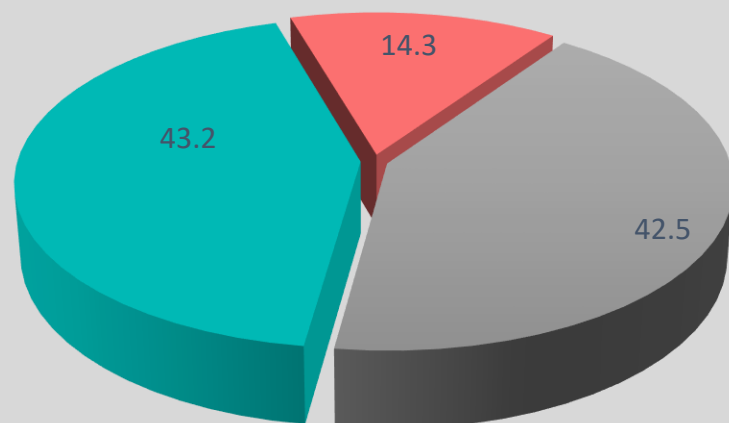




Progress of Investment Council Recommendations

JANUARY – MAY 2022

Positive progress in fulfilling the IC recommendations evidenced in January –May 2022



■ Implemented ■ In proces ■ Not implemented

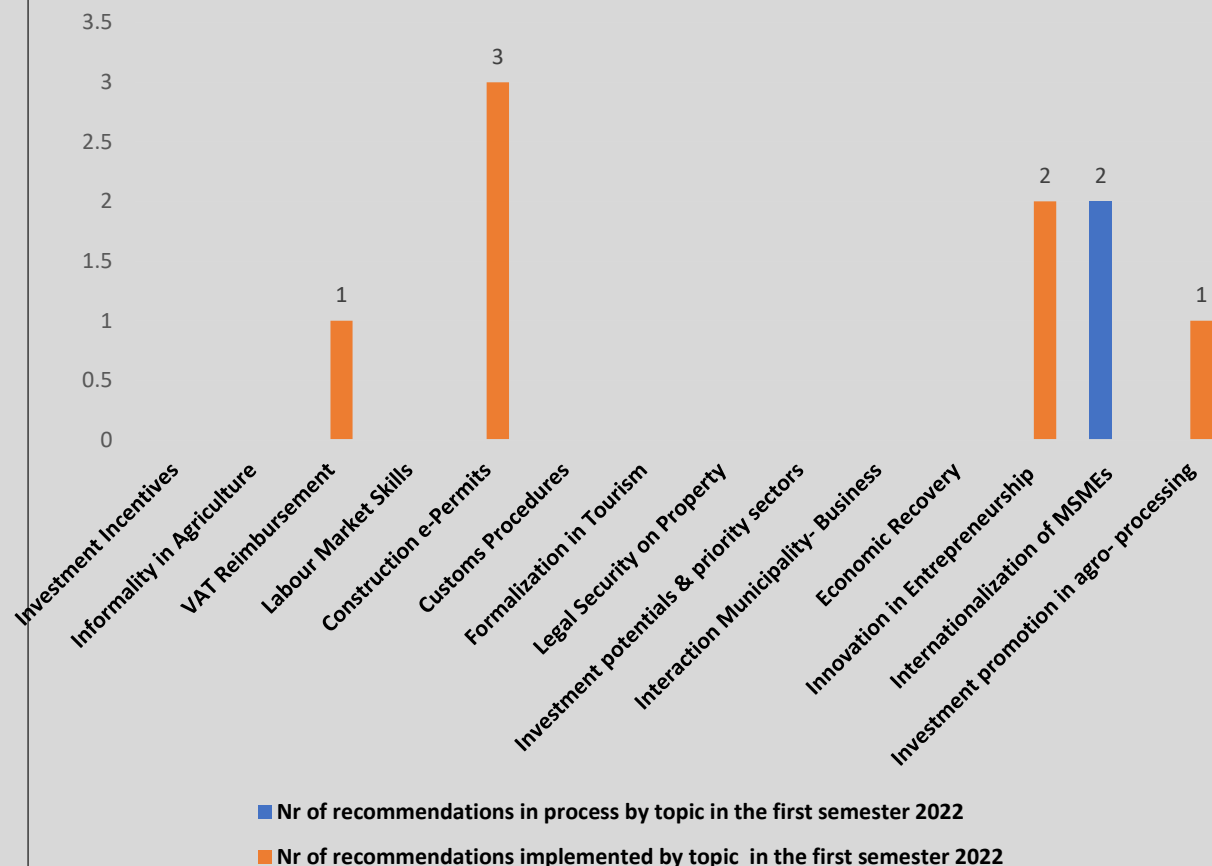
Compared to the end of 2021, during the period January –May 2022 we notice:

- ✓ Increase by 2.7% of implemented recommendations from 40.5% (last year) to 43.2% in March 2022. Specifically, three recommendations from the meeting on “E-permits” and 1 recommendation from the meeting on ‘Investment Promotion in Agro-processing”, are implemented.
- ✓ Decrease by 2.2% of unfulfilled recommendations, from 44.7- (last year) to 42.5% currently. There are six unfulfilled recommendations that actually are categorised as recommendations in process or implemented.
- ✓ Decrease by 0.4% of recommendations in process, from 14.7% (last year) to 14.3% currently.

*Totally (80-100%) or partially (50-70%)

Positive progress in fulfilling the IC recommendations evidenced in January –May 2022

Recommendations progress in January –May 2022



During the period January - May 2022, positive progress is evidenced in 9 recommendations:

- 7 implemented *
- 2 in the process of implementation.

From the recent meetings discussed in three meetings during the years 2020-2021, there are five recommendations that were implemented, mainly in the meetings on " Innovation in Entrepreneurship ", "Internationalization of SMEs" and "Promotion of Investments in "Agro-Processing".

Meanwhile, from earlier meetings (2016/2018), there has been progress in one recommendation from the topic "VAT Reimbursement" and 3 recommendations from the meeting on "Improvement of E-permits platform".

*Totally (80-100%) or partially (50-70%)

Positive progress in fulfilling the IC recommendations evidenced in January –May 2022

Legal improvements in terms of:

-Innovation in entrepreneurship

-Encouraging investments in Agro-Processing

Adoption of most of the secondary legislation related to the implementation of Law no. 55/2020, dated 30.04.2020 "On Payment Services" - approved during January-March 2022 about 90% of bylaws.

Approval of the draft law "On the Protection and Development of Innovative Start-ups"

Following this process, it is very important to adopt the secondary legislation related to this law.

Amendments and harmonization of law no. 106/2016 "On organic production, labelling of organic products and their control" with the provisions of EU Regulation 2018/848 "On organic production"

Positive progress in fulfilling the IC recommendations evidenced in January –May 2022

Further improvement of the E-permits platform functionalities

Preparation of a detailed operational, technical and legal manual in the form of an instruction for all users, including Municipalities and AIDA as institutions that promote one-stop platform services to potential investors.

Completion of the legal changes recommended in 2018 referring to law no. 33/2012 "On registration of immovable property" which has already been repealed and approved Law 111/2018 "On cadastre" - Based on law no. 8402/1998 "On Control and Discipline of Construction Works" (amended) have been made Recent amendments to Law no. 120/2020 and IKTK and KTKMK are part of the institutions in the permit system, as well as any other institution.

Continuous training and qualification of human resources which are directly involved in the procedures of approval of construction permits through the e-Permit platform. Specific attention has been paid to this process by the Directorate of LGUs, which has been set up precisely for assistance and training to LGUs.

Positive progress in fulfilling the IC recommendations evidenced in January –May 2022

Further simplification of VAT refund procedures:

Since dt. March 7, 2022 any request for VAT refund is made only online, through the Digital VAT Refund Platform. The General Directorate of Taxation has made available a guide, which guides taxpayers step by step on how to use the online refund platform.

Not implemented IC recommendations

*There are currently **116** unfulfilled recommendations, on behalf of which were contacted several times the responsible institutions during this period, and still await for their formal feedback.*

Among the main institutions with the largest share in the implementation of unfulfilled recommendations are:

- ✓ *Ministry of Agriculture and Rural Development - 12 recommendations*
- ✓ *Ministry of Tourism and Environment - 14 recommendations*
 - ✓ *State Cadastre Agency - 16 recommendations*
 - ✓ *Central Inspectorate - 13 recommendations*
- ✓ *General Directorate of Taxes - 10 recommendations*