



Republika e Kosovës * Republika Kosova * Republic of Kosova

Komisioni i Pavarur për Miniera dhe Minerale
Nezavisna Komisija za Rudnike i Minerale
Independent Commission for Mines and Minerals



Prishtina, 25.02.2013

Pursuant to section 51, section 59 paragraph 1 and section 62 of the Law 03/L-163 on Mines and Minerals, the Board of the Independent Commission for Mines and Minerals in the meeting held on 18.01.2013, hereby issues this:

ADMINISTRATIVE INSTRUCTION

(ICMM NO. 001/2013)

ON DEFERMENTS AND EXEMPTIONS OF THE ROYALTY PAYMENT

Section 1

Purpose

1.1. This instruction shall regulate and determine the manner of royalty payment for all companies possessing mining licence for minerals. This instruction shall also determine the relevant mechanisms within the ICMM on how to process all cases when every mining Licensee applies to defer the obligation, processing procedures and the term to defer the payment.

Section 2

Conditions and the right to enter into an agreement

2.1. Every Licensee has a right to make a request to defer the term of payments, respectively programming the royalty obligations by instalments.

2.2. The ICMM Director may approve the deferment of the term and exemptions according to section 51 of the Law on Mines and Minerals.

2.3. A Mining Licensee may apply to the ICMM for an authorization to defer the payment of a royalty if, at the close of the period for which such royalty is due, such licensee's cash operating margin is less than zero.

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Section 3

The request to enter into an agreement

3.1. When Licensee applies to the ICMM to defer the payment of a royalty shall attach to the request:

3.1.1. Income statement for previous years

3.1.2. Income statement for a specific period on the date of application to defer the payment obligation of a royalty

3.1.3. The state of all accounts for the entity that applies to defer the payment obligation of a royalty

3.1.4. Payment required according to this instruction

3.2. Commission may require an initial payment up to 30% of the total debt as a condition to enter into an agreement.

3.3. Every request on deferment or programming the debt shall be reviewed by an ad-hoc commission (within Finance Department) proposed by the head of Finance Department appointed by the ICMM Director.

Section 4

The term to defer the royalty

4.1. Regarding the royalty, Licensee has a right to enter into an agreement for obligations created in the period Q3 and Q4 of the previous year.

4.2. Licensee has a right to enter into an agreement also for obligations created in present year.

4.3. Agreements shall be only for that calendar year in which they enter into the agreements.

Section 5

Approval of the request to enter into an agreement

5.1. If Commission (the commission established within Finance Department) determines that the licensee's cash operating margin is in fact less than zero at the close of the concerned period, the Commission may authorize the deferment of the royalty, in whole or in part, in accordance with section 51 of the Law on Mines and Minerals.

5.2. If Commission determines to defer the term of payment, hereupon it is allowed the programming until the end of calendar year, then the entity shall pay and bring the evidence of initial payment up to 30% of total invoiced, depending from the evaluation of Commission.

5.3. The approved amount of the deferred royalty shall be accumulated with any other outstanding payments of royalty.

5.4. During the review of request, the Commission may require additional documents and advice the company to complete the documentation.

5.5. The Commission decides and determines as well the royalty grace-period in the agreement reached.

5.6. Entry into the programming of debt shall be done for every number of invoice or registration in software for the concerned period and licence number for which it is required the deferment of the payment.

5.7. The payer of royalty shall fulfil properly all other obligations and perform them along with the signed agreement, including the performance on time and precisely of the quarterly payments and other payments if they are applicable according to the conditions of licence and the present law.

5.8. After approval to defer the term of payment, the Finance Department shall prepare the payment form and register it in the software of revenue.

Section 6

Non-approval of the request to defer the term of payment

6.1. If the Commission determines that the licensee's cash operating margin is more than zero at the close of the concerned period, then the request for deferment shall be refused.

Section 7

Informing the company about decision

7.1. If the request is approved then a registered letter together with the form of payment by instalments will be sent to the Licensee within 2 working days.

7.2. If the request is not approved the Licensee is informed in writing by describing the reasons of non-approval.

7.3. If the additional documents are required, then they can be required from the company by telephone, e-mail or written notice.

Section 8
Entry into force

8.1. This instruction shall enter into force 8 days after its publication in the Official Gazette of the Republic of Kosovo.

Ahmet Tmava
Chairman of the Board
Independent Commission for Mines and Minerals