

LAW No.03/L –244

ON STATE RESERVE GOODS

The Assembly of Republic of Kosovo;

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

Adopts:

LAW ON STATE RESERVE GOODS

Article 1 Purpose

This law defines procedures of establishment, security, finance, storage, preservation, utilization, management, renewal, refreshment and distribution of state reserve of goods in the Republic of Kosovo.

Article 2 Field of implementation

State reserve goods shall be created to interfere in operational manner for protection of the population, economy in the event of market distortion, and defending the country in emergency situations, situation of civil emergency, terrorist acts, military actions in the state of war, which bring immediate and heavy damages to life, health of population, livestock, property, cultural heritage, environment and providing humanitarian aid in compliance with the norms of the international right.

Article 3 Definitions

1. The terms used in this law shall have the following meaning:

- 1.1. **State reserve goods** – raw material, final products, materials, merchandise and other necessary;
- 1.2. **Ministry** – the Ministry of Trade and Industry;
- 1.3. **Minister**- the Minister of Trade and Industry;
- 1.4. **Administration** – distribution, exchange, refreshment, supplementation, preservation, removal or selection, lending, purchasing, selling and any other action that might be carried out for state reserve goods;
- 1.5. **Distribution** – provision for free or for a charge of state reserve goods;
- 1.6. **Exchange** – substitution of the value of required quality and relevant quantity, depending from the monetary value;
- 1.7. **Renewal**- substitution of the physic quantity of state reserve after each emergent intervention;
- 1.8. **Refreshment** – substitution of state reserve goods for products, essential list of medicaments that their expiry date is almost out;

1.9. **Preserve or maintain** – undertaking all reserve administration and legal entity activities to take care for state reserve goods;

1.10. **Minimum limit of reserve state goods item** – a certain amount expressed in units, under which should not drop the amount of state reserve;

1.11. **Supplementation** – filling in the state reserve goods to the maximum defined limits;

1.12. **Economic agent** – any legal, natural person to whom it is entrusted preserving and maintaining the state reserve that require special preserving conditions;

1.13. **Lending**- granting the goods for temporary utilization and returning them within the given deadlines;

1.14. **Department of Reserve** – the Department of state reserves of goods within the Ministry of Trade and Industry;

1.15. **The storage of state reserve** – an area for preserving state reserve that fulfills special conditions for freight preservation;

1.16. **Reserve quantity** –the necessary quantities preserve and utilized for state reserves;

1.17. **Humanitarian goods** – goods offered to the state of Kosovo as humanitarian aid from the states, donators and individuals in case of situations as defined under the present aw;

1.18. **Confiscated goods** – working tools, raw material, materials, fuels, final products, other material values and all the things that are transferred to the state ownership upon an executive decision of a competent authority as an outcome of administrative breaches, penal actions or as a consequence of preventive and striking the organized crime, and which destination is state reserves of goods.

Article 4

State reserve goods strategic plan and annual program

State Reserves of goods are of special interest for the Republic of Kosovo and are provided based on the three (3) years Medium Term Strategic Plan and Annual Program.

Article 5

Administration with state reserves

Department of State Reserves of goods (hereinafter Department), that is responsible to administrate goods in accordance with this law.

Article 6

Plan approval

State reserve goods Strategic Plan and Annual Program shall approve the Government of Kosovo upon proposal of MTI, after harmonization with the Ministry of Economy and Finance, Ministry of Health, Ministry of Kosovo Security Forces, Ministry of Agriculture, Forestry and Rural Development, Agency for Veterinary and Food, Ministry of Internal Affairs, Ministry of Energy and Mining, Ministry for Transport and Post-Telecommunication.

Article 7

Annual Report

The Government of Kosovo, through Minister, at least once a year shall report to the Assembly of Kosovo on state reserve goods situation and administration.

Article 8

Determination and preservation of reserves

1. By a Strategic Plan of state reserves of goods shall be defined:

- 1.1. establishment;
- 1.2. supply;
- 1.3. renewal;
- 1.4. updating;
- 1.5. use;
- 1.6. distribution;
- 1.7. sale;
- 1.8. exchange;
- 1.9. grand and
- 1.10. utilization.

2. The Strategic Plan provides provisions on construction of storage facilities to store and preserve state reserve of goods.

3. State reserve goods annual program shall be compiled in accordance to the Strategic Plan.

Article 9 Location of state reserves

The Strategic Plan and annual program and also the location of state reserve goods shall be considered the state's secret.

Article 10 Content of annual program

1. The state reserve goods annual Program should contain:

- 1.1. assortment, quantity and the value of state reserve goods;
- 1.2. the source of financial means and their distribution according to its destination;
- 1.3. amount of deposited financial means;
- 1.4. territorial distribution of state reserve goods based on defense principle and supply needs;
- 1.5. quantities of goods to be refreshed;
- 1.6. minimum goods quantities -by the assortment- that should all the time be available for supply needs in cases of natural disasters and other of great scale and the war or risk of war as well as number of days for supply with these quantities;
- 1.7. list of medical products, medications according to the essential list;
- 1.8. terms –condition- upon which types and given quantities of state reserve goods are given to storage.

Article 11 Permanency of state reserves

State reserve goods shall be established as permanent reserve goods.

Article 12

Composition of state reserve goods

1. State reserve goods shall consist of:

- 1.1. basic agricultural products, including livestock meat and industrial food products;
- 1.2. certain industrial non-food products -raw material, reproductive material, petroleum and petroleum products, medications, sanitary material, and veterinary means- necessary for transportation carriage of goods of special interest for countries protection,
- 1.3. monetary means; and
- 1.4. machinery and other equipments for emergent interventions.

Article 13

Establishment of state reserves

1. State reserve goods shall be formed from:

- 1.1. Republic of Kosovo budget;
- 1.2. goods arriving as humanitarian aid;
- 1.3. donations in goods and financial help;
- 1.4. confiscated goods that pass to state ownership due to administrative violations actions and commitment of penal acts, which destination is state reserves of goods.

Article 14

Utilization of state reserves

1. State reserve goods shall be utilized for supply purposes in case:

- 1.1. of war or direct danger from the war;
- 1.2. of natural disasters of large scale and technical-technological and ecological catastrophes;
- 1.3. of providing emergency aid to other states affected as in sub-paragraph 1.2 of this paragraph.

Article 15

Exercising power during the extraordinary situation

1. According to the Constitution of Republic of Kosovo at the time of war situation or direct danger of the territorial integrity of Republic of Kosovo, the Government suspends Department powers on state reserve goods and transfers them to the Inter-Ministerial Government group.

2. The Inter-Ministerial Government Group shall be headed by the Minister of Trade and Industry consisted from minister of Ministry of Economy and Finance, Ministry of Health, Ministry of Kosovo Security Forces, Ministry of Agriculture, Forestry and Rural Development, Agency for Veterinary and Food, Ministry of Internal Affairs, Ministry of Energy and Mining, and Ministry of Transport and Post and Telecommunication.

Article 16
Manufacturer's obligations during the danger time

The Government of Kosovo may oblige natural and legal persons carrying manufacture activity, respectively which handle circulation of given assortment of goods which are considered as state reserve goods that in the time of war or direct endangerment of territorial integrity should produce, respectively sell such assortment of goods for the purpose to fill in, respectively refresh state reserve goods.

Article 17
Department of state reserve goods

1. Department shall be leaded by Department director of state reserves of goods.
2. Department organization and functional Structure will be regulated by a by-law, issued by the Ministry.

Article 18
Director of the department

1. Within Department's functions and tasks, director of Department shall exercise as below:
 - 1.1. represents department under an authorization of the Minister;
 - 1.2. prepares a draft-budget for the coming year and forwards it to the Minister;
 - 1.3. plans and administers the approved budget of the Department, in accordance to the legislation in force;
 - 1.4. proposes to the Minister to issues instructions on activities of its structure, at the central and local level, in the sphere of state reserve goods;
 - 1.5. administers the annual budget planned fund, in accordance to the defined requirements under by-laws;
 - 1.6. coordinates department activities with the central authorities and other state authorities at the central and local level;
 - 1.7. with a consent in advance from the Minister shall determined location of the state reserve goods;
 - 1.8. secures creation and administration of state reserve goods, in compliance with the purpose and requirements of this law and strategic plan and annual program;
2. Items of state reserve goods requiring particular maintaining conditions, conform public procurement procedures the director of Department may contract their storage with economic agents or other legal entities which fulfill technical requirements, necessary and indispensable, to secure invariability of quality state and volume of reserve goods.
3. Director of Department ones a year shall report to Minister on the state of state reserve goods, but with a request of the Minister may be more often.
4. Minister may request a report from director of Department on the state of state reserve as necessary.
5. Director of Department should:
 - 5.1. have a university degree that corresponds with department's activity;
 - 5.2. have at least five (5) years of experience in a management position; and

6. Director of the Department shall be selected through announcement procedure, in accordance with Civil Servant Law.

Article 19 **Procedures of supply with goods**

Department for state reserves of goods through public procurement procedures supplies with goods that are forecasted through one (1) year program.

Article 20 **State reserve goods purchase, selling and borrowing**

Purchase of each item of the state reserve goods according to this law should be foreseen in specific manner in respective annual law for budgetary sharing. Besides, each procurement activity for purchasing such items should be conducted through open procurement procedures defined in the Law on Public Procurement. If the procurement contract is of big value, the notification of a contract shall be published in accordance with the Law on Public Procurement and in English language in a newspaper or prestigious international magazine.

Article 21 **Decision for Purchase and Sale**

To purchase and sell goods of the state reserve purposes, in compliance with the annual program, shall decide the Government upon proposal of the director of the Minister.

Article 22 **Revenues from Selling**

Revenues generated from sales reserves of goods shall be deposited in the budget of Republic of Kosovo.

Article 23 **Renewal of reserve goods**

Renewal of reserve goods shall be carried out through exchange, purchase or lending through arrangements settled with institutions funded under the State Budget or other legal entities who have similar supply contracts of these goods.

Article 24 **Expired goods**

1. Renewal, exchange, substitution, lending or selling of reserve goods shall be accomplished maintaining their minimum limits.
2. State reserve goods minimum limits shall be determined under the annual Program.

Article 25 **Excessive goods**

1. Department shall not take as own property the goods with expired date or at the verge of expiration.
2. The manner of taking the goods as own property by the Department and expiration threshold will be determined under a by-law approved by the Government.

Article 26 **Selling, lending or exchanging of the state reserve goods**

When the quantity of state reserves item is over the minimum limit defined for this item, the exceeded quantity may be used for sale, lending or exchange.

Article 27

Location and preservation of state reserve goods

For the purpose of utilizing free assets -stores, machinery which temporarily may not be used for Department needs by a decision of director of Department with the prior consent of the Minister, they may be given for temporary use to other legal persons with compensation, according to free market real value and respecting public procurement procedures based on a contract between the department and the party.

Article 28

Punitive provisions

Inaction according to a decision issued by the Government, as under the Article 16 of this law, shall be considered as a penal act, and for the same, the natural person and person responsible to a legal entity may be convicted with imprisonment from one (1) to five (5) years.

Article 29

Possession and exchange of goods without authorization

A natural person and a legal person who has concluded a contract on state reserve goods storage, and who is in violation of provisions of this law, if without authorization possesses or changes the goods destination, might be convicted with imprisonment from one (1) to (3) three years.

Article 30

Change of goods location without authorization

1. With a fine in amount from ten thousand (10,000) € to thirty thousand (30,000) € shall be liable for an economic violation an economic agent or other entity with whom the Department bound a contract on preserving or storing material or means of state reserves, who that merchandise or those means, without authorization changes storage location without prior consent of the director of the Department.

2. For a violation from paragraph 1 of this Article shall be liable also the person in charge of the economic agent with a fine in amount of five thousand (5,000) € to ten thousand (10,000) €

Article 31

Records keeping

1. With a fine in amount from five thousand (5,000) € to ten thousand (10,000) € shall be liable for violation an economic agent or other legal entity that does not keep records of goods given to preserve and store and such records does not provide for inspection to the director of Department or a person authorized from him.

2. For a violation of paragraph 1 of this Article shall be punished also the responsible persons of an economic agent with a fine in amount from one thousand (1,000) € up to five thousand (5,000) €.

Article 32

Transitional and final provisions

1. The Ministry of Trade and Industry and Department of State Reserve Goods are in charge of implementation of this law.

2. The government is obliged, that within six (6) month term from entry into force of this law, to issue all by-laws for the purpose of enforcement of this law.

3. This law shall be applicable in accordance with budget allocation for respective year.

Article 33
Entry into Force

This law shall enter in force fifteen (15) days after publication to the Official Gazette of the Republic of Kosovo.

Law No. 03/L-244
28 October 2010

Promulgated by Decree No. DL-071-2010, dated 09.11.2010, Acting President of the Republic of Kosovo, Dr. Jakup Krasniqi.