may also order the Applicant or anticipated Beneficiary – if any – to pay such costs. If the Expropriating Authority requires the Applicant or an anticipated Beneficiary to pay such costs, the Expropriating Authority shall prepare, in writing, a detailed determination of all such costs and provide this determination to the party that is required to bear the costs.

4. If the Applicant or the anticipated Beneficiary, if any, is required to pay any such costs, and such party disagrees with any determination of such costs, such party may demand, within thirty (30) days, that such determination be reviewed by the Expropriating Authority. The Expropriating Authority shall issue a decision in writing affirming or modifying such determination within ninety (90) calendar days after receiving such demand. Failure of the Expropriating Authority to act within such ninety (90) day period shall be deemed an affirmation of the determination. If the Applicant or anticipated Beneficiary remains dissatisfied with such determination, such party shall have the right to file a complaint with the competent court challenging such decision and/or determination.

CHAPTER VII RENOUNCEMENT OF EXPROPRIATION

Article 24 Renouncement of Expropriation

1. The Applicant may renounce its expropriation request, in whole or in part, at anytime prior to the adoption of a Final Decision on its application by providing a written notice to that effect to the Expropriating Authority. In the event of such a renouncement, the Expropriating Authority shall immediately:
 - 1.1. adopt a decision canceling the expropriation procedure, or the relevant part thereof;
 - 1.2. publish such decision in the Official Gazette and a newspaper enjoying wide circulation in Kosovo, and
 - 1.3. send a copy of such decision to all previously identified Owners and Interest Holders with respect to property that is no longer subject to the expropriation procedure.
2. In the event of a renouncement, the Applicant or the anticipated Beneficiary (if the renouncement was at the anticipated Beneficiary's request) shall:
 - 2.1. reimburse all costs incurred by the Expropriating Authority and the Office of Immovable Property Valuation in conducting the expropriation procedure or – in the event of a partial renouncement – the portion of such costs allocable to the part of the procedure that has been cancelled; and
 - 2.2. reimburse to the Owners and Interest Holders whose property is no longer subject to the expropriation procedure the documented costs and damages incurred as a direct consequence of the expropriation procedure.
3. The Expropriating Authority shall, if necessary to ensure the payment of the costs and damages specified in paragraph 2 of this Article, use the funds covered by a

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CHAPTER VIII TRANSFER OF POSSESSION AND OWNERSHIP

Article 25 Possession

The Expropriating Authority, Applicant or Beneficiary (if any), may take possession of the expropriated property only after the expiration of the applicable period specified in paragraph 9 of Article 11 of this law.

Article 26 Ownership

1. As required by paragraph 8 of Article 11 of this law, no change in the ownership or other rights of Persons in or to the property shall be effected or implemented until the Final Decision becomes effective and the compensation specified in the decision has been paid in accordance with Article 16 of this law. As soon as such conditions have been fulfilled, the relevant cadastral office shall register the property in the name of:
 - 1.1. the concerned Municipality, if the Expropriating Authority is the Expropriating Authority of a Municipality, or
 - 1.2. the Republic of Kosovo, if the Expropriating Authority is the Government. The cadastral office shall also register any right of use or management sold, leased, transferred or granted pursuant to Article 14 of this law.
2. Where necessary to effect the expropriation of a part of a parcel of immovable property, the cadastral office shall divide such parcel.
3. Following the registration of the property in the name of the Municipality or the Republic of Kosovo, all pre-existing rights or interests in such property shall be cancelled and the cadastral office shall ensure that such cancellation is reflected in the relevant records. If, however, the expropriation decision specifically indicates that a pre-existing right or interest is to remain in effect, in whole or in part, this cancellation requirement shall not apply thereto.

CHAPTER IX RETURN OF EXPROPRIATED PROPERTY

Article 27 Return of Expropriated Property

1. A person whose ownership rights in immovable property have been expropriated, shall have the right, which may only be exercised within the ten-year period following the effective date of the Final Decision, to file a complaint with the competent court requesting such court to issue an order re-establishing the person's

ownership rights in the concerned property, in whole or in part, if all of the following conditions are present:

- 1.1. the concerned property was not expropriated by the Government for a purpose specified by, or falling within the scope of sub-paragraph 3.3. paragraph 3 of Article 4 of this law;
- 1.2. the complainant provides substantial evidence to the court demonstrating:
 - 1.2.1. that the expropriated property, or the relevant part thereof, has been substantially and actively used by the Expropriating Authority or a Beneficiary for a period of three (3) years or more for a purpose that is not a legitimate public purpose or related to a legitimate public purpose; or
 - 1.2.2. that, during the eight-year period following the effective date of the concerned Final Decision, the expropriated property, or the relevant part thereof, was not actively used for any purpose; provided, however, that this reason may not be invoked as a basis for the return of property if there have been significant measures undertaken during the referenced eight-year period to prepare the property for a use that constitutes a legitimate public purpose; and
- 1.3. the complainant agrees:
 - 1.3.1. to return any and all expropriation compensation paid or provided in connection with the expropriation of the property; and
 - 1.3.2. if that expropriation compensation (or any part thereof) was paid in cash, to pay interest, calculated in accordance with paragraph 2 of Article 16 of this law, on the amount of that cash compensation for the period beginning on the date it was paid and ending on the date it is returned.
2. The concerned Expropriating Authority, the Applicant or the Beneficiary, if any, shall have the right to contest such a complaint before the court.

Article 28 **Right of First Refusal**

1. Except as provided in paragraph 2 of this Article, during the ten (10) year period following the effective date of the concerned Final Decision, an expropriated Person shall have a right of first refusal if the Expropriating Authority decides to sell or otherwise transfer ownership rights in the property to a private third party for a use that does not constitute a legitimate public purpose.
2. The right of first refusal provided for by paragraph 1 of this Article, shall not apply if the concerned property was expropriated by the Government for a purpose specified by, or falling within the scope of, sub-paragraph 3.3 paragraph 3 of Article 4 of this law.

CHAPTER X
TEMPORARY USE OF IMMOVABLE PROPERTY

Article 29
Conditions for Temporary Use

1. The Government may, by a formal written decision, decide to occupy and temporarily use any privately or publicly owned immovable property if such action:
 - 1.1. is necessary for the implementation of urgent measures required for the protection of life, health, or property or the enforcement or restoration of public order; and
 - 1.2. such measures become necessary because of a force majeure event or because of war, riots, civil unrest or a similar extraordinary event.
2. The temporary occupation and use shall be deemed necessary if there are no other reasonably practical alternatives.

Article 30
Legal Consequences of Temporary Use

1. During the temporary use of the immovable property, the rights of the Owner and any lawful possessor to use the property shall be suspended.
2. The Public Authority designated by the Government to implement the decision on the temporary use of the immovable property (the “implementing authority”) shall be obligated:
 - 2.1. to exercise reasonable care when using the property; and
 - 2.2. to the extent practicable under the circumstances, to avoid or prevent damage to the property.

Article 31
Duration of Use

The temporary occupation and use of the property shall last only so long as this is necessary to implement a measure specified in paragraph 1 of Article 29 of this law.

Article 32
Compensation

1. The Owner of the immovable property and any other person whose possession or use rights were negatively affected by the temporary use shall have the right to receive reasonable compensation from the Government for the temporary loss of such rights.
2. The average lease rate for immovable property of identical or similar characteristics in the neighborhood of the concerned immovable property shall be used as the basis for determining the amount of compensation owed by Government under paragraph 1 of this Article.

3. In addition, the Owner and any other Person whose property was damaged during such temporary use shall receive reasonable compensation for such damage if such damage was:
 - 3.1. caused by the implementing authority; or
 - 3.2. caused by another Person, third party or natural cause if, and to the extent practicable under the circumstances, such damage was reasonably avoidable or preventable by the implementing authority.

Article 33 Decision

1. The decision on the temporary use of immovable property may be made by the Government on its own initiative or upon the request of another Public Authority.
2. If such a request is submitted by another Public Authority, the Government shall issue its written decision on such a request within three (3) days after the request is received.
3. A request submitted by another Public Authority shall contain the following:
 - 3.1. complete and detailed information about such Public Authority;
 - 3.2. the precise location of the immovable property that is proposed for temporary use;
 - 3.3. a detailed explanation of the reasons for the request;
 - 3.4. an estimate as to the expected duration of the temporary use; and
 - 3.5. a detailed estimate of the amount of compensation that will be owed by the Government at the conclusion of the temporary use;
4. If the Government approves the request, the Government's written decision required by paragraph 2 of this Article shall contain the following:
 - 4.1. the identity of the Public Authority responsible for implementing the decision;
 - 4.2. the precise location of the immovable property that is the subject of the decision;
 - 4.3. the reasons for the decision and the duration of the authorized temporary use of the immovable property; and
 - 4.4. the amount of compensation to be paid for its use.
5. The duration of the temporary use of the immovable property may be extended by another written decision of the Government if the implementing authority submits a request for such an extension that satisfies the requirements of paragraph 3 of this Article and if the extension is justified by a reason specified in paragraph 1 of Article 29 of this law.
6. Any decision on temporary use adopted by the Government shall become effective on the day of its adoption and shall be published within five (5) Business Days in the Official Gazette.

Article 34 Return of Immovable Property

Upon the expiration of the time limit set out in a Government decision authorizing the temporary use of property, the implementing authority shall have no right or authority

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to use the immovable property. The implementing authority shall immediately remove all installations and facilities established on or under the immovable property during the time of its use, unless otherwise agreed with the Owner and – if applicable – any other Person having a lawful right to use or possess the immovable property.

CHAPTER XI LEGAL REMEDIES

Article 35

Complaints Challenging a Preliminary Decision on the Legitimacy of a Proposed Expropriation

1. If a Person is an Owner or an Interest Holder with respect to immovable property that is the subject of an expropriation procedure, and such Person reasonably believes that the concerned Preliminary Decision – or any aspect thereof - is contrary to one or more of the conditions established in paragraph 1 of Article 4 of this law, such Person shall have the right to file a complaint with a court of competent jurisdiction challenging such Preliminary Decision, in whole or in part.
2. If the Expropriating Authority is the Expropriating Authority of a Municipality, the complaint shall be filed with the concerned municipal court. If the Expropriating Authority is the Government, the complaint shall be filed with the Supreme Court of Kosovo.
3. Any such complaint must be filed with the competent court within fifteen (15) calendar days after the effective date of the concerned Preliminary Decision as specified in paragraph 5 of Article 10 of this law. On the same day that the complainant files the complaint with the court, the complainant shall also immediately and directly deliver five (5) accurate and complete copies of such complaint (including any attachments and documents filed therewith) to the legal office of the concerned Expropriating Authority. If the requirements of this paragraph are not fulfilled, the court shall reject the complaint.
4. If the requirements of paragraph 3 of this Article have been fulfilled, the court shall immediately review the concerned complaint and, on its own initiative, issue a decision rejecting the complaint, or any part thereof, if the court determines that the complaint or the concerned part concerns an issue that is not clearly and directly related to the compliance of a Preliminary Decision with the conditions specified in paragraph 1 of Article 4 of this law. The court shall provide a copy of any such decision to the complainant and the concerned Expropriating Authority.
5. The Expropriating Authority shall have fifteen (15) days after receiving the copies required by paragraph 3 of this Article to file its response with the court. The Expropriating Authority shall not be required to file a response to any complaint, or any part of a complaint, that has been rejected by the court pursuant to paragraph 3 or 4 of this Article.
6. Immediately after receiving the response of the Expropriating Authority, the court shall:
 - 6.1. handle the entire case as a matter of extreme urgency;
 - 6.2. prioritize such case over all other cases and matters pending before the court;

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- 6.3. issue its judgment on the case within thirty (30) calendar days after receiving the Expropriating Authority's response; and
- 6.4. schedule all proceedings in the case in a manner that will enable the court to issue its judgment within such thirty (30) calendar day period.
7. If the court determines, within the thirty (30) day period specified in sub-paragraph 6.3 paragraph 6 of this Article, that the Preliminary Decision, or an aspect thereof, fails to satisfy one or more of the conditions specified in paragraph 1 of Article 4 of this law, the court may:
 - 7.1. issue a judgment requiring the Expropriating Authority to terminate the expropriation procedure in its entirety, if the court determines that the entire procedure does not satisfy one or more of the conditions specified in paragraph 1 of Article 4 of this law; or
 - 7.2. issue a judgment requiring the Expropriating Authority to modify the Preliminary Decision and the scope of the expropriation procedure to exclude certain property and/or rights if the court determines that the expropriation of such property and/or rights would be contrary to one or more of the conditions specified in paragraph 1 of Article 4 of this law.
8. If the court fails to actually issue a judgment within the thirty (30) day period specified in subparagraph 6.3 paragraph 6 of this Article, the court shall be deemed – as a matter of law - to have issued a judgment rejecting the complaint in its entirety immediately upon the expiration of such thirty (30) day period.
9. The Expropriating Authority shall not issue a Final Decision with respect to any property or rights that are the subject of a complaint that has been timely filed under this Article until the court where such complaint was filed issues a judgment on that complaint or is deemed, under paragraph 8 of this Article, to have issued such a judgment.
10. Except as provided in paragraphs 11, 13 and 14 of this Article, any judgment on - or rejection of - a complaint by a court under the previous paragraphs of this Article shall be appealable in accordance with the generally applicable law governing such appeals.
11. Such an appeal must be filed within fifteen (15) days calendar days after the issuance of the judgment being appealed. On the same day that the appellant files its appeal with the court, the appellant shall also immediately and directly deliver five (5) accurate and complete copies of such appeal (including any attachments and documents filed therewith) to the other party. If the requirements of this paragraph are not fulfilled, the appellate court shall reject the appeal. The other party shall have fifteen (15) days after receiving such copies to file its response.
12. The filing of an appeal shall in no way impair the power or authority of the Expropriating Authority to take any action that is consistent with the judgment being appealed, including – if such action is consistent with such judgment - continuing with the conduct of the expropriation procedure, issuing one or more Final Decisions on the expropriation and implementing such decision(s).
13. Upon receipt of such an appeal, the appellate court shall:
 - 13.1. handle the entire case as a matter of extreme urgency;
 - 13.2. prioritize such case over all other cases and matters pending before the court;

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- 13.3. issue its judgment on the appeal within thirty (30) calendar day period following the date on which it received the other party's response or the date on which the fifteen (15) day period for filing a response expires, whichever occurs earlier; and
- 13.4. schedule all proceedings in the case in a manner that will enable the court to issue its judgment within such thirty (30) calendar day period.”
14. If the appeal has been filed by the complainant and the complainant prevails on such appeal, the appellate court shall:
 - 14.1. if the Expropriating Authority has not yet issued a Final Decision with respect to the concerned property and/or rights (or any part thereof), issue a judgment ordering the Expropriating Authority to modify the Preliminary Decision to exclude any property or rights that are not then subject to a Final Decision, if the appellate court determines that the expropriation of such property and/or rights would be contrary to one or more of the conditions specified in paragraph 1 of Article 4 of this law; and/or
 - 14.2. if the Expropriating Authority has issued a Final Decision with respect to the concerned property or rights (or any part thereof), issue a judgment ordering the Expropriating Authority to pay to the complainant:
 - 14.2.1. the expropriation compensation and damages required by the other provisions of this law, if such have not already been paid, and
 - 14.2.2. an additional amount that is equal to two (2) times the amount of expropriation compensation required by this law for any property and/or rights that the appellate court determines were expropriated in violation of paragraph 1 of Article 4 of this law.
15. If the competent court determines that no aspect of a complaint or an appeal filed under this Article has a reasonable basis in fact or in law, and that the Person filing such complaint or appeal knew or should have known that the complaint or appeal was without any reasonable factual or legal basis, the court may require such Person to pay the costs and other damages incurred by the other party as a consequence of the filing of such complaint or appeal.

Article 36

Complaints Challenging the Adequacy of Compensation

1. If an Expropriating Authority issues a Final Decision under Article 11 of this law, any concerned Owner or Interest Holder with respect to property and/or rights expropriated by such decision may file a complaint with a court of competent jurisdiction challenging the amount of compensation and/or damages that such decision provides shall be paid to such Owner and/or Interest Holder.
2. If the Expropriating Authority is the Expropriating Authority of a Municipality, the complaint shall be filed with the concerned municipal court. If the Expropriating Authority is the Government, the complaint shall be filed with the Supreme Court of Kosovo.
3. Any such complaint must be filed no later than thirty (30) calendar days after the effective date of the concerned Final Decision as specified in paragraph 7 of Article 11 of this law. If such a complaint is filed after the expiration of such thirty (30) day period it shall be rejected by the court.

4. Within five (5) calendar days after filing such a complaint, the complainant shall ensure that five (5) copies of such complaint are delivered by hand to the legal office of the concerned Expropriating Authority. If the complainant fails to comply with this requirement, the court shall reject the complaint.
5. The Expropriating Authority shall have thirty (30) calendar days after receiving the copies required by paragraph 4 of this Article to file its response with the court.
6. If a complaint is filed under this Article, the court shall have the authority to recalculate the amount of compensation and/or damages specified in the concerned decision in accordance with the requirements of this law. If the court determines that the concerned decision specifies an amount of expropriation compensation and/or damages that is less than or greater than the amount required by this law, the court shall issue a judgment modifying the Final Decision to adjust the amount of expropriation compensation and/or damages owed to the complainant.
7. A judgment of a court under this Article shall be appealable in accordance with the applicable law governing such appeals.
8. Neither the filing of a complaint under this Article, nor the filing of an appeal with respect to a judgment on such a complaint, shall have any effect on the effectiveness of the concerned decision or the power or authority of the Expropriating Authority to continue with the implementation of the concerned decision. The amount of compensation and/or damages specified in such decision shall be paid in accordance with the applicable requirements of this law; however the payment of such compensation and/or damages shall not prejudice the court's authority under paragraph 6 of this Article to issue a judgment modifying the amount of compensation and/or damages owed. If the court increases the amount of compensation owed, the Expropriating Authority shall pay (or shall order the applicant or Beneficiary to pay) the amount of the increase. If the court reduces the amount of compensation and/or damages owed, the persons who received excess compensation or damages shall be ordered to return the amount of such excess to the party who paid it.

Article 37

Complaints for Compensation for Damages Arising from a Partial Expropriation

1. If, as provided in paragraph 3 of Article 18 of this law, a Final Decision authorizes the expropriation of part of a parcel of immovable property and, as a result, the un-expropriated part suffers, or is reasonably expected to suffer, a loss of value, the Owner of the un-expropriated part such shall have the right to file a complaint under this Article requesting the competent court to issue a judgment ordering the Expropriating Authority to pay compensation for such loss in value, if and to the extent such compensation is not provided for in the Final Decision.
2. If the Expropriating Authority is the Expropriating Authority of a Municipality, the complaint shall be filed with the concerned municipal court. If the Expropriating Authority is the Government, the complaint shall be filed with the Supreme Court of Kosovo.
3. Any such complaint must be filed no later than thirty (30) calendar days after the effective date of the concerned Final Decision. If such a complaint is filed after the expiration of such thirty (30) day period it shall be rejected by the court.

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4. Within five (5) calendar days after filing such a complaint, the complainant shall ensure that five (5) copies of such complaint are delivered by hand to the legal office of the concerned Expropriating Authority. If the complainant fails to comply with this requirement, the court shall reject the complaint.
5. The Expropriating Authority shall have thirty (30) calendar days after receiving the copies required by paragraph 4 of this Article to file its response with the court.
6. A judgment of a court under this Article shall be appealable in accordance with the applicable law governing such appeals.

Article 38

Complaints Challenging the Legitimacy of a Decision Authorizing the Temporary Use of Property

1. If a Person is an Owner or an Interest Holder with respect to immovable property that is the subject of a decision issued by the Government authorizing the temporary use of such property, and such Person reasonably believes that the decision does not satisfy the conditions specified in Article 29 of this law, such Person shall have the right to file a complaint with the Supreme Court of Kosovo challenging such decision.
2. Such a complaint may be filed anytime after the date of the concerned decision until it is no longer in effect.
3. Within two (2) calendar days after filing such a complaint, the complainant shall ensure that five (5) copies of such complaint are delivered by hand to the legal office of the Government. If the complainant fails to comply with this requirement, the court shall reject the complaint.
4. The Government shall have seven (7) calendar days after receiving the copies required by paragraph 3 of this Article to file its response with the court.
5. If such a complaint is filed, the court shall handle the case as a matter of the highest priority and shall issue a decision within thirty (30) days after the filing of the complaint.
6. A judgment of a court under this Article shall be appealable in accordance with the applicable law governing such appeals.

Article 39

Other Disputes

1. Complaints and other legal disputes falling within the scope of Article 35, 36, 37 or 38 of this law shall be handled as provided in those Articles. In the event of a conflict between such an Article and the provisions of the Law on Administrative Procedure or any other procedural law, such Article shall prevail.
2. All other legal disputes relating to an act taken or a decision adopted by a Public Authority under the authority of this law shall be subject to and governed by the applicable provisions of the Law on Administrative Procedure; provided, however, that any provision of the Law on Administrative Procedure eliminating or unreasonably restricting the right of an affected Person (a Person who has been specifically affected by such an act or decision) to file a complaint with a competent court challenging such act or decision shall be not be applied.

CHAPTER XII
TRANSITIONAL, MISCELLANEOUS AND FINAL PROVISIONS

Article 40
Ongoing Procedures

Expropriation procedures that were initiated prior to the entry into force of this law shall be governed by the provisions of the law applicable on the day such procedures were initiated. If, as of the date this law enters into force, compensation has not yet been paid for property or rights expropriated pursuant to expropriation procedures that were initiated within the immediately preceding three (3) year period, the amount of compensation due shall be governed by this law.

Article 41
Issuance of Sub-normative Acts

1. The Ministry of Economy and Finance shall have the exclusive authority to issue any sub-normative acts that are specifically required by this law or otherwise necessary for its due and proper implementation.
2. Within sixty (60) days after the promulgation of this law, the Ministry of Economy and Finance shall establish the Office of Immovable Property Valuation required by Article 21 of this law.
3. Within one hundred and twenty (120) days after the promulgation of this law, the Ministry of Economy and Finance shall promulgate the subsidiary legislation required by paragraph 6 of Article 15 of this law.

Article 42
Notices and Communications

If a provision of this law requires that a written notice or other communication be sent to a Person, such requirement shall be satisfied if and when such notice or communication is deposited, properly addressed and postage prepaid, with the official postal service of Kosovo. The notice or communication shall be “properly addressed” if it is addressed to the Person at such Person’s last known address, but only if such information may be readily ascertained from the available cadastral and other official immovable property records in Kosovo, including the records of the Kosovo Property Agency and the most recent property tax records. If such information is not readily ascertainable from such records, the provision requiring such notice or other communication shall be inapplicable with respect to such Person.

Article 43
Publication Requirements

If a provision of this law requires an Expropriating Authority to publish a decision, notice or other document in the Official Gazette of Kosovo, a newspaper and/or another publication, the Expropriating Authority shall be required to publish such

decision, notice or other document in each of the official languages of Kosovo. All official language versions of any such decision, notice or document shall be published simultaneously in the same publication and in the same manner.

Article 44 **Interpretation**

1. The provisions of this law shall be interpreted and applied in a manner that complies with the European Convention on Human Rights and Fundamental Freedoms (including the Protocols thereto) as said Convention has been interpreted and applied by the European Court of Human Rights.
2. This law shall not apply to the Law on the Privatization Agency of Kosovo or any actions taken by the Privatization Agency of Kosovo pursuant to its mandate under such law. This law shall not be interpreted or applied as limiting or restricting any expropriatory aspect or effect of such law, and the legitimacy of the public purpose justifying such aspect or effect, which is set forth in the preamble of such law, is hereby re-affirmed.
3. With respect to any immovable property that comprised socially owned property on or after 22 March 1989:
 - 3.1. if the requirements of paragraph 1 of Article 4 are fulfilled, the Government may expropriate such property or, if the property is then under the administration of a public authority, remove such property from the administration of such public authority and use such property to accomplish the concerned public purpose;
 - 3.2. any such expropriation or removal of property from the administration of a public authority shall be subject to the procedural and other provisions of this law governing the expropriation of immovable property. In particular, the amount of required compensation shall be determined in accordance with this law; and
 - 3.3. if the property has been removed from the administration of the Privatization Agency of Kosovo, the amount of such required compensation shall be paid to PAK. PAK shall hold such compensation in trust for the satisfaction of any applicable employee entitlements and owner and creditor claims with respect to the concerned property. The distribution of such compensation – including, if applicable, the return of any surplus to the Government – shall be subject to the same laws and rules as are applicable to distribution of other funds held in trust by PAK.

Article 45 **Delegation**

1. If the Expropriating Authority is the Government, it may delegate to a Ministry or other Central Public Authority the responsibility for:
 - 1.1. implementing and/or defending any aspect of a Preliminary Decision or a Final Decision; and/or
 - 1.2. ensuring that the publication and other requirements of this law applicable to such decision are fulfilled.

Article 46
Repeal of Prior Legislation

The Law on Expropriation (Official Gazette, KSAK 21/78) and all amendments thereto shall be repealed by this law, and such law shall have no further force or effect except as specifically provided in Article 40 of this law.

Article 47
Entry into Force

This law shall enter into force immediately following its promulgation in accordance with Article 80 Of the Constitution of republic of Kosovo.

Law No. 03/L-139

With the amendments and supplements done in the Law No.03/L-205 dated 28 October 2010.

Promulgated by Decree No. DL-075-2010, dated 17.11.2010, Acting President of the Republic of Kosovo, Dr. Jakup Krasniqi.

OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / PRISTINA: YEAR IV / No. 52 / 08 MAY 2009

**LAW No. 04/L-023
ON MISSING PERSONS**

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Assembly of Republic of Kosovo,

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

Approves

LAW ON MISSING PERSONS

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Purpose and Scope**

1. This Law aims to protect the rights and interests of missing persons and their family members, in particular the right of family members to know about the fate of missing persons, who were reported missing during the period 1 January 1998 – 31 December 2000, as a consequence of the war in Kosovo during 1998-1999.
2. This Law, also, establishes the powers and responsibilities of Governmental Commission on Missing Persons.

**Article 2
Definitions**

1. Terms used in this Law shall have the following meanings:
 - 1.1. **Missing person** is a person whose whereabouts is unknown to his/her family members and seekers who based on reliable information was reported missing during the period 1 January 1998 – 31 December 2000, as a consequence of the war in Kosovo during 1998-1999.
 - 1.2. **A family member of the missing person** means a family member of a missing person as established by the Family Law of Kosovo No. 2004/32, unless otherwise provided by law for the purposes of this law.

- 1.3. **Central Register on Missing Persons** means the central database including information collected on searching, recovery and identification process of missing persons and other rights on the person or his/her family member.
- 1.4. **Reliable information** is considered the information which reasonably could lead to conclusion that the whereabouts of a relevant person is unknown to his or her family members or in cases when they have no family members, the person is not found in his or her habitual or temporary residence address.
- 1.5. **Minimal data on a missing person** - consists of person's first name, parent's name and last name, sex, place and date or only year of birth, place and date or only the supposed year of disappearance and circumstances of disappearance.

Article 3 Prohibition of discrimination

Missing persons and their families shall enjoy equal rights and shall be excluded from any discrimination based on their race, color, sex, language, religion, political opinions or other opinion, their national or social origin, affiliation with any community, property, economic and social condition, sexual orientation, birth, disabilities or any other personal status.

CHAPTER II RIGHTS OF THE MISSING PERSONS AND THEIR FAMILY MEMBERS

Article 4 Rights of the missing persons

There shall be no prejudice to the rights and interests of a missing person due to his or her status as a missing person.

Article 5 The right of family members to get informed on the fate of missing persons

1. Everyone shall have the right to know about the fate of his or her missing family member(s), including the whereabouts, or in case they deceased, the circumstances of their death and location of burial, if such location is known, and they shall also have the right to recover the mortal remains.
2. Governmental Commission on Missing Persons (hereinafter: Commission) shall inform, in writing, the family members of the outcome of searching requests.
3. Commission reviews all requests relating to missing persons, including the request referred to in the paragraph above.
4. Nobody holds criminal liability nor shall be exposed to threats, violence or any other form of threat when he or she wants to know about the fate or whereabouts of his or her missing family members.

Article 6

Rights of the family members in relation to the legal status of missing persons

1. The civil status of the spouse of a missing person does not change until the identification of mortal remains of a missing person is conducted and a death certificate is issued, or the missing person is proclaimed dead by the court pursuant to Law on Non-contested Procedure.
2. In case where both parents are reported missing to the Commission, the custody shall be imposed pursuant to Family Law of Kosovo. The custody shall protect the best interest of the child.
3. A family member of the missing person may request from the Basic Court of the last residence address of the missing person to take an authorization on temporary administration of property and assets belonging to the missing person. The court may issue such authorization if this petition is in the best interest of the missing person. In case the missing person is proclaimed dead thereafter pursuant to provisions of Law on Non-contested Procedure, the same person (family member) may be appointed as a custodian pursuant to the same Law.
4. A family member of the missing person, who can prove his or her material dependency on the incomes of the missing person, may apply to the Basic Court of the last residence address of the missing person to receive a payment (daily fee) from the properties of the missing person, so that the family member could fulfill their needs.
5. The expenses of reburial after the identification of mortal remains of missing person shall be covered by Governmental Commission on Missing Persons.

Article 7

Beginning and termination of research

1. The request for the beginning of procedure for the missing person shall be submitted to the Governmental Commission on Missing Persons. The request for missing person may be submitted by the family member of missing person, other persons, and competent bodies.
2. The request should contain the minimal data for verifying the identity of missing person as foreseen in Article 2, paragraph 1 sub-paragraph of this Law.
3. When there is a lack of minimal data for verifying the identity of missing person, Commission in order to ensure additional information, in the shortest period of time, should contact the submitter of the request for the beginning of procedure.
4. The search for a missing person is considered completed when the missing person is located or his/her mortal remains are identified.
5. The search for a missing person shall not be terminated even if a missing person is declared dead in accordance with the Law on Non-Contentious Procedure.
6. The search for a missing person shall continue until the fate and, when possible, the whereabouts, of the reported missing person have been determined and the family and relevant authorities have been duly informed.
7. Procedures for termination of research shall be regulated by sub-legal acts, proposed by the Ministry of Justice and approved by the Government.

CHAPTER III
GOVERNMENTAL COMMISSION ON MISSING PERSONS

Article 8
Governmental Commission on Missing Persons - GCMP

1. Commission is a governmental body which heads, supervises, harmonizes and coordinates the activities with local and international institutions, cooperates with Institutions and International Organizations and the other stakeholders with regards to clarification of the fate of missing persons as a result of 1998-1999 war, regardless their ethnic background, religion or military or civil status.
2. Commission operates within the Office of the Prime Minister, or within a successor entity as decided by the Government.
3. Commission may receive donations provided that they have no impact on its work and its independence.
4. The Government may decide on the entity which will be the successor of the Commission and which will have the same mandate as established under provisions of this Law.

Article 9
Members of Commission

1. Members of Commission shall include, but not limited to, the following representatives:
 - 1.1. Office of the Prime Minister -Chairperson and Vice Chairperson;
 - 1.2. Ministry of Justice – member;
 - 1.3. Department of Forensic Medicine - member;
 - 1.4. Ministry of Internal Affairs - member;
 - 1.5. Ministry of Local Government Administration - member;
 - 1.6. Ministry of Labor and Social Welfare - member;
 - 1.7. Ministry of Foreign Affairs - member;
 - 1.8. Ministry for Kosovo Security Force - member, and
 - 1.9. Other members, including three representatives of associations of family members of missing persons of Kosovo, where one of the members should be amongst non-majority community.
2. Governmental members of Commission shall cooperate by providing the available information and assisting the Commission.
3. The Chairperson and the Vice Chairperson of Commission shall be nominated by the Prime Minister, the Vice Chairperson should be amongst the non-majority communities.
4. Member of Commission shall be represented at the level of senior civil affairs officers, respectively the general secretaries or directors of respective departments with the relevant ministries and other institutions.
5. Office of the Prime Minister or successor entity shall provide administrative and financial support to the Commission.
6. Within the Commission shall operate the Unit which helps the Commission to implement its duties and responsibilities.

7. The head of Unit and employees are civil servants.

Article 10 **Competence of Commission**

1. Commission shall protect the rights and interests of missing persons and their families.
2. Commission shall coordinate the activities in collecting the data relating to the missing persons.
3. Commission shall establish a Central Register on Missing Persons.
4. Commission shall inform the family members of missing persons and shall cooperate with their associations, notifying the family members of the fate of missing persons, raising the consciousness (awareness) and supporting initiatives related to missing persons by reporting publicly the outcome of its findings.
5. Commission undertakes other significant activities relating to the missing person.

Article 11 **Cooperation of the Commission with local and International institutions**

1. Commission exercises its activity in full cooperation with local institutions, international institutions and organizations, Public Prosecution Office, Courts and other responsible structures authorized by law to collect data on missing persons.
2. Commission cooperates with local and international organizations and associations involved in protection of the rights of missing persons and their families.
3. Commission cooperates with the relevant authorities of countries in the region in relation to missing persons in compliance with international agreements and applicable Laws in Kosovo.
4. Commission or a successor entity to whom is given the same mandate coordinates activities with international and local institutions, and other stakeholders relating to construction of the monument or other initiatives related to the honor of missing persons.
5. Relevant public authorities of Foreign Affairs, Justice, Internal Affairs and Local Government Administration, within their area of responsibilities cooperate with Commission by providing the available information and providing assistance for the realization of his/her duties.

Article 12 **Rules of Procedure of the Commission**

Other competencies and procedures of Commission, including the appeal submission procedure, internal organization and systematization of workplaces of the relevant administrative unit shall be regulated by the Rules of Procedure of Commission. Rules of Procedure are proposed by Commission and approved by the Government, within six (6) months following the entry into force of this Law. Governmental Commission shall draft a periodical and annual work report and shall report to the Government of Republic of Kosovo

**CHAPTER IV
CENTRAL REGISTER ON MISSING PERSONS**

**Article 13
Central Register on Missing Persons**

1. Commission, with purpose of ensuring the implementation of its mandate and clarifying the fate of missing persons, shall establish and maintain a Central Register on Missing Persons.
2. Commission collects and centralizes the data on missing persons in its Central Register, which data have been collected from all available sources to assist in revealing their identity and location as well as circumstances to their disappearance.
3. The data collected in this way shall be exchanged with the relevant state organizations, as appropriate, for the purpose of searching and identifying the missing persons or recovering the mortal remains.

**Article 14
Access to Central Register**

1. With view to implementation of the rights established under Article 6 of this Law, the access to information available in Central Register shall be enabled to families or legal representatives of missing persons and other organizations, which have the mandate to conduct searching, finding and identification of missing persons. These data shall be available pursuant to relevant legislation on personal data protection.
2. The request for access to register data can be addressed to the Commission by the family members of a missing person or by the State bodies that are not represented in Commission. Commission reviews the application and takes a decision within fifteen (15) days from the date of its submission.

**Article 15
Personal data processing and review in Central Register**

1. The data kept in Central Register are processed and reviewed pursuant to the Law on Protection of Personal Data and Law on Classification of Information and security clearances, as well as with other legal obligations relating to the protection of Personal Data.
2. Commission adopts a regulation which establishes the procedure for using, registering, excluding and exchanging the data, their verification and management pursuant to the Law on Protection of Personal Data and Law on Classification of Information and security clearances and the security rules as well as with other legal obligations relating to the protection of Personal Data.

**CHAPTER V
FINAL PROVISIONS**

**Article 16
Petitions prior to entry into force of the present Law**

All requests relating to missing persons, which have been submitted prior to entry into force of the present Law, are considered valid and submitted in accordance with provisions of this Law, if they contain the minimal required data.

**Article 17
Supervision**

The supervisions of the implementation of this Law shall be done by the Office of the Prime Minister of the Republic of Kosovo.

Article 18

Upon entry into force of this Law, all legal provisions that are inconsistent with this Law shall be abrogated.

**Article 19
Entry into force**

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

**Law No.03/L -023
31 August 2011**

Promulgated by Decree No.DL-023-2011, dated 31.08.2011, President of the Republic of Kosovo Atifete Jahjaga.

**OFFICIAL GAZETTE OF THE REPUBLIC OF KOSOVA / No. 16 / 14
SEPTEMBER 2011, PRISTINA**