

European Investors Council Monthly Newsletter



Accounting and auditing companies play an important role in economic development. High-quality Company reporting is crucial to improving transparency, creating a good investment environment, and nurturing investor confidence. In this month's newsletter, we feature an interview with Lekë Musa, Partner at Baker Tilly Kosovo, part of Baker Tilly International - one of the world's leading networks of independently owned and managed accountancy and business advisory firms. In this interview for EIC, Musa talks about a wide range of topics, including the impact of COVID-19 on the financial reporting ecosystem, remote work, tax avoidance, and tax evasion.

EIC participated in Consultations with Civil Society prior to the SAA SC Meeting on Internal Market

The EU Office in Kosovo regularly engages with and consults civil society prior to policy dialogue meetings with the Government, including in the context of the Stabilization and Association Agreement Subcommittee (SAA SC) meetings.

In this regard, on 16 March, the European Investors Council participated in a meeting for civil society consultation prior to the SAA SC meeting on the Internal Market, hosted by EU Office in Kosovo.

The sectoral Subcommittee meetings between the European Union and Kosovo authorities serve to discuss technical and policy issues and progress on the EU-related reforms in each sector. A part of these meetings is also dedicated to taking stock of the progress of Kosovo in addressing priorities under the European Reform Agenda and the new Economic Reform Programme.

The executive director of EIC, Mr. Emrush Ujkani, emphasized the importance of the competition legislation policy for private sector development. The second issue raised by EIC was the need to upgrade the capacities of the judges and prosecutors through different professional training.

EIC showed its willingness to contribute from its perspective, and give recommendations that we consider are in line not only with the requirements of the private sector here, but also with European standards, given that the members of our organization come from EU member states.

The head of Mission at the Liaison Office of Romania in Kosovo visited EIC member, UBT - Higher Education Institution

EU missions in Kosovo continually show their interest in supporting European businesses operating in Kosovo, and the European Investors Council is bridging the process.

A delegation from the Romanian mission in Kosovo, led by the head of the Mission of the Liaison Office of the Romanian Republic to Prishtina, **Mr. Daniel Onisor** accompanied by the head of EIC, Mr. Emrush Ujkani, visited EIC member, UBT Higher Education Institution. UBT is currently a leader in Kosovo in providing education, quality, innovation, and technology, remaining the primary destination for studies of business, technology and engineering.

UBT offers 29 bachelor and master study programs, offered by a staff of 500 professors educated abroad, and international staff. UBT programs are implemented in the most advanced teaching and learning environments in Prishtina, Lipjan, Ferizaj and Prizren.

Mr. Daniel Onisor was flattered to see the activity and offerings of UBT, noting that his office welcomes future cooperation with this institution. Moreover, he expressed interest in working closely with EIC to improve the investment climate in Kosovo.



Foto (UBT – Daniel Onisor), description: same as title

EIC participates in the review process of Draft Law on Trademarks and Draft Law on Protection of Trade Secrets

The Parliament of Kosovo has reviewed the Draft Law on Trademarks and Draft Law on Protection of Trade Secrets. These draft laws have been reviewed by the Commission for Economy, Industry, Entrepreneurship, and Trade. The European Investors Council along with other representatives of the business community were also present in this meeting, sharing their recommendations regarding both laws.

The Chairman of the Working Group, MP Driton Hyseni stated that it is the duty of the working group to review these two draft laws and then submit the recommended amendments from the business community or other stakeholders to the Commission Economy, Industry, Entrepreneurship, and Trade. Hyseni asked the opinion of participants on whether the conditions and procedures for trademark registration are precisely defined, whether the rights arising from the registration and enforcement of these rights are protected, etc.

During this meeting, the Executive Director of EIC, Mr. Emrush Ujkani, shared EIC recommendations about this Draft Law, while welcoming this legal initiative, and urging it to proceed for approval. During the hearing, there were concerns raised by business and advocacy representatives, demanding the amendment of some articles that enable the registration of trademarks.



EIC participates in the review process of Draft Law on Trademarks and Draft Law on Protection of Trade Secrets

EIC participates in EBRD presentation of Transition Report 2021 - 2022 to the banking sector in Kosovo

The European Investors Council was part of a meeting organized by the European Bank for Reconstruction and Development, in which they presented the Transition Report 2021 - 2022, 'Digitalization, System Upgrade: Delivering the Digital Dividend', to representatives of the banking system, hosted by Mr. Fehmi Mehmeti, Governor of the Central Bank of Kosovo.

Digitalization is one of the key forces shaping our world. The EBRD Transition Report 2021-22 explores how economies in the EBRD regions deliver the digital dividend, both during the COVID-19 pandemic and beyond. Building on rich sources of data, the report introduces a new index of digital transformation and highlights digital divides across and within countries. The report shows how addressing these divides will be vital to the success of economies.

During this presentation, attendees had the opportunity to hear EBRD economists present the main findings of the report, and the economic implications and prospects for Kosovo and the wider Western Balkan region. The Head of EBRD in Kosovo, Mr. Neil Taylor, highlighted the EBRD's current strategy in Kosovo, and highlighted some of the key investment projects and policy programs.

Interview with Leke Musa, Partner at Baker Tilly Kosovo

1. The pandemic has caused serious disruptions in business life globally. Accounting and auditing companies provided insights and perspectives focused on the impacts of COVID-19 on the financial reporting ecosystem to help organizations and stakeholders respond, recover, and thrive through uncertain times. What role did Baker Tilly play in this aspect?

Although disruption has been caused, and many industries have suffered during the two years of the pandemic, the accounting and auditing profession in Kosovo, and wider, did not see major losses in revenues or client base. There are numerous reasons for this, starting with regulatory requirements, which did not change despite the crises and on the other side given the demand for loans to bounce back to normalcy, the demand for financial reporting has increased. It is interesting to note that the business community has seen in many instances this new situation as an opportunity for growth and expansion, which was reflected in our industry, too.

2. COVID-19 has brought a pressing need to enable remote work at scale across all industries. According to several worldwide surveys circa 29% of services-providing institutions had 60% or more of their workforce working remotely once a week or more, prior to the pandemic. Since the onset of the COVID-19 crisis, that number has jumped, and now 69% of financial services institutions expect 60% or more of their staff to remain remote for at least once a week, post-COVID. How has the new digital relationship changed and challenged the work practice in this particular financial industry?

The digital economy is a new reality. When I talked about the opportunities, it is exactly digitalization, which came out as a most positive trend globally. The pandemic has accelerated the transformation into digitalization, but it has also changed our view towards office work and physical presence. This is

especially important for our profession because it has changed an approach on how we share information with the client.

3. Countries like Kosovo and others from our region continue to be challenged by tax avoidance and tax evasion. How much does it affect your work as a professional financial and tax-consulting firm?

Baker Tilly in Kosovo is part of Baker Tilly International network, which is governed by the highest ethical standards in our profession. We are required to observe the highest professional and ethical standards when dealing with clients. Kosovo business community is in the transition process and this has been a phase, which other countries have gone through. We are seeing progress in terms of compliance and business people are understanding that growth and sustainability is only possible if transparency and international financial reporting standards are observed. We see our mission in educating the business community and opening the doors to international growth and expansion.

4. The pandemic has changed many aspects of life, including the way we work and do business. What is a lesson learned for you and what is your message for our readers?

We have learned throughout history that there are many barriers, which if broken, opportunities may arise. Pandemic has taught us the lesson that we can communicate and cooperate in ways we never imagined. We can explore markets in the services industry without limitations. However, we need to invest in human capital and create a limitless horizon for expansion for our youth.



Leke Musa, Partner at Baker Tilly Kosovo

ProCredit Bank in Kosovo wins Corporate Social Responsibility award

ProCredit Bank in Kosovo has received the 2021 Award for Corporate Social Responsibility in Kosovo, an award that was given during a ceremony organized by the CSR Kosovo Network and the Office of the UN Development Coordinator in Kosovo.

This award comes as a result of ProCredit Bank's commitment to meeting the Sustainable Development Goals (SDGs) under the UN Agenda 2030, as well as for all the contribution that ProCredit Bank has made during 2021 to improve the well-being of community as well as for the implementation of policies aimed at environmental protection.

For ProCredit Bank, this award is an additional confirmation of the tireless work in the implementation of many projects and activities that clearly reveal the strategy and high social responsibility that the bank pursues.



ProCredit Bank in Kosovo wins Corporate Social Responsibility award

The eighth meeting of EU-Kosovo PCSA took place in Strasbourg, France

On March 9 and 10, 2022, in the European Parliament, in Strasbourg, France, the VIII meeting of the EU-Kosovo Parliamentary Stabilization and Association Committee (PCSA) took place. This meeting developed in two separate sessions, in which important topics for the European future of Kosovo and the deepening of cooperation between Kosovo and the European Union were discussed.

The first part of this session discussed EU-Kosovo relations, where the First Deputy Prime Minister for European Integration, Development and Dialogue, Besnik Bislimi, exchanged views on behalf of the Government of Kosovo, followed by speeches from the Head of Unit for Bosnia and Herzegovina and Kosovo, Vassilis Maragos, and the Head of Division for the Western Balkans, on behalf of the European External Action Service, Elsa Fenet. The second part discussed the progress made a year after the elections in Kosovo, the reforms related to EU integration, and the situation of minority communities. Whereas, in the third part, emphasis was put on the topic of dialogue between Prishtina and Belgrade.

On March 10, 2022 continued the second session of this inter-parliamentary meeting, chaired by the co-chair of this joint EU Parliamentary Committee-Kosovo, Mimoza Kusari-Lila (LVV), who addressed the situation in Ukraine. The session focused on the energy crisis and its effect on the post-pandemic recovery, the French presidency, Kosovo's enlargement policy, and opportunities, the European Youth Year 2022 and the Conference on the Future of Europe.

According to the announcement of the Assembly of Kosovo, this meeting was closed with the voting of a Joint Declaration between the European Parliament and the Parliament of Kosovo.



Eighth meeting of EU Kosova PCSA

Acceco SEE

Asseco SEE Group (ASEE Group) is one of the largest operators in South-Eastern Europe in terms of revenue derived from sales of its software and services and a top player in banking.

We came into being as a result of the integration of the experience, knowledge and solutions of major segment leading IT companies operating in the region. Since the beginning our company has been focused on developing & selling its own proprietary solutions.

The company is present in 13 countries, has 1,400 employees and is listed on the Warsaw Stock Exchange. ASEE is part of Asseco Group, one of the top ten software vendors in Europe who offers comprehensive proprietary solutions for all sectors of the economy. Own solutions account for over half of

Asseco Group total sales revenues. Asseco Group operates in most of the European countries, Israel, USA, Japan and Canada. Asseco Group companies are listed on the Warsaw Stock Exchange, TelAviv Stock Exchange and American NASDAQ Global Markets. Asseco SEE shpk Prishtina is a subsidiary running Asseco SEE business for Kosovo & Albania. In both countries it has around 100 employees with focus in providing high end digital solutions to Financial Sector as well as Government and Private Sector.

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