



Foreign  
Investors  
Council

# FIC NEWS

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## FIC NEWS

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### FIC – Foreign Investors Council

Fra Andjela Zvizdovica 1/B11, 71 000 Sarajevo, BiH

Tel: +387 33 295-880, Fax: +387 33 295-889

info@fic.ba, www.fic.ba

## INTRODUCTION

### Word of the FIC president

*Dear FIC members, partners and friends,*

*I am presenting you a new edition of "FIC News", a bulletin of the Foreign Investors Council of BiH covering the period of the first half of 2017.*

*Bearing in mind the current situation in Bosnia and Herzegovina in general global conditions, adapting to its path towards the European Union, BiH is currently undergoing significant economic reforms, seeking new, own models for economic growth, with the awareness that on a large regional, european and world market only joint action guarantees prosperity. The Foreign Investors Council of BiH as a partner of BiH authorities on the reform path over the past period has offered a range of information, initiatives, education and consultancy to help BiH authorities create a business environment acceptable to the European community and beneficial to local entrepreneurs, focusing on good practices of our members who, despite the challenges they face in their business, still succeed in sending a positive message and promoting BiH's potential as an investment desirable destination. By acting together with our partners and friends, we make an impact on changing vital business regulations, establishing new contacts every day and expanding our network with business associations around the world to take full advantage of our business opportunities in BiH. The Foreign Investors Council of BiH from the very beginning has committed to supporting necessary economic reforms, emphasizing the reduction of para-fiscal levies, introducing new and fast services for entrepreneurs through public administration reform, consolidation of public finances with an active commitment to reindustrialisation and exports growth, and the reform of the pension, health and education system, with an effort to use existing resources*



*Branimir Muidza, FIC President*

*more efficiently and boost the economy's capacity. The Foreign Investors Council of BiH sees its role in continuing to contribute to the improvement of the business climate in BiH. In next period our activities will be focused to attract new investments, through support to potential investors, but also to the existing ones by providing relevant and timely information, which is extremely important for investors. Through our work, with the support of our expert working groups, we point out possible solutions that would enhance the macroeconomic image of BiH and the need to reduce bureaucratic barriers and facilitate access to BiH institutions at all levels.*

*Sincerely,*



**Branimir Muidza**  
President of FIC BiH

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## **Held a meeting on implementation of the Law on Corporate Income Tax with reference to the Ordinance on the Implementation of the Law on Corporate Income Tax**

Foreign Investors Council in cooperation with PwC Sarajevo and the Federal Ministry of Finance held a meeting on implementation of the Law on Corporate Income Tax with reference to the Ordinance on the Implementation of the Law on Corporate Income Tax. Tax experts in their role as hosts of the meeting were Ms. Medina Dudo from the Federal Ministry of Finance, Ms. Mubera Brkovic, Tax Manager at PwC Sarajevo, and Ms. Nermina Hadzihanovic, consultant at PwC Sarajevo. Working group for tax and fiscal policy, which operates under the FIC and is in charge of the implementation of recommendations in the field of tax and fiscal policy, organized the first meeting in 2017 on the subject of income tax in the Federation BiH, an area which is at this time of year

of particular interest to companies because of the obligation to submit annual financial calculation of the tax authorities, especially after the adoption of the new Law on Corporate Income Tax of the FBiH and the new Ordinance on the Implementation of the Law on Corporate Income Tax FBiH adopted in 2016. Recently adopted law provides an update of the earlier law and gives precise guidelines for determination of tax base. Also, special emphasis was placed on filing tax forms, determining transfer pricing, double taxation issues and submission of the necessary documentation. This training is a continuation of a series of seminars and training initiated in the previous year, organized by the FIC, processing the ongoing specific topics that are of interest to members of the FIC.

## **Members of the FIC Board held a meeting with the representatives of the European Commission**

In the period of 6th-7th March, Sarajevo visited a combined delegation of the European Commission - representatives of the Directorate General for Economic and Financial Affairs, Directorate General for Neighbourhood Policy and Enlargement Negotiations and the Directorate General for Employment, Social Affairs and Inclusion (DG ECFIN / DG NEAR / DG Employment). The aim of this visit was the assessment of the BiH economic reforms program for the period 2017-2019 and preparation of proposal guidelines in the area of policy, which will be adopted in the final version at a meeting of EU and Western Balkan countries on May 23, 2017. In addition to the issues that are strictly related to the assessment of economic reforms, the mission took advantage of his stay in Bosnia and Herzegovina also to inform about general economic issues, in light of the expected delivery of the responses to the EU



Questionnaire and their assessment by European Commission, in order to get better insight to the major challenges in BiH, and the way in which the institutions and other stakeholders in BiH deal with these challenges. On that occasion, the delegation met with members of the FIC Board of Directors, Sandra Kasalo-Fazlic, Nedzida Salihovic-Whalen and Valentin Ilievski, where they discussed issues regarding the business environment in general, in particular the situation and developments on the BiH labour market.

## FIC and Federal Chamber of Commerce organized a panel debate on labour legislation in the FBiH

Continuing activities on the implementation of recommendations from the White Book 2015/16 Foreign Investors Council in BiH and FBIH Chamber of Commerce organized a panel debate on the theme of labour legislation in the Federation in the Great Hall of the Foreign Trade Chamber of BiH.



Debate is designed as a professional discussion among the invited representatives of relevant FBIH institutions competent for labour issues and the business community, members of the FIC and members of the Federal Chamber of Commerce. In the first part of discussion, representatives of Kolektiv Ltd. (Posao.ba) presented challenges when it comes to temporary employment in FBIH, with emphasis on the lack of a legal framework in this area, but also pointing out the benefits that can be achieved by legal regulation of this area. In the second part of the

discussion team leader of FIC Working group for Labour Law, Ms. Emina Sarac, presented the key problems that companies face in the practical application of certain provisions of the new FBiH Labour Law, with special emphasis on unclear law provisions that create dilemmas, in which it is necessary to provide authentic interpretation especially for Labour Inspection. On behalf of relevant institutions at this meeting was present the representative of the Federal Ministry of Labour and Social Policy, Mr. Ernis Imamovic, and the main Federal Labour Inspector, Mr. Muhammad Pasukanovic. Mr. Imamovic informed the audience about new amendments to the current FBiH Labour Law which were recently sent to the parliamentary procedure, and gave overview of the problems that companies face when applying the law. As a conclusion of this meeting, representatives of the Ministry expressed readiness to provide help to the business community, social partners and Federal Government to ensure the successful implementation of labour legislation with the ultimate aim of facilitating the economy. A representative of the federal labour inspectorate launched a constructive discussion with company representatives, explaining controversial provisions and institutes of new Labour Law with the aim of solving practical problems that employers have.

**FIC partner of the 30th selection of the "100 largest companies in BiH"**

"Poslovne novine " will mark on September 20, 2017 in Sarajevo the 30th selection of the "100 largest companies in Bosnia and Herzegovina" and award the companies that achieved the best results in 2016. This year the project was joined by the Foreign investors Council of BiH.



*"We are honored that this year FIC is a partner of the project „100 largest companies in BiH' organized by Poslovna novine Sarajevo. I am pleased that this unique project promotes a transparent business and provides relevant indicators of the general state of the BiH economy. Otherwise, the FIC office, as well as our members, are long-time beneficiaries of the Poslovne novine service, primarily because they provide for the availability of comprehensible, relevant, reliable and comparable data and information that are key for foreign investors and the successful realization of their projects in Bosnia and Herzegovina" - said Sanja Miović, FIC Executive Director, at a press conference.*



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## Gorazde – a good example of foreign investors investments

Representatives of the Foreign Investors Council and the Foreign Investment Promotion Agency in BiH (FIPA) discussed the possibility of attracting foreign investments in Gorazde with leaders of the municipality and Bosnian-Podrinje Canton (BPK) Gorazde, as well as with businessmen from the area of Gorazde. They were also presented the economic resources of this region. During the visit to businesses at the industrial zone Vitkovici, investors were assured Gorazde is good example of investment. *“The aim of the visit is to see a very successful business, industrial environment such as Gorazde, to meet with businessmen, government officials and together with colleagues from FIPA promote this Canton and its resources, and exchange information and establish cooperation,”* said Sanja Miovcic, executive Director of the Foreign Investors Council.



*“We know that this year we go with a favourable credit line of reducing interests in BPK, and in that sense we will have certain funds. We enter the story of creating favourable investment environment, and this is the project that we will work on together with the World Bank. Finally, we need to attract all the relevant actors in this area, to show them everything the Canton has, to show them our possibilities and resources and to continue working intensely on the presentation and attracting new investments,”* said Emir Okovic, Prime Minister of BPK Gorazde.



BPK Gorazde was also visited by a representative of one of the biggest foreign investors in BiH, Messer BH Gas / Messer Tehnopljin, which has been here for 20 years already and has invested close to 100 million KM.



Their experience of investing in BiH is not the brightest, but as pointed out by Valentin Ilievski, CEO of the company, BiH has areas that are quickly and efficiently solving problems for foreign investors. Ilievski stressed that BiH has a huge growth and market potential, but that it is necessary to improve the existing business procedures and the overall business environment in order to create more favourable conditions. He pointed out that Gorazde is a good example of foreign investment and that this region can achieve even better results in terms of foreign investment if it fulfils certain conditions.



## **BFC SEE (Business Friendly Certification South East Europe): The second meeting of the Working Group for Business Friendliness**

The second meeting of the Working Group for Business Friendliness was organized on Wednesday, 1 March in Belgrade, in cooperation with Regional Cooperation Council (RCC) and GIZ Open Regional Fund for Modernization of Municipal Services (GIZ ORF). The Working Group provides support to the implementation of SEE 2020 Strategy in the field of improving the business environment, and it involves the representatives of ministries, members of BFC SEE Regional Council, Foreign Investors Councils from BiH, Serbia, Montenegro, Macedonia, businesses and local governments from the region – BiH, Montenegro, Croatia, Macedonia and Serbia.



The agenda of the second meeting of WGBF focused on maintaining and improving the business friendly environment standards, particularly in terms of strengthening the BFC SEE regional platform, exchanging experiences and developing joint initiatives which would contribute to the improvement of business climate in the region of South East Europe. The introductory part of



the meeting presented the analysis of local capacities in 45 cities and municipalities in Vojvodina, with particular focus on the organization, resources and capacities of Local Economic Development Offices; as well as the impact and increased level of investments

in LGs certified by BFC standard, compared to municipalities not holding this prestigious recognition. In the second part of the meeting, GIZ ORF presented the new project concept for supporting the BFC SEE network, primarily the certified municipalities in the region. The meeting also presented best practice examples in the region in terms of use of vouchers for seasonal workers, the positive experiences from Croatia, and local government competitiveness index in Montenegro.



At the very end, National Alliance for Local Economic Development (NALED) as the BFC SEE Regional Technical Secretariat and the Secretariat of Working Group for Business Friendliness, presented the idea for a new regional initiative – Platform for exchanging best practice examples in the SEE region, as well as the new BFC SEE online platform developed within the project Boost Business Friendliness, supported by Regional Cooperation Council and GIZ ORF.



The following meeting of the Working Group for Business Friendliness is planned for the last quarter of 2017, which will present the realization of key conclusions and recommendations agreed at the meeting.

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## Cooperation Council Meeting (CC meeting)

A regular meeting of the Cooperation council quarterly organized by the Foreign Investors Council BiH (FIC) took place on March 22, 2017 in Sarajevo. Apart from the representatives of the FIC management, the meeting was also attended by the regular members of the Cooperation Council consisting of commercial attachés of foreign embassies in BiH and representatives of international organisations in BiH. The topic of the meeting was on-going Tax reform in Federation of Bosnia and Herzegovina and adoption of new Law on Personal Income Tax and Law on Contributions which will significantly affect business sector and citizens of BiH. Key speaker at the meeting was Ms. Mubera Brkovic, FIC board Member and Tax and Legal manager at PwC. Ms. Brkovic briefly introduced

the participants with new laws, major amendments comparing to current laws, and effect that those laws will have on the economy and business environment in country. This topic will remain in the focus of FIC activities in the next period given that the FIC together with other chamber of commerce and associations, and social partners takes part in negotiations with the FBiH Government regarding the final text of the respective laws. Currently these laws are adopted in draft form and will now be in a regular adoption procedure. Therefore, employers will have enough time to suggest amendments and give recommendations to the drafts of the respective laws in order to reach acceptable solution for both employers and workers, but also for the FBiH Government.

## FIC has become a partner of the CEO Conference 2017

As a result of long-standing cooperation with the Faculty of Economics in Sarajevo, the Foreign Investors Council BiH this year give support in organizing the CEO Conference. FIC has recognized the importance of this project which is got the attention of the public, young people and the business community thanks to four years of successful realization in 8 cities of the region. Mission of CEO conference is to gather young and the most successful individuals from Bosnia and Herzegovina and region, who want to share their life and business experiences, their ups and downs, ideas and knowledge in the context of different disciplines: career development, entrepreneurship, technology and motivation, which is also in the focus of interest of Foreign Investors Council BiH. A key pillar of the CEO conference is to encourage young people to follow their ambitions and dreams and to realize their full potential. This year the conference will take place in Mostar, Zenica, Banja Luka, Tuzla, Zagreb, Belgrade, Podgorica and Sarajevo in collaboration with nine national faculties of economics, and will bring together over 7,000 participants.



## FIC met representatives of the US Department of Commerce

On March 17, 2017, the FIC Board members Ms. Visnja Dizdarevic and Mubera Brovic held a meeting with US Department officials Robert Dunn, Senior Commercial Officer based at U.S. Embassy in Belgrade and Greg O'Connor, Regional Senior Commercial Officer for Southeast Europe based at U.S. Embassy in Bucharest. Both visitors are career Foreign Commercial Service officers and responsible for covering BiH commercial issues in cooperation with the Embassy in Sarajevo. At the meeting, the guests were introduced with the recent and planned activities of the FIC in Bosnia and Herzegovina. It also discussed the current economic issues in the light of the implementation of the economic reforms that started in BiH.



## **UPCOMING: Round tables on "Draft FBiH Law on Personal Income Tax and the law on Contributions – effects on workers, employers and the state "**

Federal Chamber of Commerce, was initiated organisation of a series of round tables on the Draft Law on Personal Income Tax and the Law on Contributions that were recently adopted by the Federal Government. Considering the importance of these Laws and their impact on economic trends in BiH, the target group in which there are members of the Foreign Investors Council, will organize roundtables in four locations: Mostar, Sarajevo, Gorazde and Tesanj. This round tables will be attended by representatives of FIPA, Foreign Investors Council BiH, Association of Employers of FBiH, representatives of the Federal Ministry of Finance, Finance Advisor to the Prime Minister of FBiH,

representatives trade, metal, construction sector, the textile industry, forestry and wood processing and other professional associations and as well representatives of local governments, cantonal ministries / municipalities and municipal and cantonal business associations. The aim of organizing a series of round tables is to consider the draft of the Law on Personal Income Tax and the Law on Contributions, to analyse the impact of these laws on workers, employers and the state, and the preparation of the financial effects, in order to ultimately come to acceptable solutions primarily for workers and employers but also for the state and its budget.

## **FIC met representatives of the French-Serbian Chamber of Commerce**



Representatives of the Foreign Investors Council held a meeting with the Head of the Commercial Sector of the French-Serbian Chamber of Commerce, Ms. Aleksandra Stevic and First Counselor to Ambassador of France in BiH, Ms. Catherine Veber. Topic of the meeting was the organization of visit of several major French companies to Sarajevo in the context of collective mission that will happen in October 2017. Also, the guests were introduced with the activities of FIC in Bosnia in Herzegovina, and about the overall presence of foreign investors in Bosnia and Herzegovina. Ms. Stevic presented the project which aims to attract a higher number of French investors in Bosnia and Herzegovina, which is also in the focus of the French Embassy in BiH. FIC have agreed to give support to the French-Serbian Chamber of Commerce during planned visit and to organise interactive panel where FIC members will introduce French companies with opportunities and investment potentials of BiH.

## **Public debate on draft FBiH Law on Tourism – the abolition of Tourist Board Membership Fee**



The FIC has been asked by the FBiH Ministry of Environment and Tourism (FMOiT) to make a statement to the proposed new FBiH Law on Tourism which provides for the abolition of Tourist Board Membership Fee, which is also one of the recommendations for reduction of para-fiscal levies given in the latest edition of the „White Book 2015/2016". Considering that the public debate by certain subjects expressed dissatisfaction over the fact that the new Law do not proscribe Tourist Board Membership Fee, the opinion of the FIC members is that this levie should pay only those companies engaged in tourism or a related activity, not all legal entities as it was stipulated in the previous Law, the more so as this is in accordance with previously agreed and promoted recommendation contained in the „White Book".

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## Implementation of the Law on Customs Policy of BiH

FIC members have given their support to the initiative of the Foreign Trade Chamber of BiH (VTK), concerning the inability to implement the Law on Customs Policy of Bosnia and Herzegovina. VTK over the past several months, addressed the Management Board of the Indirect Taxation Authority BiH and the BiH Ministry of Foreign Trade and Economic Relations, as well as the Export Council of Bosnia and Herzegovina, with the initiative for the urgent adoption of by-laws for implementation of the Law on Customs Policy of BiH and to enable entrepreneurs to use their rights as guaranteed by the Law. In fact, the absence of implementing legislation, to entrepreneurs in Bosnia and Herzegovina has imposed tremendous barriers in business, beside an already existing ones.



In addition to release customs duties on imports of machinery, some of the most important novelties in this law are electronic transit procedure and electronic submission of customs declarations, which should speed up the procedures of customs clearance of goods and reduce costs. The new Law on Customs Policy provides the introduction of the authorized undertakings, and companies that have obtained this status shall enjoy the confidence of the customs authorities, will have a much smaller volume control, it will be recognized in BiH, but also in other countries, and even EU countries as companies that fully in accordance with the legislation operate. Also, the new customs regulations will enable better risk analysis in terms of specific and detailed control only to those taxpayers who belong to the group of risk.

## Economic Fair - Mostar 2017

20th International Economic Fair - Mostar 2017 opened its doors and this year brought together 800 exhibitors from 30 countries, among which were also the members of the FIC BiH. This year's partner country is the Republic of Croatia, whose prime minister Andrej Plenković opened this five-day economic event. The Mostar Fair is, by the number of



its exhibitors and visitors, certainly the most successful fair exhibition in Bosnia and Herzegovina. Considering the fact that the economic production as well as its market in Bosnia and Herzegovina is not sufficient to justify specialized fair exhibitions, we have made a decision to give chance to home and foreign producers to present their achievements annually, in one place. Products of metal-working and



construction industry, agriculture and food sector, the latest achievements of automobile industry, high technologies, but also offer of service sector, from banking to tourism, are traditionally presented at our Fair, in amount and quantity that meets global business needs. It is important to point out that the Mostar Fair is part of the network of Exhibition Association of South-East Europe Membership in this respectable association is an additional indicator of the business value of the Mostar Fair, recognized and accepted in its business branch.

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## The FBiH Government established Foreign Investors Council in Federation

Foreign Investors Council in the Federation of BiH was established in at the constitutive meeting in Sarajevo on 22 March 2017. Goal of establishing this advisory body of the Government is to assist and encourage investments and promote the overall business environment for investors as well as a more complete coordination and cooperation of institutions on the Federation, cantonal and local levels in area of investments. The establishment of the Council was



supported by the World Bank Group and the British Embassy in Bosnia and Herzegovina, as a part of the planned reform agenda on improvement of the business climate and competitiveness in the FBiH. The members of the Council are: representatives of the federal and cantonal ministries, the Federal Chamber of Commerce, the League of Cities and Municipalities of the FBiH and a representative of the Foreign Investors Council in BiH. This structure aims to



establish a partnership between all levels of government in the Federation, to strengthen public-private dialogue through operational work on specific issues or initiatives in order to eliminate the

limited factors for investors and encourage future investment. President of the Council is Zlatan Vujanovic, the Federal Minister of Trade. *"We want to accelerate the reform of the business environment by simplifying and automating business registration, accelerate the procedures for obtaining building permits, facilitate exports, continue reform of inspections and strengthen quality control in line with the EU,"* said Vujanovic.



*Amir Zukić, federal minister of Energy,  
Mining and Industry*



At the meeting, Executive Director of the FIC, Ms. Sanja Miovcic presented to the Council a key recommendations of the new "White Book", which will be the guidelines in the work and achievement of the objectives of the Council. In its work the Council will also use the reports and findings of other national and international institutions and organizations with proposals for improvement of the business climate in the Federation.



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## The first meeting of the FIC Working Group for the Shadow Economy was held

The first meeting of the FIC Working Group for shadow economy was held in Sarajevo on April 11, 2017. In 2015, the Foreign Investors Council of BiH initiated a dialogue and started activities to combat the shadow economy not only in BiH but throughout the region, together with our partners: regional offices of the Foreign Investors Councils from Serbia, Croatia, Montenegro, Macedonia and Albania, and the Regional Cooperation Council (RCC). As a result of this cooperation, in May 2015 a major regional conference entitled "Combating Shadow Economy: A Necessity for Investments in SEE " was held, attended by ministers of economy and representatives of tax and inspection institutions from across the region, with

agreed guidelines. In accordance with the continuation of these activities, the Foreign Investors Council of BiH has established a permanent working group for the shadow economy, whose primary task will be that, together with the relevant state and entity authorities, and other relevant stakeholders, continue to fight against this negative phenomenon that prevents further progress of BiH economy. Identifies concrete measures and solutions in order to combat the shadow economy in BiH and implement these measures based on international standards and practices, and establish an Action plan of activities that will enable the implementation of these measures and monitor their progress.

## Economy Fair Tesanj 2017

Organized by the Business Association "Business Centre" Jelah-Tesanj, the 18th Economy Fair Tesanj 2017 is open on May 18th. The exhibition space of the Fair is located on 4,000 m2 of enclosed space and 10,000 m2 of open space. The official partner of this year's Fair was Germany and the Fair was attended by 200 exhibitors from 5 countries.



Guests were welcomed by: Edin Jabandzic - President of the Business Association "Business Centre" Jelah-Tesanj, Suad Huskic - Mayor of Tesanj municipality, Marko Santic - President of the FBiH

Chamber of Commerce, Marinko Cavara - President of the Federation of BiH, Fadil Novalic - Prime Minister of the Federation of BiH, Doris Pack - a longstanding representative of the European Parliament and chairman of the European Parliament's Committee for South East Europe, E. Christiane Hohmann - Ambassador of Germany in BiH and Denis Zvizdić - Chairman of the Council of Ministers of BiH. Edin Jabandzic, President of the Business Association "Business Centre" Jelah-Tesanj said on this occasion: *"This is the largest fair held in Tesanj so far. Indeed, one spectrum of all activities, quite diverse, with a large number of eminent firms which represent in BiH the right brands".* Ambassador of Germany Christiane Hohman expressed her satisfaction by attending fair activities. *"It is a fair that is organized in region of business excellence, which even in Europe is not quite common place. Since 2013, Germany has been making efforts to help companies in this region to increase their competitiveness and help the municipality to increase its investment capability."*



## Jahorina Economic Forum 2017

### *Development Opportunities of small economies*

"Jahorina Economic Forum 2017", held on 27 and 28 April at mountain Jahorina. More than 30 foreign and domestic lecturers, 350 delegates, guests and representatives of the media exchanged opinions and experiences on improving Republika Srpska's economic environment. Under the slogan „Development Opportunities of Small Economies", the forum identified the comparative advantages of the Republika Srpska and opened a dialogue with representatives of the state and the economy about the challenges they face and possible solutions. The second "Jahorina Economic Forum" was held under the auspices of President of Republika Srpska, Mr. Milorad Dodik.



*Milorad Dodik, President of Republika Srpska*

*"The Republic of Srpska is trying to maintain economic growth in these difficult times, and it has succeeded thanks to the devoted work of its citizens and authorities. There are numerous efforts to present our potentials in China, Russia and other countries, which always opens and carries many opportunities, but also questions and problems. I expect from this forum expert answers to solve these issues in the best possible way and to overcome these problems, all with the aim of creating a better economic environment and concrete benefits for citizens and society,"* said the President of Republika Srpska, Mr. Milorad Dodik. The basic idea on which

the first forum was held, was a rapprochement of RS to all interested investors. The forum's efforts continue to be that Republika Srpska, which is in an extremely competitive environment, is recognized as an area attractive to investors. This year's Jahorina Summit opened a discussion on some new models of development, financing, new industries, but also how to capitalize the enormous potential of young, successful people who have remained in the country.



*Emir Kadric, director of Xella BH*

Participant of the panel "Construction sector as a development factor of the domestic economy" was also the representative of the Foreign Investors Council of BiH, Mr. Emir Kadric, General Manager of construction company Xella BH, who with other participants considered that this sector faced a number of challenges and problems. But in spite of that this sector goes uphill. "Jahorina Economic Forum" also brings together all relevant stakeholders in economic processes, experts and representatives of the academic community, institutions, different levels of government and businessmen, not only from the Republika Srpska and Bosnia and Herzegovina, but also from the region. The Forum is also a unique opportunity to engage in multi-layered discussion of the current economic situation, exchange good and bad ideas and bring conclusions and suggestions that should help to create new policies and solutions to improve the economy. The growing number of interested entrepreneurs for this forum, giving credence and confirmation that the forum has the potential to be recognized as a place to meet good business ideas and solutions.

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## Conference: Perspectives of the Petroleum Industry: Has the Oil Crisis Ended?

A conference on „Perspectives of the Petroleum Industry: Has the Oil Crisis Ended", was held on May 11, 2017 in Sarajevo, by the Petroleum Committee of BiH and the National Petroleum Committee of Serbia, which was attended by representatives of the largest oil companies operating in Bosnia and Herzegovina and Southeast Europe, as well as senior officials of the Government of Bosnia and Herzegovina and experts from oil industry. The focus of the conference was on the current state of the oil industry in the world and new trends in quality development, responses to the oil crisis and the challenges that facing oil industry market in BiH.



*"There are some tendencies in Europe for certain changes. Refiners are faced with problems and this will be a tough question and a new era for all refineries. What matters is that oil will increasingly be used in the petrochemical industry, and when we talk about innovations, they absolutely have no boundaries because new directions and new times are now opening up. When we mention the crisis, it is a constant state of readiness to be there and respond to certain changes,"* said Dr József Tóth, President of the World Oil Committee (WPC). Mr. Uros Bider, Chairman of the Petroleum Committee of Bosnia and Herzegovina, said: *"The Bosnia and Herzegovina market as a country in transition is subject to numerous oscillations, and therefore the oil industry faces many of the challenges. Our goal is to respond to these*

*challenges, to bring European experience and practice closer to the market of Bosnia and Herzegovina and to adopt the prospects for development."*

The conference was organized through two panels, whose participants were international and domestic oil industry experts. *"We wanted through this event to place BiH on the world oil map. With the establishment of the Oil Committee of BiH, we have rounded up a whole region with oil committees that are part of a large community of over 70 countries. At the largest conference, which will be organized by the World Oil Committee this year in Istanbul, the Petroleum Committees of Serbia, BiH and Macedonia will participate together and thus further increase the visibility of the committee and its members,"* said Goran Radosavljevic, Secretary General of the National Oil Committee of Serbia. The Sarajevo conference is the first such kind organized by the Petroleum Committee of BiH in cooperation with the Serbian National Petroleum Committee and certainly needs to become a practice that will provide a model and direction of movement for representatives of the oil industry both in Bosnia and Herzegovina and region.

### ABOUT PETROLEUM COMMITTEE IN BIH

Petroleum Committee in BiH, founded by Petrol BiH Oil Company, Holdina d.o.o. Sarajevo and G - Petrol d.o.o. Sarajevo (Gazprom Gas



Station), was founded on October 25, 2016 in Sarajevo. One of its core tasks is to provide support to the sustainable development and promotion of the oil and gas industry of Bosnia and Herzegovina. The Petroleum Committee in BiH promotes harmonization of local regulations with EU legislation and EU directives through its activities and providing relevant opinions to interested stakeholders and professional organizations.

## Public-Private Dialogue: Issuance of construction and environmental permits in RS, experiences and practice

In Banja Luka on 20 June 2017, was organized working meeting by Foreign Investors Council (FIC) and Regional Association of Spatial Planners for Research, Development and Cross-Border Cooperation of Western Balkans (RUPP IRIS) with the support of the Chamber of Commerce of Republika Srpska and German Association for International Cooperation (GIZ).



A working meeting was titled "Public Private Dialogue: Issuing Building and Environmental Permits in Republika Srpska - Experiences and Practice" and attended by Mr. Dragan Jevtic, Assistant Minister for Physical Planning, Civil Engineering and Ecology of Republika Srpska, Director of the Agency for State Administration of Republika Srpska, Mr. Aleksandar Radeta, President and Director of the RS Chamber of Commerce, Mr. Goran Racic and Mrs. Dragica Ristic, and representatives of the Union of Employers' Associations of Republika Srpska, Association of Municipalities and Cities of RS, and private sector representatives. At the very beginning, the FIC Executive Director Ms. Sanja Miovcic said: *"It is very important to create a public-private dialogue to exchange information directly and to meet each other with the problems that companies face, open issues, draw conclusions and launch activities aimed at achieving the desired results when it comes to obtaining construction and environmental permits"*. On behalf of company Mtel, Ms. Natasa Laketa, Chief of Sector for Primary Infrastructure, presented key recommendations from the White Book related to construction permits procedures, especially considering the issue of handling telecommunication infrastructure.

Mr. Davorin Marinković from the Dimitrijevic & Partners Law firm presented recommendations related to the issue of environmental permits in RS, pointing out that in this domain the biggest problem is actually the public participation that unreasonably challenges the projects and is not fully familiar with project, therefore it is essential to establish a wider dialogue and ensure transparency in the environmental permit procedure itself. President of RUPP IRIS Mr. Sacir Sosevic presented the Convention on Spatial Planning and Protection of the Area of the Western Balkans with a special emphasis on the efficiency of public administration in issuing construction permits. Ms. Nejra Spahic on behalf of the German Association for International Cooperation (GIZ), briefly presenting the activities of the project "Energy Efficiency Promotion in Bosnia and Herzegovina, in the context of issuing energy certificates. Mar. Dragana Jevtic from the RS Ministry of Spatial Planning, Construction and Ecology has briefed participants about the preparation of an amendment to the Spatial Planning Law in RS that will introduce electronic license issuance, and invited representatives of investors and other companies to submit their suggestions and comments to the ministry and participate in public debates that will soon follow.



Some of the many conclusions of the meeting were that it was necessary to harmonize legislation and procedures, solve the problem of transforming agricultural land into construction land, introducing electronic communication, establishing centres for issuing construction permits, all for the purpose of reducing the negative effects of inefficiency.



**FIC NEWS**

## Conference: Invest in Trebinje

Two-day investment conference in Trebinje held on 26-27 May and gathered investors from Republic of Srpska and the region, featuring Trebinje's infrastructure, agricultural and tourist potentials, as well as legal investment benefits. Four panel discussions were held within the conference. On the first panel discussion - "Infrastructure and Investment", the conference participants presented the spatial planning documentation, traffic and communal infrastructure of the city, and also the energy and communication image of the city. The first panel



discussion included presentation of the investment projects "City of the Sun", "City of Crkva", the Golf course, the eastern and western bypass around the city, the Zupac Airport, the indoor Olympic pool, and the drinking water plants. "Economy and Agriculture" - is the name of another panel discussion in which the

basic indicators of Trebinje's business operations are presented and economic potentials - energy, metallurgical and textile industries. On the third panel discussion - "Tourism", also were presented tourist symbols of the city, religious and sports tourism, culture and tradition, hospitality and gastronomic offer of city Trebinje. On Saturday, May 27th, was held the fourth panel discussion on the topic "Legislative-Legal Benefits", where participants introduced investors about company registration, granting of concessions, hiring of foreign nationals, human and other resources, business expenses, investor protection, and cross-border cooperation. Moderator of the last panel was Sanja Miovcic, Executive Director of the Foreign Investors Council of BiH.



## FIC supported the Branding Conference

The 7th Conference, under the slogan "Brand New Jungle", was held on June 2, 2017 in Sarajevo, organized by the Via Media agency. "Brand New Jungle," a slogan that sends a clear message that due to globalization, digitization, fast and big changes in the world of communications, the game played by big and small brands has become unpredictable and merciless, with ever-changing rules. As part of the conference, two panel discussions were held, which gave an answer to the question of how important today is the authenticity of the market. The Branding Conference aims to increase the awareness of local companies about the importance of branding and its impact on the development of BiH economy and to include students and academic community. This year

the Branding Conference was supported by many partners, such as Orbico, MarketMakers, Sberbank, Courtyard Marriott, Menprom, Manpower Group, Peugeot, Kolektiv, HTC i Edward Bernays, as well as Foreign Investors Council. The Branding Conference



is the official partner of the "Cannes Lions International Festival of Creativity" this year, which confirms that it is becoming a brand with regional recognition.



**FIC PRESENTS**
**Alba BH d.o.o.**


ALBA AG is now one of the three leading European company for the performance of utility services, and is the leading recycling concern in Europe. ALBA AG is active in the following areas: elimination of waste, waste management, land management and recycling steel and other materials. ALBA AG removes and manages all types of waste and provides a complete range of services. ALBA AG specializes in the planning and optimizing waste management. Thanks to its extensive experience, ALBA AG provides consultancy services to SMEs, industry, municipal agencies and other companies. Our high quality services provide you with the opportunity to significantly reduce costs.


**Banjalučka pivara a.d.**


Since its establishment in the distant year of 1873, the Banjalučka pivara works in accord with its customers' preferences, and it is completely dedicated to progress and improvement of the quality of its products. That is one way of meeting the needs of its 254 employees and several hundred suppliers from BiH which it cooperates with. The Pivara recognizes the needs of the local community, and sets the responsibility towards it as one of the highest business priorities, on account of which it participates in more than 400 socially responsible activities annually. With a tradition of over 140 years, the Banjalučka pivara is one of the largest companies in the food industry of Bosnia and Herzegovina. Within its sole activity – brewing, the Banjalučka pivara meets the highest quality standards and socially responsible business. The company has set

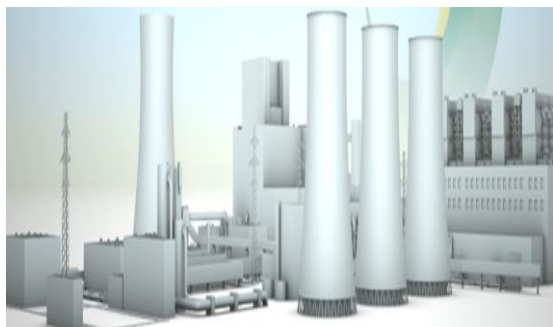
the environmental protection as one of the priority directions of its business. Accordingly, 85% of packaging is returnable, and the company actively works on an efficient usage of water and energy, purification of waste water and recycling. Thus, in the past seven years, the Banjalučka pivara has recycled over 7,000 tons of glass, metal, paper, plastic and wood. In its selection, the Banjalučka pivara has eight different products: Nektar, Crni Đorđe, Kaltenberg, Kaltenberg Hefe – Weissbier, Nektar lemon, Nektar red grapefruit, Gros and Kastel. The most famous brand, Nektar, has been awarded with a gold medal several times at the Monde Selection quality competition, and has won many other awards at European and regional fairs. The highest quality standards, the best barley, coupled with state-of-the-art brewing technology are recognized even beyond Bosnia and Herzegovina. In the past year, 476,500HL of beer has been produced, and the Pivara also has the production capacity that allows it to expand beyond the BiH market. The Banjalučka pivara exports its products to: Australia, USA, Serbia, Croatia, Austria, Switzerland, England, Finland, Iceland, Italy, Slovenia, India and Poland.

## FIC PRESENTS

### Comsar Energy Group



Comsar Energy Group, a company founded and owned by a Russian businessman Rasid Sardarov, is one of the biggest greenfield investors in the energy sector in South East Europe. The company currently undertakes two major projects in BiH: the construction of Ugljevik 3 Thermal Power Plant with the installed capacity of 2 x 300 MW in Ugljevik, and 36,8 MW Mrsovo Hydro Power Plant in Rudo. The value of these investments is more than one billion euros. Both projects will be based on a modern and efficient technology and will fully comply with all regulations on environmental protection in BiH, as well as EU standards. The projects will use modern technologies with the maximum utilization and efficiency, which will have a positive impact on the level of technological development in BiH.



Comsar Energy Group has invested more than 50 million euro so far and currently employs over 110 workers. By commissioning the newly constructed electric power plants, the number of employees will amount to:

- 300 employees in Ugljevik 3 TPP;
- 750 employees in Coal Mine;
- approximately 30 employees in Mrsovo HPP.

### ECO Energy d.o.o.



The company "Eco Energy" Ltd. Gracanica was founded at the end of 2005, and its main activity is the production of electricity, as well as providing consultancy and engineering services. The head office is in Gracanica and so far the company has built one small hydroelectric plant "Osanica 4" located in the municipality of Gorazde.

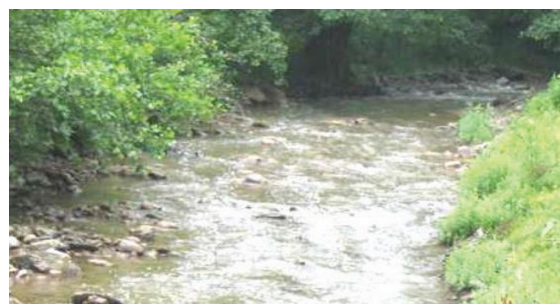
#### Mission

Make use of the nature's energy potential. In the coming period, the plan of the company is to continue the construction of small hydro and solar power plants in Bosnia and Herzegovina.



#### Vision

Ecologically clean environment. Global warming is currently the most serious environmental problem, preceding air and water pollution.



#### Values

Efficiency, creativity and uniqueness Respecting the needs and interests of workers through incentives and promotions as they are an irreplaceable potential, support and foundation for realization of the objectives.

**FIC PRESENTS**
**Dimitrijević & Partners**


Dimitrijević & Partners is one of the most recognized law offices in Bosnia and Herzegovina. Renowned for the quality of our lawyers and our commercial approach to solving problems, we advise banks, companies, investors and government institutions doing business in Bosnia and Herzegovina. We're practical and business-minded, understanding that the commercial implications of our advice are often as important as the technical aspects. We have a deep understanding of local law combined with proactive and long term approach to client relationships.

**Our Spectrum of Legal Services**

We provide advice at the highest professional level which is tailor made to a client's particular needs and requirements. To achieve this, our advisors are divided into different practice groups, enabling them to acquire in-depth knowledge of specific legal areas and industries. Our areas of focus are:

- Dispute Resolution
- Corporate
- M&A, Joint Ventures, Privatisation
- Real Estate
- Banking & Finance
- Competition
- Energy & Infrastructure • Employment
- Taxation
- Restructuring and Bankruptcy
- Intellectual Property
- Healthcare
- Commercial
- Telecom, Media & Technology

**Outstanding Corporate/Commercial Advice**

An in-depth understanding of local legal regimes and business realities allow us to provide clients and in-house counsel with wide-ranging practical corporate support. We regularly advise on market entry and licensing procedures, company law compliance matters, corporate governance, labour and employment, taxation and restructurings with a focus on reducing the

legal risk of clients in their local operations. Our integrated approach covers general commercial matters, including commercial contracts, public procurement, distribution, information technologies, promotion and advertising. Our knowledge of industry requirements and local practices allows our advisors to tackle important issues at the initial stages of a deal right through to the negotiation stage and preparation of the final documents.

**Dispute Resolution Expertise**

We are recognised as being one of the leading litigation practices in the country with a strong reputation for our commercial approach to resolving business disputes. Bringing a dispute to court is regarded as the option of last resort and in all instances an amicable solution is preferred. Our litigation team upholds the highest ethical standards while keeping the integrity of the client in mind at all times. We are proud to have experience in dealing with arbitration bodies. We regularly deal with bankruptcy and restructuring related litigation, the recognition of foreign judgements, contractual disputes, environmental issues and privatisation related matters.

**Key Legal Experts**

Partners Stevan Dimitrijević and Davorin Marinković will act as your first points of contact and will ensure that your enquiries are handled with the greatest attention and detail.

**Stevan Dimitrijević, Partner**

Attorney at Law

T: +387 51 962 600

M: +387 65 589 149

E: [stevan.dimitrijevic@dimitrijevicpartners.com](mailto:stevan.dimitrijevic@dimitrijevicpartners.com)

Expertise: Stevan represents clients before the courts and in arbitration proceedings. His particular areas of expertise are in M&A transactions, banking and finance and energy and infrastructure projects.

**Davorin Marinković, Partner**

Attorney at Law

T: +387 51 962 600

M: +387 65 580 367

E: [davorin.marinkovic@dimitrijevicpartners.com](mailto:davorin.marinkovic@dimitrijevicpartners.com)

Expertise: Davorin regularly advises clients on all aspects of doing business in Bosnia & Herzegovina, with a particular focus on energy and infrastructure, construction matters and dispute resolution.

**FIC PRESENTS**


The company EOS Matrix d.o.o. Sarajevo was established in February 2011, as a member of EOS Group, European leader in domain of receivables management. EOS Group, headquartered in Hamburg, Germany, is a multinational corporation providing services mainly in the EU as one of the best organized financial markets in the world. EOS provides services in more than 28 countries all over the world, in more than 50 subsidiaries, and together with partnership network, EOS is present in more than 150 countries. EOS is proud to have significant experience in the field of receivables management, as from physical or legal entities in Bosnia and Herzegovina. EOS Matrix BIH has its main activity which is debt collection, in the name and on the behalf of the client. Besides debt collection, there is debt repurchase of receivables management. We provide to our clients instant improvement of their portfolio and at the same time possibilities for cash placement. As partner, EOS eliminates all possible expenses in terms of process of debt collection. Transparency and good achievements are our guiding principles from the very beginning.

**Success of our clients is our own success**

We want our partners to choose us because of our efficiency – and because EOS is serious and honest partner. To our clients we are first of all service providers, mainly as partners, and debtors are our client clients. If the client wants, we always strive to keep business relationship between our client and their buyer. We give possible and achievable offers and promises that we know we can keep. The company is striving long-term business relationships with our clients, because success of our clients is our own success.

**EOS. With head and heart in finance**

Our company slogan is – With head and heart in finance. Our corporate values are including both emotional and rational values. Head and heart are unity! They define our way of working. These are two symbols that are standing inseparable in EOS.

**Cross-border services**

EOS provides services to clients locally and abroad, in 28 countries with experience over four decades. Our global partner network constitutes partners from 120 countries all over the world. With EOS, debts are transferred to the local contact person easily – regardless of whether they are foreigners or not. While you take care of your own international business growth and development, we take care of your receivables management – no matter where in the world they are located. In fact, our experts already have a solution for companies of all sizes and industries. With our services we are always one step ahead of the market.





**FIC PRESENTS**
**HETA d.o.o.**
**HETA ASSET RESOLUTION**

HETA ASSET RESOLUTION BIH is the first and the only asset resolution company in Bosnia and Herzegovina. With the takeover of huge non-performing loans' portfolios from systemic important banks in BiH, the company has launched its full-scope business operation in BiH in November 2014. It is a part of the international network of HETA AG Group with business entities across the South Eastern Europe, including Austria, Italy, Slovenia, Croatia, Serbia, Montenegro, Macedonia, Bulgaria, Germany, and Hungary. Ultimate shareholder is the Republic of Austria. Mandated to provide asset resolution for BAM 1.2 bln worth portfolio of real estate, movables and receivables under management, HETA BiH's core objective is to fulfil the mission as fast and effectively

as possible whilst preserving and - whenever possible - maximizing the value. Well diversified portfolios of residential, commercial, and industrial buildings, personal and heavy vehicles, business equipment, and industrial machinery dispersed across the country, places HETA at the forefront of new investments into Bosnia and Herzegovina and the first address for both national and international investors. HETA BiH has a team of more than 130 financial, legal and property specialists with years of experience in the regional and international investments' market who can be relied on to provide efficient and professional service. Explore our portfolio at [www.heta.ba](http://www.heta.ba) and [www.aaplatform.com](http://www.aaplatform.com)

**Mastercard**


Mastercard is a technology company operating within the global payments industry. Mastercard operates the world's fastest payments processing network and connects consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. Mastercard's vision is a world beyond cash and over the five decades of global business, the company has been delivering products and solutions which make everyday commerce activities – such as shopping, traveling, running a business and managing finances – easier, more secure and more efficient for everyone. Mastercard opened representative office in Bosnia and Herzegovina in October 2016, making it the third office in the Balkans and ninth in the Central and Eastern Europe. On the local level, Mastercard grows a fruitful cooperation with all partners in institutional, financial and retail sector with the goal of building a more sustainable future for the local economy.

**Elnos Group**

***International electrical engineering concern***

Elnos Group is an international electrical engineering concern. By nurturing a 70-year-long tradition, Elnos Group applies its knowledge and experience in building lasting values. Numerous construction, reconstruction, and modernisation projects have ranked us among the leading companies for facilities of up to 400 kV (within power stations, power grids, infrastructure projects, industry, and installations). This makes a solid foundation for providing a comprehensive range of services of Elnos Group, which leads to the achievement of energy, economic, ecological, and social progress. Our strategy is focused on long-term profitable growth of the company. Professional approach to modern requirements and markets of future along with the adoption and application of the latest technology, has positioned us among the companies that keep pace with global trends.

**FIC PRESENTS**
**IMO Junior d.o.o.**


The company IMO-JUNIOR d.o.o. Orasje is specialized for services of refunding value added tax (VAT) from abroad – to legal entities (firms) from Bosnia and Herzegovina. IMO-JUNIOR d.o.o. Orasje is the exclusive and general representative of the Swiss company CASH BACK for the market of Bosnia and Herzegovina. The Swiss Cash Back has for 30 years been providing services of VAT refunding for companies (legal entities) and has offices in 35 countries in the EU, the former Yugoslavia, America, Africa, and Asia. The most important quality of CASH BACK is a wide network of offices, huge experience and high rating enjoyed by domicile offices with local tax authorities. The CASH BACK headquarters supports all its offices with powerful logistics reflected in experts in various fields of VAT as well as an efficient payment system through which a transfer of the refunded money is conducted. The headquarters of Cash Back has a direct and institutional cooperation with the VAT Committee of the European Commission. The Cash Back network includes the Bosnia and Herzegovina office of IMO JUNIOR, with an international IVA Certificate, which is the highest European standard in this field. In principle, in order to realize the right to a refund two basic conditions need to be fulfilled. The first is for the state from which the client originates to apply VAT and the second is for the client to be a VAT payer. Since VAT has been applied in Bosnia and Herzegovina since 01 January 2006, conditions have been met for firms from Bosnia and Herzegovina to realize their right to a VAT refund from foreign tax authorities. VAT rates in EU countries are around 17-25% which practically means that a VAT refund from abroad can save 1/5 of the costs. A VAT refund is done based on different costs for services, most often like: hotel accommodation, fairs, congresses, seminars, registration fees, membership fees, tolls, fuel, business entertainment, attorney fees,

advertising services, leasing services, product processing, etc.. IMO JUNIOR d.o.o. in the entire process of VAT refunding from foreign tax administrations applies standards and procedures stipulated by the Swiss CASH BACK, and these are European standards. Deadlines for submitting an application for refunding in most EU states are six months upon expiration of the calendar year. The exceptions are the Netherlands and Great Britain. For now VAT refunding for firms from Bosnia and Herzegovina is possible from the following states: Austria, Belgium, Canada, Denmark, Finland, France, Ireland, Iceland, Luxemburg, Malta, Monaco, the Netherlands, Germany, Norway, Sweden, Great Britain. Refunding is possible from the following states of the former Yugoslavia: Serbia, Montenegro and Macedonia.

**Senso San d.o.o.**


Senso San Ltd is a company established in 2012 in Kresevo, BiH. Senso San acts as a distributor and representative for sister company Čaltex Ltd, Kresevo, established in 1986. Our sales program consists of high quality mattresses and pillows created from different foams from our own production (Čaltex Ltd) as well as boxspring beds. Program Senso mattresses and pillows consists of three product lines: Senso Home, Senso Hotels and Senso Medic. All our boxspring beds are designed and produced in cooperation with local designers and manufacturers. Business wise we are oriented to foreign markets, especially Western Europe and the Middle East where we make 80% of overall business.

**FIC PRESENTS**
**McCann Sarajevo**


McCann Sarajevo is part of I&F McCann Group, a leading communications system successfully operating in eight countries of Southeast Europe. I&F McCann Group is a part of McCann World Group with a presence in 180 cities in more than 120 countries and is owned by one of the largest multinational communications company Interpublic Group (IPG). McCann Sarajevo has been operating since 1997 as a full service agency and, as such, provides services that include market research, development of communication strategies, creative development, production, digital campaign development and implementation of projects, PR strategy and implementation activities including training and education in this field, creative design and implementation of events, promotions and sales activation, supervision and coordination of projects. McCann Sarajevo employs 21 people and works with

over 200 external cooperates and consultants from all over Bosnia and all over Herzegovina and the region, specialists and experts in a number of specific disciplines. The employees are university educated people with more than 5 years' experience in the field of communications, advertising and PR. McCann Sarajevo is a "one stop shop" for all communication services which, together with local experts led by international professional standards, daily experiences and knowledge of entire McCann network, backed up by regional experience and expertise in the design and implementation of integrated advertising campaigns to implement the best and most functional solutions for local and international companies operating in B&H, the region and beyond. The only agency in B&H multiple awarded by the expert community at the regional review of the best advertising campaigns BalCannes in Rovinj.

**British American Tobacco**


We are BAT – a global business with a proud history and an exciting future. Founded in 1902, our company continues to go from strength to strength thanks to our leading tobacco brands, talented people and our commitment to lead Next Generation Product categories. British American Tobacco is one of the world's leading multinational companies, with brands sold in over 200 markets. We make the cigarettes chosen by around one in eight of the world's one billion adult smokers and we are market leaders in more than 55 countries. We are proud that we are consistently among the top 10 companies on the London Stock Exchange. In 2016, we sold 665 billion cigarettes, made in 44 factories in

***We are BAT – global  
business with a proud history  
and an exciting future***

42 countries. Our portfolio includes our world-famous Global Drive Brands – Dunhill, Kent, Lucky Strike, Pall Mall and Rothmans – along with many other leading international brands, such as Vogue, Peter Stuyvesant and State Express 555. As well as cigarettes, our core tobacco product range also includes Fine Cut (roll-your-own and make-your-own tobacco), Swedish-style snus and cigars. Alongside our traditional tobacco business, we are also at the forefront of developing products that offer consumers potentially less risky alternatives to regular cigarettes. We call them Next Generation Products and our portfolio includes Vype, our Vapour Products, and glo, our Tobacco Heating Product.

**FIC PRESENTS**
**NSoft d.o.o.**


Established in 2008, NSoft has grown from a development office with two employees, to an exceptional gaming and betting software development company with more than 170 amazing individuals focusing on innovation. Throughout the years NSoft has generated many interesting ideas that got an opportunity to develop into a successful businesses under SPARK Group, which NSoft is also a part of. There are no offices at NSoft, no cubicles, nobody has an office of their own regardless of their job position. We are talking about open space here. In combination with the no-rules-system, it offers multiple benefits to employees. Open office policy has its flaws but after some time working in that way you simply get used to each other and learn how to function constructively with everyone. Developers have the freedom to create their own teams and develop a product, without any instructions given by the management. The freedom to be innovative and creative, as well as trust and mutual respect that exists between employer and employees are the main reasons we came this far. That NSoft culture is what makes NSoft so different from every other company. We have tried implementing many different systems until we've reached this point. From standard 8 working hours with the 30 minute break we went to having flexible working hours where you can start your day anytime from 7 to 10 a.m. After that we experimented with the Swedish model having only 6 working hours. All of that was done with tracking the efficiency of each system through motivational variables, the success of each project and the overall contentment of the employees. Finally we've decided to go for full work flexibility, where the employees can enjoy more freedom while doing very stressful jobs. Given the fact that our employee numbers are growing by each day, getting to know each other and staying tight as one big family has become a real job. That is why we pay a lot of attention to team buildings for the entire SPARK Group. Each month all 200+ employees gather for a meeting and breakfast. Following those two things, depending on the time of the year, we plan various activities and trips. So far, we have tried:

bowling, archery, paintball, bubble football, swimming, kayaking etc. We all went together on a summer vacation and spent some memorable time on the Adriatic shore enjoying the sea, the sun, each others company and some very bad internet. Why do we do this? We want to be different and strive to be an example to every other company to show how employees should be treated. Just because you are at your desk for eight hours does not mean you are being productive. People must be able to breathe and feel as less pressure as possible. Content and motivated employees are undeniably more productive and relaxed which is why this kind of surroundings create additional boost and dedication to complete the work and deliver the best possible results.

**Simurg Media d.o.o**


The company Simurg Media Ltd. The publishing group in the early 2015, the market of Bosnia and Herzegovina placed two media products, portal Faktor.ba and weekly magazine "STAV". Very soon after the start of operation, the portal Faktor.ba and magazine "STAV " has grown into one of the most relevant and nautjecajnijih media of this kind in Bosnia and Herzegovina and beyond. The mission of these media products is to provide the public the freshest, most relevant and most objective information from Bosnia and Herzegovina, the region and the world, but also create the image of the country in order to improve the overall economic and political situation in Bosnia and Herzegovina. The company Simurg Media Ltd., based in Sarajevo, employs more than 50 workers, primarily young Bosnian journalists and experienced and proven editors who are more famous than in Bosnia and Herzegovina, but also beyond the borders of this country. Following the latest trends in journalism and technology, with constant training of all employees, Simurg Media Ltd., although a relatively young company, positioned high on the media scene, with a tendency of further strengthening it opens up space for new investment and employment.



**FIC PRESENTS**

## Sparkasse Bank d.d. BiH

Članica Steiermärkische Sparkasse

**SPARKASSE**  **BANK**

Sparkasse Bank dd BiH, with its head office in Sarajevo, has operated in Bosnia and Herzegovina since 1999 and is a member of the Austrian Steiermärkische Sparkasse group. Our team has almost 471 employees. We offer all kinds of conventional and modern banking including financial services of S-Leasing. We operate through a business network of 43 branches all over Bosnia and Herzegovina.

### Our Majority Owner

Our majority owner Steiermärkische Bank und Sparkassen AG from Austria has majority ownership in banks and leasing companies in several countries of former Yugoslavia. Steiermärkische Sparkasse concern is a leading bank group in the south of Austria.

### Goal

Long-term growth and development provided by satisfied employees and loyal clients. Our objective is to continue developing according to the savings banks group standards into a modern retail-bank with a country-wide coverage, and be among the leading banks in Bosnia and Herzegovina.

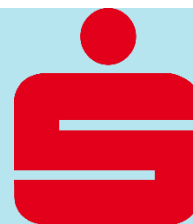
### Our Vision

To become one of the strongest banks in the country using business tools based on the best banking practices.

### Our Mission

Sparkasse Bank dd BiH cares about the success of our clients:

- with constant improvements of its offers
- competently
- with tailor-made solutions
- with a long-term perspective.



### **Our Guidelines**

#### *We take responsibility*

We see the success of our clients, employees and contribution to the society as our responsibility.

#### *Reliability creates friendships*

We respect business ethics. Partnership with our clients and employees is the key of their loyalty.

#### *Collaboration with a complete trust*

We communicate openly and honestly. We always keep our promise.

#### *Security with assurance*

To protect clients and employees is our tenet. And for that we use all available tools.

#### *Tailor-made solutions*

There are no universal solutions – each of our clients has the right to an offer made just for them. Therefore, we give them our attention, time and commitment.

#### *Courage as a chance*

Our team is governed by the principles of self-initiative, accepting new ideas and taking on challenges, as well as ambition to achieve their goals.

**FIC PRESENTS**

## STUDEN Holding



The Development of the Studen Holding began opening the first trading company in Vienna in 1992. As a significant investor in the Western Balkans Studen Holding has built its successful business by privatization of factory for production of vegetable oil in Bosnia and Herzegovina in 2002, when the Bimal factory in Brcko relaunched its production facilities. Only a few years later there was a realization of one of the largest projects in the food industry of Bosnia and Herzegovina, which is to build the only sugar refinery in the country, Studen-AGRANA Sugar Refinery. In this way, the manufacturing centre of the business group became the Brcko District where is located the biggest agribusiness in the region. Through investments worth of 200 million Studen Holding is present as one of the most important investors in the Western Balkans, with more than 500 employees in the business group. Constant expansion of knowledge and business development both in the Balkans and the countries of Southeast Europe there was a vision of creating their own brands. Therefore, Studen Holding has developed a fully integrated supply chain from procurement of raw materials to the final product, and its portfolio includes products and recognizable brands of white crystalline AGRAGOLD sugar and edible oil Bimal. The motto of Studen Holding is that "quality does not recognize the trade-offs" to the achievement of broader goals of the company who is focused on segments of manufacturing, trading and distribution of agro commodity. Constant investment in production facilities and product quality Bimal Holding scored oil seed processing capacity of 26,000 tons per year increased up to today's 120,000 t of processed seeds. In the same way, AGRAGOLD sugar has achieved initial production plans and this year produced the million tons of processed



sugar. Since Studen Holding for 25 years accompanied by a clear vision of development and orientation towards international and emerging market, business group started a new phase of the investment cycle in the food industry in the region of the Western Balkans and BiH, and plans to implement more than 20 million KM of new investments.

## Sarajevo International d.o.o.



Sarajevo International d.o.o. has been founded in Bosnia and Herzegovina in 2009. We are a 100% private held company aiming for entrepreneurship, investment, production and international trade in all business sectors excluding fuels, finance and alcoholic beverages. Energy, tourism, agriculture, real estate and R&D engineering are current fields that we operate in.

- Energy - building of small hydroelectric power plants.
- Tourism - resort tourism
- Agriculture - production of high quality fruits and vegetables
- Real estate - we are engaged in hotel, resort projects and production facilities in Bosnia and Herzegovina.
- R&D and Engineering - developing products for different industries.

The company was established as investment and consulting company to support increasing FDI to the region.

**FIC MEMBER'S ACTIVITIES**

## EBRD Transition Report 2016-2017 launched

### *Transition for All: Equal Opportunities in an Unequal World*

The EBRD office in BiH presented the EBRD Transition Report 2016-17 in Banja Luka on 13 March 2017 and Sarajevo on 16 March 2017. This report is EBRD's annual update on reform progress and economic developments across 36 countries from Central Europe to Central Asia and the Southern and Eastern Mediterranean. The report outlines some of the key developments over the past year and it discusses the transition challenges ahead – for Bosnia and Herzegovina and for the wider region. The EBRD Transition Report 2016-17 – Transition for All: Equal Opportunities in an Unequal World – casts a spotlight on inequality and inclusion, explaining how a failure to deliver a fair distribution of the fruits of progress may lead to setbacks in political and economic development. It also explores the causes of inequality of opportunity and looks at how to strengthen financial inclusion. Tracking the successes that have been achieved in post-communist societies, the report concludes that the "happiness gap" has finally closed with people on similar incomes in non-transition countries, but warns that

not everyone has shared in this economic prosperity.

This latest annual analysis draws on a wide-ranging survey of people who have experienced transition first-hand. The online version of the report also has a detailed assessment of macroeconomic developments and



structural reforms in Bosnia and Herzegovina and other countries of the region, and the challenges ahead for 2017: <http://2016.tr-ebird.com/>.

On this occasion, Mr. Peter Sanfey, Deputy Director, Country Economics and Policy and Ms. Francesca Dalla Pozza, Research Economist outlined the main findings of the report, and Ian Brown, Head of Office in Bosnia and Herzegovina gave an overview of EBRD activities in Bosnia and Herzegovina.

## PwC CEO Survey



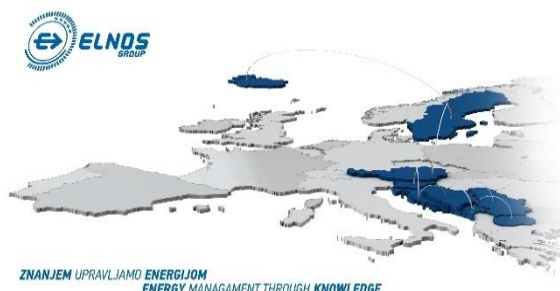
PwC's Global Chairman Bob Moritz presented key findings of PwC's annual survey of international business leaders at a press briefing in Davos, Switzerland on Monday 16th January 2017. The PwC Global CEO Survey has established itself as one of the media highlights of the

Annual Meeting of the World Economic Forum in Davos. It includes nearly 1,400 interviews with CEOs from 79 countries, conducted during the last quarter of 2016. Last year's survey revealed CEOs were less optimistic about the global economic outlook and their company's growth prospects. With continued uncertainty surrounding the international economy, business environment and political events, this year's survey will examine changes in CEOs' confidence, alongside their views on skills, trust, technology, and globalisation. All press materials related to PwC's 20th CEO Survey, including graphics and video footage, are available at <http://press.pwc.com>.



## FIC MEMBER'S ACTIVITIES

### Elnos Group grew rich with new Member Company in Slovenia



Elnos Group, one of the leading companies in the field of electrical power in the region, grew rich with another new Member Company on the European Union market. Since the beginning of February, "Elektro novi sistemi" d.o.o. in Ljubljana has started its work within Elnos Group, which also is the biggest Member Company of Elnos Group in the European Union. "Elektro novi sistemi" employs experienced Slovenian experts for performing works on electrical power network. At the beginning of March, a number of employees in this company, along with fitters of the parent company Elnos Group, has already travelled to Iceland in order to participate together in the project of assembling new GIS plant in substation Krafla 49 at the North part of Iceland.

By establishing "Elektro novi sistemi", the Elnos Group made a huge step forwards to European market and confirmed seriousness of business intention to maintain and improve competition position in the field of electrical power in regional and European market.

#### Elnos Group

Elnos Group is an international and electrical power concern having its seat in Banja Luka, and is a company which, in the previous two decades, made a significant success in regional market and, in the last five years, in European market as well. Elnos Group inherits tradition for more than seven decades. 22 years ago, "Elnos BL" was a representative office, then a family company, and today Elnos Group is an international concern, whose business operations are concentrated in 13 business centres in South-Eastern, Central and Northern Europe. Nowadays, the Elnos Group has more than 400 employees, and its project and operational teams construct and bring to life the most complicated technological electrical power facilities throughout Europe.

### PepsiCo Serbia certified as a Top Employer 2017

Marbo Product, part of PepsiCo Group since 2008. Achieved great success and won prestigious awards Top Employers Europe 2017 and Top Employer Serbia 2017. Those awards, granted by Top Employers Institute in the Netherlands, are based on complicated and objective methodology, focused on evaluation of HR facts, in order to distinguish companies with highest standards in employee conditions. *"Winning such a prestigious award for the third time in a row is a big success for our company. It is a valuable reward for our long term efforts to make employees the main segment of our business. We are constantly investing in our employees and their careers by giving them opportunity to work and learn in our company."*



*PepsiCo Start and Talent Management program gave positive results, so we will continue to move in established direction, hoping to deserve fourth Top Employers award",* Bojana Vasiljevic, Human Resources Manager at PepsiCo West Balkan, said at Global 2017 Certification dinner in Amsterdam.

## FIC MEMBER'S ACTIVITIES

### News from EOS Matrix d.o.o. Sarajevo

In the first quarter of 2017., company EOS Matrix d.o.o. Sarajevo (further in the article EOS) achieved noticeable success in strengthening business cooperation with existing clients. Beginning of the year was as well successful in accomplishing new business communications and the presentation of the company. The main activity of EOS is debt purchase and receivables management, whereby our company offers help, among the others, to financial sector – banks on the first place – in the part of bad credits / non performing loans (further in the article NPL). EOS, locally as well as internationally has years of experience in receivables management, therefore standard of the Group requires taking care of the debtor. When the debtor comes to EOS, he/she is never in worse position, and every debtor is approached individually. We create individual solutions, for every our client – debtor. We stream to achieve the debt repayment plan trough individual possibilities of the debtor, so we could provide ones recovery to normal financial life. From the beginning of this year we are intensively involved in the process of adoption of new banking Laws (in both entities), with the main issue of NPL.. Issue of the NPL could be

reduced if there would be defined legal and tax framework in order to enable specialized companies like EOS to participate in financial sector. In accordance with the Letter of Intent, from June 2016., addressed to MMF from BIH authorities, new banking Laws are actually predicting solving of the NPL issue. In the part of the Letter of Intent, in the section which issue is the Preservation of a stable financial system and support for credit growth, is also stated that purchase and selling of the NPL will be supported, and as well that those transactions would be excluded from the VAT system. In the forthcoming period, EOS will continue with more effort to raise awareness of all authority structures, so there would be insured legal framework for specialized agencies work, which main activity is purchase/ receivable management placement from financial institutions. Significant event to announce, as well in the forthcoming period, is Sarajevo Business Forum. Like in two previous years, EOS is proud to be one of the sponsors of the event. All interested are welcome to overcome prejudices, and indeed find out more about the main activity of our company.

### Every day tastes better with CHIPSY smile

Ten selected students dorms in Serbia and Bosnia and Herzegovina, where more than 8000 students live, got Chipsy creative zones, donated by Marbo Product within the Chipsy campaign "Every day tastes better with a smile". Chipsy and Marbo Product



equipped more than 500 square meters of common rooms in student dorms, giving contribution to the improvement of living and studying conditions. Project is realized with support of Ministry of Education, Science and Technological Development Republic of Serbia, Ministry of Education, Science and Youth of Sarajevo Canton and Ministry of education and culture of Republic of Srpska. As a part of the campaign, organized with an idea of sharing smiles and positive energy, company launched new, temporary bags with a smile on them, that could be used as a selfie props. Consumers shared selfies, followed by #podeliosmeh helping laugh-meter on [www.chipsy.rs](http://www.chipsy.rs) to count as many smiles as possible and thereby supported donation of creative zones in student dorms.

**FIC MEMBER'S ACTIVITIES**

## Nenad Miscevic is the new West Balkans Commercial Senior Manager at PepsiCo Serbia

PepsiCo has named Nenad Miscevic for Commercial Senior Manager for the West Balkan region, which includes operations in Serbia and Bosnia and Herzegovina. Miscevic has moved to this position from being the Sales Strategy, New Business Development and Trade Marketing Manager in PepsiCo West Balkans. This is the first time since PepsiCo entered the West Balkans region in 2008. That local talent is taking leading Market Unit role. Nenad has seven years of extensive experience in Commercial roles in the regions of Serbia and Bosnia and Herzegovina. He has played an integral role in setting high performance standards for Sales teams, by driving innovation and successfully executing the Sales strategy. By significantly improving and managing profitable in-store initiatives, he contributed



*Nenad Miscevic*

to West Balkans unit achieving IS&OP platinum certification in 2016, delivering process excellence and securing a trajectory for business growth. Nenad graduated from the University of Belgrade, Faculty of Economics Sciences.

## PwC Bosnia and Herzegovina gold sponsor CEO Conference

PwC Bosnia and Herzegovina is a gold sponsor of the CEO (Career and Entrepreneurship Opportunities) Conference, which this year brings together more than 7,000 young people from BiH and the region.



Organized on 25 March 2017 by the Faculty of Economics, University of Sarajevo, and four secondary schools, the first CEO High School Conference brought together 600 high school students. CEO High School Conference is the first in a series of events in which PwC Bosnia and Herzegovina

appears as a partner of the project. CEO High School Conference is a project which has the mission and goal to send the message to young people that success is really possible if they persist in their formal and informal education and professional development. Speakers at the CEO High School Conference were high school students who presented their life stories and their path to success, which proved that the boundaries of their own achievements can be pushed only with persistence and passion.





**FIC MEMBER'S ACTIVITIES**

## ArcelorMittal Zenica invested €12.4m into three important projects

ArcelorMittal Zenica put into operation world's first hybrid filter on sinter plant, as part of a €12.4m investment in two environmental and one steel production improvement projects. ArcelorMittal Zenica - one of the most important industrial companies in Bosnia and Herzegovina and the country's top exporter – officially inaugurated three new investment projects, with a combined value of more than €12.4m, at a ceremony on 10 March, attended by senior representatives from the Federal, Cantonal and City of Zenica authorities. The investments, two focused on further improvements in the company's environmental performance and a third project designed to modernize the production of one of the steel plant's key products, bring total investments in ArcelorMittal Zenica to more than €160m, including €50m targeted specifically for environmental improvements. Prior to ArcelorMittal's arrival in Zenica in 2004, the steel plant had been largely out of operation since 1992, with little or no investment made at the factory for several decades.

### **Hybrid filter on Sinter plant**

ArcelorMittal Zenica is the first steel plant in the world to have industrial-scale hybrid filtration technology installed in its sinter plant. A total of €3m has been invested in the new technology, which has cut dust emissions significantly, to well below the EU limit of 20 mg/Nm<sup>3</sup>. The company plans to install a second filter, so that both sinter plant stacks' dust emissions are filtered. The filter technology is the culmination of a major collaboration between Danish global engineering company FLSmidth and ArcelorMittal's R&D team, with a team of seven researchers and six technicians working on the design and testing stages of the project. It is to the credit of the teams involved that the project went from concept to industrialisation within two years. Speaking about the filter innovation, Pinakin Chhabal, head of process R&D at ArcelorMittal, said: *"I'm extremely proud of the team involved in this project, which sets a new global standard for sinter plant*

*emissions. The installation of the hybrid filter in ArcelorMittal Zenica is an important milestone in the project which has involved our R&D team, ArcelorMittal technical specialists, and ArcelorMittal sites in Bosnia & Herzegovina and Spain. I would also like to thank FLSmidth for their highly professional collaboration on this innovative development."*



*Sinter plant stack before and after installation of the filter*

### **New coal charging car on Coke plant**

New technology has also been introduced to achieve major reductions in smoke and gas emissions from ArcelorMittal Zenica's coke battery. The smokeless charging car, a €4.2m investment, cuts charging times, delivering an almost smoke-free charging process and prevents CO<sub>2</sub> emissions being released into the atmosphere. The technology was provided by the UK engineering firm John M. Henderson Machines.



## FIC MEMBER'S ACTIVITIES

### *New product range*

An investment of €5.2m has also been made, to make ArcelorMittal Zenica the first plant in ArcelorMittal Europe to produce rebar in coil. This is one of ArcelorMittal Zenica's most important products, which offers customers efficiencies in terms of cutting down on wastage and storage space, and annual production capacity from 300,000 to 320,000 tonnes, while introducing improvements in the product quality and range, ease of storage and delivery. Italy's SMS Meer provided and installed the equipment for this production improvement.



*"This will improve ArcelorMittal's competitive edge in an important market sector," said ArcelorMittal Zenica CEO Mr Biju Nair. Speaking at the ceremony in Zenica, Mr Nair continued: "The three important new investment programmes that we are announcing today represent another practical demonstration of our strong commitment to building a long term, sustainable future for steelmaking in*

*this historic industrial city. To be sustainable, we must pay attention to improving our environmental footprint, and the efficient production of high quality products that meet the expectations of our customers. The projects we're announcing today are very important further steps towards both those objectives."*



*Biju Nair, ArcelorMittal Zenica CEO*

Mr Fadil Novalic, Prime Minister of the Federation of Bosnia and Herzegovina, sent a letter of support, as he was unable to attend the ceremony in person. *"New investments in the corporate sector of Bosnia and Herzegovina bring prosperity to everyone, but you are the leader in this and you set an example for other investors in our country and the whole world".*

With 2,400 direct jobs and more than 10,000 indirectly dependent on the company for employment through more than 300 local supplier companies, ArcelorMittal is one of the country's biggest economic generators.

**FIC MEMBER'S ACTIVITIES**

## Cement Factory Lukavac winner of the "Crystal Salt 2016" award

Cement Factory Lukavac is the winner of the "Crystal Salt 2016" award for the most successful company in Tuzla Canton by total revenue earned in 2016 - medium enterprises. At the ceremony of "Tuzla Canton Best in the Economy - Salt Crystals 2016" held in Tuzla organized by RTV Slon and under the deed of the Government of Tuzla Canton, the award was received by the General Director FCL Izet Imamović.



This is another worthy acknowledgment for the Cement Factory Lukavac, which is making efforts to contribute to the development and progress of the Tuzla Canton and Bosnia and Herzegovina. Director

of FCL, Mr. Izet Imamovic stressed that it is very important to promote economic potentials and positive trends in Tuzla Canton and that is the honor to be a part of this successful story. *"The award is a confirmation of our commitment to permanent investments and factory modernization with the aim of improving the quality of life and opening new jobs both in the local community and beyond. At the same time, we are motivated to continue to work on investment projects that constantly improve the environmental aspect of our operations, especially in the field of alternative fuels,"* said Imamovic. The professional jury "Crystal Salt 2016", composed of representatives of employers, craftsmen and economic experts, awarded a total of 11 awards, eight prizes in five categories, and three special awards.



## Gazprom promoted the new premium fuel, G-Drive Diesel

G Petrol d.o.o. Sarajevo has promoted the new premium fuel, G Drive diesel, which is on sale at all Gazprom gas stations in Bosnia and Herzegovina. The regular use of this derivative increases power and improves engine performance, and also provides a professional fuel system protection. G-Drive Diesel comes from high-quality diesel Euro 5, produced in the modernized Petroleum Refinery Pancevo in Serbia, adding additive complexes of the latest generation. Compared to the standard EuroDrive, using G-Drive Diesel provides more efficient combustion of fuel, hence greater power, better starting and more stable engine operation. The new fuel also features a motor protection component that reduces the risk of failure and allows longer engine life due to active dirt and corrosion protection. The new diesel G-Drive Diesel is exclusively sold at Gazprom gas stations, retail



premium brand of NIS company, which in addition operates in BiH, Serbia, Bulgaria and Romania. With the introduction of this new generation generation in Bosnia and Herzegovina, NIS continues with the placement of G-Drive Diesel on the market of the region. More about fuel and its features on the site: <http://www.gazprom-petrol.ba/>



## FIC MEMBER'S ACTIVITIES

### Cement Factory Kakanj - New filters for Earth Day

On Earth Day, in Kakanj, Cement Factory (TCK) was officially commissioned the operation of new bag filters on the cement grinding plant, which is worth nearly two million KM. With the support and presence of a large number of workers and employees who participated in the project, the filters were officially released by TCK Board members, Zehra Obraliija and Izudin Neimarlija. Since the bag dust collector, which are in the Cement Factory Kakanj installed on the main stack in the first round of investment, immediately after privatization, proved highly effective, as evidenced by the regular reports on emissions of dust from the main chimneys that are well below the prescribed minimum. The management of this company decided to apply the same technology to cement mills that have so far worked with electro filters.



*"Cements mills are the final step in the process of cement production. They represent the largest electricity consumers in the production process and can be a significant source of dust. In order to optimize the production process, it was necessary to make major modifications to the plant,"* said Emir Husika, head of the cement production and delivery department and the leader of this investment project. The project included the modification of old (electrostatic) filters into bag filters that include the best available technology today. Modification of the B line filter has been completed in 2015 and the A line modification has been completed earlier this year. Testing has been completed successfully after the

installation is completed and the filters are now officially released. At the end of the project, the basket over the transport system is divided so that it is possible to produce two different types of cement at the same time on the cement grinding plant.



*"We are fully committed to constantly improving environmental protection in our manufacturing process and investing in the best available technology to minimize our environmental impact, and on these principles we based our entire business,"* said Izudin Neimarlija, executive director for production and technical issues. *"We keep track of technological advances and our goal is to keep our plants in line with the most stringent EU regulations that are constantly being upgraded to protect our planet in the best possible way,"* added Neimarlija. Since 2000 TCK has invested more than 200 million KM in the reconstruction and improvement of plant and production and expansion of concrete production. It continues to work on further investment plans for the environment, health and safety of employees and the local community.



## ADOPTED LEGISLATION

### OFFICIAL GAZETTE OF BiH

#### Parliamentary Assembly of BiH

- Law on Amendments to the Law of traffic safety on roads in Bosnia and Herzegovina (Official Gazette of BiH, No. 08/17)
- Law on Amendments to the Law on Value Added Tax (Official Gazette of BiH, No: 33/17)

#### Council of Ministers of BiH

- Conclusion on Granting the Guarantee by the Multilateral Investment Guarantee Agency - MIGA for Investment UniCredit S.p.A. Italy to UniCredit Bank d.d. Mostar (Official Gazette of BiH, No. 06/17)
- Decision on tariff quota management established by the Protocol to the Stabilization and Association Agreement between the European Communities and their Member States, of the one part, and Bosnia and Herzegovina, of the other part, in order to take account of Croatia's accession to the European Union (Official Gazette BiH, No: 08/17)

#### Ministry of Foreign Trade and Economic Relations of BiH

- Ordinance on the form and content of documents in foreign trade of dual-use goods (Official Gazette of BiH, No. 12/17)
- Guidelines on conditions and procedures for issuing duties in foreign trade of dual-use goods (Official Gazette of BiH, No: 12/17)

#### Ministry of Finance and Treasury of BiH

- Ordinance on amendments to orders on payments accounts for administrative taxes (Official Gazette of BiH, No: 15/17)

#### Ministry of Foreign Affairs of BiH

- Ordinance on the procedure of health insurance of persons with international protection in Bosnia and Herzegovina (Official Gazette of BiH, No. 16/17)

#### Indirect Taxation Authority of BiH

- Decision on the amount of compensatory interest rate for the period from January 1, 2017 to June 30, 2017 (Official Gazette of BiH, No. 01/17)

- Guidance on amendments to the instruction on authorized shipper and certified receiver (Official Gazette of BiH, No. 06/17)
- Guidelines on amendments to the local import customs instruction (Official Gazette of BiH, No. 06/17)
- Guidelines on amendments to the instruction on simplified customs procedures by invoice (Official Gazette of BiH, No. 06/17)
- Decision on amendments to the decision on quantities of diesel fuel for which no toll is payable for 2017 (Official Gazette of BiH, No: 15/17)
- Guidelines on amendments to the instruction on customs procedures in post traffic (Official Gazette of BiH, No. 12/17)

#### Foreign Trade Chamber of BiH

- Decision on membership of the foreign trade chamber of Bosnia and Herzegovina for 2017 (Official Gazette of BiH, No. 18/17)

#### High Judicial and Prosecutorial Council of BiH

- Ordinance on amendments to the rulebook on orientation measures for the work of judges and associates in courts in Bosnia and Herzegovina (Official Gazette of BiH, No: 25/17)

### OFFICIAL GAZETTE OF FBiH

#### FBiH Parliament

- Law on Amendments to the Law on Securities Commission (Official Gazette of FBiH, No. 06/17)
- Law on Amendments to the Law on Oil and Gas Exploration and Exploitation in the Federation of Bosnia and Herzegovina (Official Gazette of FBiH, No. 19/17)
- Law on Energy Efficiency in the Federation of Bosnia and Herzegovina (Official Gazette of FBiH, No. 22/17)
- Insurance Act (Official Gazette of FBiH, No. 23/17)
- Law on Amendments to the Law on Securities Market (Official Gazette of FBiH, No. 25/1)
- Law on Amendments to the Law on Investment Funds (Official Gazette of FBiH, No. 25/17)

## ADOPTED LEGISLATION

- Law on Banks (Official Gazette of FBiH, No. 27/17)

### **FBiH Government**

- Decision on Amendments to the Decision on Implementation of Measures for Reduction of Electricity Costs to Households and Stimulation of Energy Efficiency (Official Gazette of FBiH, No. 01/17)
- Decision on Amendments to the Decision on Foreign Claims and Checks (Official Gazette of FBiH, No. 38/17)

### **Ministry of Finance of FBiH**

- Basis for calculating the contributions of certain taxpayers for 2017 (Official Gazette FBiH, No. 04/17)
- Ordinance on Amendments to the Ordinance on the Method of Calculation and Payment of Contributions (Official Gazette of FBiH, No. 06/17)
- Ordinance on Amendments to the Ordinance on the Method of Paying Public Budget Revenues and Outbound Funds in the Federation of Bosnia and Herzegovina (Official Gazette of FBiH, No. 09/17)
- Ordinance on Amendments to the Rulebook on Application of the Profit Tax Law (Official Gazette of FBiH, No. 11/17)
- Ordinance on Amendments to the Ordinance on Filing Applications to the Unified Registration, Control and Contribution System (Official Gazette of FBiH, No. 25/17)
- Ordinance on Amendments to the Ordinance on the Method of Paying Public Budget Revenues and Outbound Funds in the Federation of Bosnia and Herzegovina (Official Gazette of FBiH, No. 33/17)
- Ordinance on Amendments to the Ordinance on the Method of Calculation and Payment of Contributions (Official Gazette of FBiH, No. 38/17)
- Ordinance on Amendments to the Rulebook on Application of the Income Tax Law (Official Gazette of FBiH, No. 38/17)

### **Ministry of Energy, Mining and Industry of FBiH**

- Ordinance on Amendments to the Ordinance on Determining the Quality of Liquid Petroleum Fuels (Official Gazette of FBiH, No. 07/17)

### **Ministry of Agriculture, Water-Management and Forestry of FBiH**

- Ordinance on the Method and Conditions of Financial Support by the Production Incentive Model (Official Gazette FBiH, No. 32/17)

### **FBiH Energy Regulatory Commission**

- Rulebook for issuing licenses (Official Gazette of FBiH, No. 02/17)
- Decision on Determining the Percentage for the Calculation of Variable Part of Regulatory Fees for 2017 (Official Gazette of FBiH, No. 26/17)

### **FBiH Concession Commission**

- Decision on Amendments to the Rule on Determination of Fees for Concessions (Official Gazette of FBiH, No. 34/17)

### **Environmental Protection Fund**

- Ordinance on Allocation of Funds from the Revolving Fund for Energy Efficiency Projects (Official Gazette of FBiH, No. 10/17)

### **Union of Accountants, Auditors and Financial Workers of FBiH**

- Decision on the Publication and Application of International Financial Reporting Standards and International Accounting Standards (Official Gazette FBiH, No. 25/17)

## OFFICIAL GAZETTE OF RS

### **National Assembly of RS**

- Law on Amendments to the Profit Tax Law (Official Gazette RS, No. 01/17)
- Law on Termination of the Law on Special Contribution for Solidarity (Official Gazette RS, No. 01/17)
- Law on Banks (Official Gazette RS, No. 04/17)
- Law on Amendments to the Law on the Banking Agency of Republika Srpska (Official Gazette RS, No. 04/17)
- Law on Amendments to the Market Securities Law (Official Gazette RS, No. 04/17)
- Law on Amendments to the Law on Consumer Protection in Republika Srpska (Official Gazette RS, No. 18/17)
- Food Act (Official Gazette RS, No. 19/17)

## ADOPTED LEGISLATION

- Tourism Law (Official Gazette RS, No. 45/17)
- Law on Catering Industry (Official Gazette RS, No. 45/17)
- Law on General Product Safety in Republika Srpska (Official Gazette RS, No. 46/17)

### **RS Government**

- Regulation on Amendments to the Regulation on the Establishment of Rewards and Fees for Notaries in Republika Srpska (Official Gazette RS, No. 06/17)
- Decision on coefficients for the calculation of environmental pollution charges for packaging waste and packaging waste management for 2017 and 2018 (Official Gazette RS, No. 23/17)

### **RS Ministry of Finance**

- Ordinance on the Form and Content of Income Tax Applications (Official Gazette RS, No. 11/17)
- Ordinance on the procedure of execution of a measures that prohibiting business activities due to the failure to submit the application to the Unified Registration, Control and Contribution System (Official Gazette of the RS, No. 29/17)

### **RS Ministry of Interior**

- Ordinance on the Transport of Dangerous Substances on Road Traffic (Official Gazette RS, No. 07/17)
- Ordinance on Violation of Provisions on Transport of Dangerous Substances (Official Gazette of RS, No. 07/17)

### **RS Ministry of Health and Social Welfare**

- Ordinance on Amendments to the Ordinance on Consumer Protection (Official Gazette RS, No. 13/17)
- Ordinance on Amendments to the Ordinance on Restrictions and Prohibition of Production, Transport and Use of Chemicals (Official Gazette RS, No. 33/17)

### **RS Ministry of Labor, War Veterans and Disabled Persons' Protection**

- Rulebook on the Procedure for Mutual Communication of Participants in the Peaceful Settlement of Disputes (RS Official Gazette, No. 36/17)

### **RS Ministry of Industry, Energy and Mining**

- Ordinance on Equipment under Pressure (Official Gazette RS, No. 22/17)
- Ordinance on Examination of Equipment under Pressure (RS Official Gazette, No. 22/17)
- Ordinance on new hot-water boilers with liquid and gas fuels and requirements for efficiency (Official Gazette RS, No. 26/17)
- Program for determining the conformity of the quality of liquid petroleum fuels for the summer season 2017 (RS Official Gazette, No. 41/17)

### **RS Energy Regulatory Commission**

- Decision on the amount of guaranteed purchase prices and premiums for electricity produced from renewable sources and efficient cogeneration (Official Gazette RS, No. 39/17)

### **RS Banking Agency**

- Decision on Amendments to the Decision on Minimum Standards for Bank Capital Management and Capital Protection (Official Gazette RS, No. 21/17)

### **RS Securities Commission**

- Rulebook on Membership in the Central Registry of Securities a.d. Banja Luka (Official Gazette RS, No. 49/17)

### **Central Register of Securities a.d. Banja Luka**

- Rulebook on Registration and Transfer of Securities (Official Gazette RS, No. 25/17)
- Decision on the amount of compensation payable for the Central Registry of Securities a.d. Banja Luka (Official Gazette RS, No. 25/17)



**TAX NEWS**

## **Rulebook on Amendments to the Rulebook on Application of the Corporate Income Tax Act**

The Rulebook on Amendments to the Rulebook on Application of the Corporate Income Tax Act ("Rulebook") was published in the "Official Gazette of FBiH", number 11/17, on 15 February 2017. Rulebook entered into force on 16 February 2017. The most important amendments introduced by the Rulebook are as follows:

- Reconciled balances of payables and receivables which are being submitted, in order to write-off and/or correct the receivables' value, should be in accordance with the regulations on accounting and auditing of the Federation, and not in accordance with IAS/IFRS as it was regulated before;
- Items marked as 1) Position title Plant and Equipment, AOP 011 and 2) Position title Total Assets AOP 067, are not required as the mandatory part of the Report on Tax Incentives Based on Investment in Production Equipment (Form PP-810);
- Report on Tax Incentives Based on Investment in Fixed Assets (Form PP-811) shall include data from the Balance Sheet - the amounts of the current and the previous year from the Balance Sheet report, instead of the investment data;
- Deadline for submission of a Legal entity's Statement on the Exemption from Withholding Tax (Form OP-820) is changed; instead of the 10th of the current month for the previous month, the deadline for submission of the Form OP-820 is on 20th of the current month for the previous month;
- Form OP-820 shall be verified by the income recipient, final beneficiary and by the competent authority of the Contracting State which is entitled to income taxation. If the competent authority of the State – which is income recipient, is not able to verify the Form OP-820, the taxpayer is obliged to obtain the residence certificate issued by competent authority of the State – income recipient, but not older than one year and submit it to the competent Tax Authority of FBiH, together with the Form OP-820;

- Forms: OP-820, POD 815, POD 816, POD 817, POD 818 and POD 819 shall be created in four samples - one is being sent to the Tax Authority, second belongs to a taxpayer and two samples are delivered to the income recipient;
- Forms PE 806, PE 807 and PK 814 shall be created in two samples: one is being sent to the Tax Authority and the other belongs to a taxpayer;
- In case of Reporting Withholding Tax for Tax Credit (Form PK 814), the taxpayer is required to keep in his records the evidence on payment of withholding tax outside the Bosnia and Herzegovina or withholding tax return, verified by the competent authority of Contracting State.

## **Instruction on Submitting a Request for Interpretation of Double Taxation Treaties**

The Ministry of Finance and Treasury of BiH ("Ministry") adopted the Instruction on Submitting a Request for Interpretation of Double Taxation Treaties („Instruction“) on 22 December 2016, which entered into force upon its adoption and applies as of 1 January 2017. The Instruction defines the term "authorized applicant" and the procedure for submitting the request for interpretation of Double Taxation Treaties ("DTT") to the Ministry. The authorized applicant is a resident of BiH to which tax situation the DTT relates or their authorized representative - a person authorized to represent in tax matters. The authorized applicant may submit the request for DTT interpretation to the Ministry via courier or following e-mail address: [taxtreaties@mft.gov.ba](mailto:taxtreaties@mft.gov.ba).

Mandatory elements of the request are:

- Information about the applicant;
- Description of the tax situation the DTT relates to;
- Specific question related to DTT interpretation;
- Evidence on payment of administrative fee.

The Ministry issues a legal interpretation and delivers it to the interested party within 30 days, except in cases which require consultation with institutions of the entities and institutions of Brcko District. The interpretation is not binding for the competent tax authorities, which might assess a tax liability based on facts of the taxpayer in the course of performing their competencies.

## TAX NEWS

**Establishing a branch office of foreign legal entity within the territory of FBiH**

Pursuant to the Companies Act ("Official Gazette of FBiH", no. 81/15), foreign legal entities are enabled to establish branch offices within the territory of FBiH. Although the Companies Act provided such possibility, foreign legal entities were unable to register branch offices within the territory of FBiH in practice, due to technical implications i.e. lack of adequate software at the competent court registry.

However, according to the latest information, the technical issue is resolved and it is now possible to register a branch office of a foreign legal entity within the territory of FBiH, hence enter the branch office into the competent court registry. In that context, we emphasize the obligation of resident taxpayers in FBiH, as stipulated in the Rulebook on Corporate Income Tax Act ("Official Gazette of FBiH", no. 88/16"), to notify the Tax Authority of FBiH in written on establishing business relations with non-resident legal entities in case when a non-resident legal entity has a branch office / permanent establishment within the territory of FBiH.

**Amendments to the Act on Value Added Tax**

The Act on Amendment to the Value Added Tax Act ("Act") was published in the "Official Gazette of BiH", number 33/17 on 9 May 2017. The Act enters into force on 17 May 2017 and applies as of the application date of the bylaw regulated within the Article 208 of the Customs Policy Act of Bosnia and Herzegovina, i.e. as of the application date of the bylaw regulating conditions and procedure on exercising the right to exemption from import duties payment, which is not adopted yet. The Act adjusts the Article 26 Point 2 of the Value Added Tax Act ("Official Gazette of BiH", number 9/05, 35/05 and 100/08) with the Customs Policy Act of Bosnia and Herzegovina ("Official Gazette of BiH", number 58/15). Exemption from import VAT shall not apply to following goods exempt from customs duties:

- 1) equipment representing an investment by a foreign person, except for passenger vehicles, entertainment and slot machines,
- 2) equipment for production which is not produced in BiH, imported for new production or expansion of existing production, its modernization,

introduction of new or upgrading of the existing production technology, and used for purposes of carrying out direct production activity,

- 3) goods for military and police forces and penitentiary institutions, completely financed by donors,
- 4) goods used for demining,
- 5) goods for projects of rebuilding and reconstruction of Bosnia and Herzegovina, if the project is adopted by the Council of Ministers of BiH and completely financed by foreign donors or mostly financed by foreign donors or international developments banks and less financed from the budget,
- 6) equipment for civil protection and fire protection institutions intended to be used for protection and rescue of civilian population.

As published in our Tax Alert from July 2015, new Customs Policy Act of BiH expanded the list of goods exempt from import duties, which also relates to import VAT, in comparison to previously applicable Customs Policy Act.

**Amendments to the Decision on Taking Out Foreign Cash and Checks**

Decision on the Amendments to the Decision on Taking Out Foreign Cash and Checks ("Decision") was published in the "Official Gazette of FBiH", number 38/17 on 24 May 2017. Decision enters into force as of the day of publishing, i.e. on 24 May 2017.

Novelties introduced by the Decision are as follows:

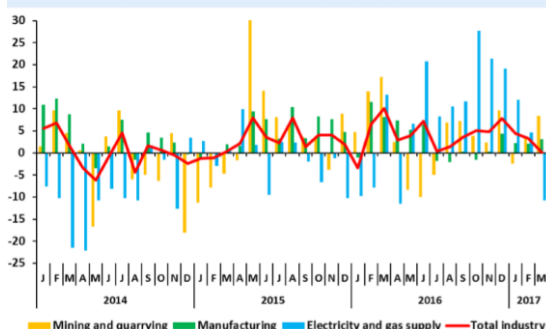
- When crossing the state border, physical entities shall be obliged to report to the customs officer, besides the amount of domestic or foreign cash and checks, also the securities or other physically portable payment instruments, as governed by the act regulating the prevention of money laundering and terrorism financing (i.e. payment orders, bonds). Taking foreign cash and checks out of the country exceeding EUR 10,000, shall be reported by means of a prescribed form;
- Resident physical entity, when crossing the state border, may take out of the country foreign cash and checks up to the amount of EUR 10,000 (i.e. in comparison to previously applicable Decision – the amount which resident physical entity may take out from the country is increased from EUR 2,500 EUR to EUR 10,000)

## BiH ECONOMIC OVERVIEW

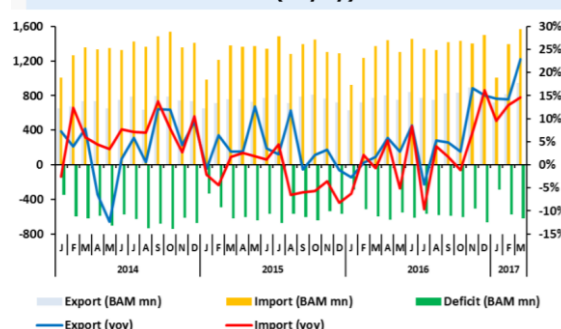
### In focus

- B&H economy has gotten off to a good start in 2017 reflecting strong performance in most of the macro figures available at monthly basis.
- In terms of macroeconomic figures, 2017 has started off on the right foot with most of the heavy weight indicators deeply in the green area (exports, industry, retail sales, etc.).
- Total loans granted by B&H banks in January 2017 advanced by 2.4% yoy marking the strongest growth rate since March 2016.
- On the funding side, the deposits base is still growing much stronger posting 8.9% yoy growth rate in January 2017 – strongest increase since September 2014.
- S&P and Moody's confirmed credit rating of B&H (B and B3) with stable outlook.
- Political crisis substantially abated in March 2017 after the ICJ officially turned down the submission of request for the revision of the proceeding from 2007.
- Release of the second IMF loan tranche worth EUR 76 mn by the end of April 2017 is no longer our baseline scenario.
- Industrial output advanced by 4.4% yoy in the first month of 2017, driven by manufacturing (2.2% yoy) and electricity supply (12.0% yoy). We expect industrial production will reach 5.5% growth this year, its strongest reading since 2011.
- Foreign trade of B&H reported strong increase with the beginning of 2017 on both sides of the balance sheet (exports and imports of goods). Exports of goods went up by 14.3% yoy in January 2017 reaching value of BAM 722.07 million while imports of goods reported increase of 9.6% yoy up to BAM 1.01 billion.
- Consequently, the foreign trade deficit of B&H in first month of 2017 totaled BAM 287.8 million with exports/imports ratio of 71.5% (68.5% in January 2016).
- The Consumer Price Index (CPI) finally snapped back into positive area after 25 months in deflation territory. Explicitly, the inflation rate came up to 0.7% yoy in January 2017, which is the first positive growth rate of the consumer prices since November 2014.
- B&H retail trade continues marching forward following strong end of 2016. In January 2017 retail trade index posted plus of 4.5% yoy indicating growth for the 32 consecutive month.
- Average net salary totaled BAM 846 in January 2017 which is increase of 2.0% compared to January 2016.
- Number of tourist arrivals increased by 11.6% while tourist nights increased by 9.9% yoy in January 2017.

**Industrial production of B&H (% yoy)**



**Trade balance of B&H (% yoy)**



**BiH ECONOMIC OVERVIEW**

BOSNIA AND HERZEGOVINA	2011	2012	2013	2014	2015	2016e	2017f	2018f
<b>Nominal GDP</b> (EUR bn)	13.4	13.4	13.7	14.0	14.6	15.2	<b>16.0</b>	17.1
<b>Real GDP</b> (% yoy)	0.9	-0.9	2.4	1.1	3.0	2.5	<b>3.0</b>	3.5
<b>GDP per capita</b> (EUR)	3445	3448	3526	3606	3780	3941	<b>4171</b>	4455
<b>GDP per capita</b> (EUR at PPP)	7000	7100	7200	7200	7300	7500	<b>8800</b>	9700
<b>Household consumption</b> (real, % yoy)	0.0	-0.8	0.0	2.2	1.7	1.7	<b>3.5</b>	3.1
<b>Gross fixed capital formation</b> (real % yoy)	14.6	4.1	-2.8	5.9	3.0	3.5	<b>8.5</b>	10.0
<b>Industrial output</b> (% yoy)	5.6	-5.2	6.7	0.1	2.6	4.3	<b>5.5</b>	7.0
<b>Producer prices</b> (avg, % yoy)	3.8	1.3	-2.2	-0.2	0.6	-2.3	<b>2.0</b>	2.2
<b>Consumer prices</b> (avg, % yoy)	3.7	2.1	-0.1	-0.9	-1.0	-1.1	<b>2.0</b>	2.0
<b>Average gross wages</b> (LCY, % yoy)	6.8	2.2	-0.5	0.3	0.0	3.0	<b>5.0</b>	5.5
<b>Unemployment rate</b> (avg, %)	27.6	28.0	27.5	27.5	27.7	25.4	<b>24.3</b>	23.0
<b>General budget balance</b> (% of GDP)	-1.3	-2.0	-2.2	-2.0	0.7	-1.5	<b>-1.0</b>	-1.0
<b>Public debt</b> (% of GDP)	38.1	40.0	39.6	43.0	42.8	42.0	<b>42.8</b>	42.5
<b>Trade balance</b> (% of GDP)	-27.9	-28.2	-25.4	-27.5	-24.0	-22.6	<b>-23.6</b>	-24.6
<b>Current account balance</b> (% of GDP)	-9.6	-9.1	-5.3	-7.5	-5.6	-5.4	<b>-7.0</b>	-7.7
<b>Net foreign direct investment</b> (% of GDP)	2.6	1.9	1.4	2.6	1.4	1.5	<b>2.8</b>	4.4
<b>Official FX reserves</b> (EUR bn)	3.3	3.3	3.6	4.0	4.4	4.9	<b>4.8</b>	5.0
<b>Gross foreign debt</b> (% of GDP)	48.9	52.2	52.2	51.8	53.4	54.7	<b>54.9</b>	54.2
<b>EUR / LCY (avg.)</b>	1.96	1.96	1.96	1.96	1.96	1.96	<b>1.96</b>	1.96
<b>USD / LCY (avg.)</b>	1.51	1.48	1.42	1.62	1.80	1.95	<b>1.86</b>	1.70

SOURCE: Raiffeisen Report: Economic and Financial Review, May 2017



**FIC MEMBERS**

**Addiko Bank**



C'M'S' Reich-Rohrwig Hainz



HETA ASSET RESOLUTION



MARIĆ & Co



McCANN SARAJEVO



PHILIP MORRIS  
BH D.O.O. SARAJEVO



HOLDINA



telemach



WOLF THEISS

