



Costs of doing business in Novi Grad

January, 2025.godine

1. BASIC INFORMATION ABOUT NOVI GRAD



Novi Grad is located in the northwest part of Bosnia and Herzegovina, along the beautiful banks of the Una and Sana rivers, beneath the slopes of the Kozara and Grmeč mountains. The city is well-connected to the CEFTA region, providing duty-free access to a multi-million market. It borders the Republic of Croatia, at the southeastern border of the European Union.

Although Novi Grad is relatively distant from the capital city of Bosnia and Herzegovina, Sarajevo (320 km), it is well-connected to central Bosnia and Herzegovina and its surroundings through a network of roads and railways. The closest major cities are Banja Luka (89 km) and the capital of the Republic of Croatia, Zagreb (135 km).

The distance between Novi Grad and the border with Slovenia is 140 km, with Austria is 246 km, and with Hungary is 220 km. Novi Grad is also well-connected by road and rail networks to the rest of Bosnia and Herzegovina, the northern part of the Republic of Croatia, as well as Central Dalmatia and ports on the Adriatic Sea.

The nearest international airports are located in Banja Luka (driving time: 1 hour), Zagreb (driving time: 2.5 hours), Split (driving time: 5 hours), Sarajevo (driving time: 5 hours), and Belgrade (driving time: 4 hours)..



Location	Northwestern part of Bosnia and Herzegovina
Entity	Republic of Srpska
Population	22.103 (estimate by The Republic of Srpska Institute of Statistics)
Area	470 km ²
Mayor	Miroslav Drljača
Address	Petra Kočića 2, 79220 Novi Grad
Telephone/fax	00387/52-720-900, 720-901
E-mail	nacelnik@opstina-novigrad.com
Web	www.opstina-novigrad.com
Number of employees:	3.616
Active workforce	611
Number of high school students	563
Number of entrepreneurs	431
Number of companies	145
Average gross salary	880,00 EUR

Why invest in Novi Grad?

- ✓ **GEO-STRATEGIC LOCATION (BORDER WITH THE EU)**
Situating at the border with the European Union, Novi Grad enjoys excellent access and connectivity to major road and rail routes, as well as airports, river ports, and sea ports.
- ✓ **FREE TRADE AREA AND FAVORABLE TAX POLICIES**
Investors in Republic of Srpska have access to a market of 600 million citizens based on free trade principles, including agreements such as CEFTA, the Free Trade Agreement between BiH and Turkey, EFTA, and the Stabilization and Association Agreement between the EU and BiH. The value-added tax (VAT) is the lowest in the region at 17%.
- ✓ **NATURAL RESOURCES**
Rivers, forests, land, clean water and air, ores, minerals
- ✓ **INSTITUTIONAL SUPPORT AND PROACTIVE ADMINISTRATION**
Despite being a small municipality, Novi Grad possesses all necessary infrastructure and systems, making it more accessible and flexible compared to larger cities.
- ✓ **DESIRABLE LIVING AND WORKING ENVIRONMENT**



2. TAXES AND CONTRIBUTIONS

Tax policy in Republic of Srpska is among the most stimulating in the region.

- ✓ The personal **income tax** rate is 8%,
- ✓ **The corporate income tax** in the Republic of Srpska is calculated at a rate of 10%,
- ✓ **The real estate tax** - Each local self-government unit determines the real estate tax rate on its territory and it can amount to a maximum of 0.20%. Exceptionally, the tax rate for real estate in which the production activity is directly performed is up to 0.10%.

Detailed information on taxes and tax legislation in the Republic of Srpska is available on the website of the [Tax Administration of the Republic of Srpska](#)

The cumulative contribution rate in the Republic of Srpska is 31% of gross salary, of which: 18.5% is allocated for pension and disability insurance, 10.2% for health insurance, 1.7% for child protection and 0.6% for unemployment insurance.

The VAT rate of 17% is among the lowest in Europe.

Customs:

Customs regulations are implemented uniformly in BiH. The customs tariff contains a rate range of 0-15%. The Indirect Taxation Authority of BiH is responsible for collecting all customs duties. There are 4 main regional centers for customs clearance of goods in BiH: Customs Office Banja Luka, Customs Office Sarajevo, Customs Office Tuzla and Customs Office Mostar.

Border crossings: Novi Grad, Kostajnica, Kozarska Dubica, Gradiška, Brod, Šamac, Rača, Popovi (Pavlovića most), Karakaj, Klobuk, Deleuša, Vardište, Zupci, Uvac, Ivanica, Bratunac, Donja Gradina. Customs crossings: Novi Grad, Kozarska Dubica, Gradiška, Brod, Rača, Popovi (Pavlovića most), Karakaj, Klobuk, Deleuša, Vardište.

The signing of the Stabilisation and Association Agreement enabled the free export of almost all goods to the EU that meet the standards, and at the same time gradually opened the BiH market for EU goods according to the dynamics agreed in the annexes and protocols that are part of this Agreement.

Indirect taxes as well as customs policy are the responsibility of the joint institutions of BiH. More information is available on the website of the [Indirect Taxation Authority of BiH](#).

PERSONAL INCOME TAX RATE	8%
CORPORATE INCOME TAX RATE	10%
REAL ESTATE TAX	<ul style="list-style-type: none">• 0,20%• 0,10%: or companies engaged in manufacturing activities• 0,00%: for activities deemed as deficit industries
NON-TAXABLE PART OF INCOME (€)	511,00
VAT	17%
CUMULATIVE CONTRIBUTION RATE TO GROSS SALARY	31%



3. TAXES AND FEES

Fee/Tax/Contribution	Legal Basis for Collection	Obligor (Legal/Physical Person)	Amount of Fee/Tax/Contribution
Administrative fee	Law on Administrative Fees and Charges Decision on Municipal Administrative Taxes	Legal and physical persons	<ol style="list-style-type: none"> 1. For issuing an excerpt from the regulatory plan.....10,00 EUR 2. On the application for amendment of the regulatory plan.....250,00 EUR 3. For processing requests for issuing location conditions.....10,00 EUR 4. For approval for construction, the fee is paid according to the estimated value of the object and as follows: <ul style="list-style-type: none"> up to 25.000,00 EUR18,00 EUR from 25.000,00 EUR to 50.000,00 EUR.....25,00 EUR over 50.000,00 EUR.....2.500,00 EUR 5. For issuing an environmental permit.....50,00 EUR 6. For issuing water directives.....25,00 EUR 7. For issuing water consent.....35,00 EUR 8. For issuing a water permit.....50,00 EUR 9. For approval for the use of the facility.....50,00 EUR <p>More information about administrative fees is available in the Register of fiscal and parafiscal payments of Novi Grad Municipality.</p>
Communal fee	Law on Communal Fees Decision on Communal fees, Novi Grad	Legal and physical persons	<ol style="list-style-type: none"> 1. For occupying public areas: from 0,10 EUR-0,77 EUR po m²/monthly, 5,00 EUR monthly, and 50,00 EUR annually 2. For placing advertisements, advertising boards, billboards, etc.: from 2,5 to 25,00 EUR annually/m² for advertisements and advertising boards, from 5,00 EUR to 50,00 EUR annually/m² for billboards 3. For using parking spaces with time restrictions on public parking lots: 0.25 EUR/hour, 1,50 EUR/day, 7,7 EUR/month, 76,73 EUR/annually <p>Exempted from paying municipal fees are:</p> <ol style="list-style-type: none"> 1. Entrepreneurs who, according to the law regulating income tax, have the status of small entrepreneurs, and 2. Obligor of municipal fees for 12 months from registration. <p>More information about municipal fees is available in is available in the Register of fiscal and parafiscal payments of Novi Grad Municipality.</p>
Communal charges	Decision on Communal charges	Legal and physical persons	<ol style="list-style-type: none"> 1. Communal charges for residential buildings....od 0,01-0,03 EUR /m²/mjesečno 2. Communal charges for commercial buildings.....0.04-0,1 EUR /m²/mjesečno <p>More information about communal charges s available in the Register of fiscal and parafiscal payments of Novi Grad Municipality.</p>
Compensation for the arrangement of urban construction land - if there is documentation based on which actual arrangement costs can be determined	Law on Spatial Planning and Construction	Legal and physical persons	<p>The payment is calculated per square meter of useful area determined by location conditions, determined by dividing the total actual arrangement costs by the total useful area of the building, by building zones:</p> <ul style="list-style-type: none"> I Zone - 6% II Zone - 5% III Zone - 4% IV Zone - 3% V Zone - 2% VI Zone - 1%
Compensation for the arrangement of urban construction land -If there is no documentation based on which actual arrangement	Law on Spatial Planning and Construction	Legal and physical persons	<p>The payment is per square meter and is determined by multiplying the base for calculating the one-time rent (383,20 EUR) by coefficients ranging from 0.005 to 0.045, depending on the zone. Then, the base is multiplied by the coefficient of the development level of the Novi Grad Municipality - 0.80 (underdeveloped municipality).</p>



costs can be determined

Zone I - $383,20 * 0,045 * 0,8 = 13,80$ EUR/m²
Zone II - $383,20 * 0,035 * 0,8 = 10,73$ EUR/m²
Zone III - $383,20 * 0,025 * 0,8 = 7,66$ EUR/m²
Zone IV - $383,20 * 0,015 * 0,8 = 4,60$ EUR/m²
Zone V - $383,20 * 0,01 * 0,8 = 3,07$ EUR/m²
Zone VI - $383,20 * 0,01 * 0,005 = 1,53$ EUR/m²

Compensation for changing the purpose of agricultural land to construction.

[The Law on Agricultural Land](#)

Legal and physical persons

Crops	Classes							
	I	II	III	IV	V	VI	VII	VIII
Fields	4,68	3,27	2,18	1,20	0,52	0,46	0,22	0,10
Orchards	4,94	2,99	0,77	-	-	-	-	-
Vineyards	5,89	-	-	-	-	-	-	-
Meadows	4,05	2,55	1,44	0,72	0,25	0,18	-	-
Pastures	0,60	0,35	0,20	0,09	-	-	-	-
Forests	1,66	1,17	0,65	0,22	0,05	0,02	-	-

Land rent

[Law on Spatial Planning and Construction](#)

Legal and physical persons

The basis for calculation is the average final construction price per square meter of usable area of residential and commercial space in the municipality of Novi Grad, which amounts 383,20 EUR.

Zone I - 6% = 23,00 EUR
Zone II - 5% = 19,16 EUR
Zone III - 4% = 15,33 EUR
Zone IV - 3% = 11,50 EUR
Zone V - 2% = 7,66 EUR
Zone VI - 1% = 3,83 EUR



4. LOCAL COMMUNAL FEES



KP "Vodovod i kanalizacija"

AD Novi Grad

Address: Njegoševa 4, 79220 Novi Grad,

E-mail: vodovodnovigrad@yahoo.com ,

Telephone: +387 52 752 163,

Fax: +387 52 752 163

Web: www.vodovodnovigrad.com

„Vodovod i kanalizacija“ ad Novi Grad engages in activities related to water production and distribution, maintenance of water supply systems, wastewater and stormwater drainage, maintenance of sewage networks, and installation of water and sewage connections.



KP "Komus" AD Novi Grad

Address: Njegoševa 32 A,

79220 Novi Grad,

E-mail: kp.komus@yahoo.com,

Telephone: +387 52/751-378,

Fax: +387 52/751-378,

Web: www.komus-novigrad.com

"KOMUS" ad Novi Grad engages in activities such as the collection, processing, and disposal of municipal waste, as well as the maintenance of parks and green areas. Additionally, it is involved in both high-rise and low-rise construction, organizing markets, and funeral services.



imate prijatelje!

„MTEL“ a.d. Banja Luka- Work unit Novi Grad,

Address: Karadžića Petrovića 66, 79220 Novi Grad,

Telephone: +387 52/721-100 ,

E-mail: novigrad@mtel.ba ,

Web: www.mtel.ba

"Mtel" a.d. Banja Luka - Work Unit Novi Grad conducts activities in the field of telecommunications, specifically providing telecommunication and related services, including voice, data, text, sound, and image transmission.

This encompasses:

- Wired telecommunication services
- Wireless telecommunication services
- Satellite telecommunication services
- Other telecommunications activities.



ЕЛЕКТРОКРАЈИНА
www.elektrokrajina.com

TJ Novi Grad

Address: Branka Ćopića 2 Novi Grad

Telefon: +387 52/ 751-048,

Web: www.elektrokrajina.com

"Elektrokrajina" a.d. Banja Luka is responsible for managing, maintaining, and developing the distribution system within the municipality of Novi Grad. Maintenance of the electrical network is carried out by the Field Unit Novi Grad.

Flat rate calculation for properties up to 86 m²:

Legal entities - stores selling household appliances, hair salons, fast food kiosks, agricultural pharmacies, stores selling agricultural machinery and park maintenance machinery, betting shops.....18,34 EUR

Flat rate calculation for properties up to 76 m²:

Legal entities - stores selling textiles, footwear, leather goods, perfumeries, pharmacies, private healthcare clinics, bookstores, flower shops, car washes, self-service car washes, gambling facilities.....16,22 EUR

Flat rate calculation for properties up to 50 m²:

Legal entities - jewelers, optical shops, sewing workshops without retail space, shoemaking workshops without retail space, photographic shops, locksmith and watchmaking shops, stonecutting shops, beauty salons, bakeries without production space, video stores, entertainment games, fitness centers, law and notary offices, accounting services, microcredit organizations, intellectual services:.....10,58 EUR

Electricity for business customers	Average electricity price for industrial users: 0,065 €/kWh.	KWh	Complete price list: https://www.elektrokrajina.com/tarife/
Telephone	Fixed telephony: from 7,74-14,92 EUR Mobile telephony: from 6,13-61,32 EUR BIZ tariffs and communication in VPN group: from 5,00 to 50,00 EUR per VPN group member	monthly	The average prices of fixed and mobile telephony vary depending on: zone, call time, and user package. The current price list for M:tel telephone services can be found at the following link: LINK .
Internet for business users	From 34,68-179,51 EUR	monthly	The prices of internet access for business users vary depending on the user package. The current price list for M:tel services can be found at the following link: LINK .



5. NOTARY AND LAWYER SERVICES

The goals achieved by the notary public as part of the legal system of the Republic of Srpska are legal security, relief of the judiciary and public administration bodies, promptness and reliability of public registers. Notaries are given the exclusive competence to perform notarial processing of documents on legal transactions whose subject matter is the acquisition of property rights and other real rights to real estate, as well as the founding acts of companies. Also, notarised documents, which can also be executive documents, avoid disputes and skip possible long litigation procedures, and save participants in legal transactions time and money.

You can read more about notary services on the website of the [Ministry of Justice](#) and [Notary Chamber of the Republic of Srpska](#).

A wide range of legal services is available to domestic and foreign business entities, in all areas of business law (company law, banking law, taxes, labor relations, real estate, intellectual property...).

In accordance with the Law on Advocacy of the Republic of Srpska, the prices of legal services are determined by the Tariff on fees and costs reimbursement for lawyer's work in the Republic of Srpska (Official Gazette of the Republic of Srpska, 68/05).

More information available on the website [Bar Association of the Republic of Srpska](#).

List of lawyers in Novi Grad:

1. BAKIĆ RANKO

Address: Petra Petrovića Njegoša 5
Telephone: 065/536-706
E-mail: rankobakicadvokat@gmail.com

2. GAK BORIVOJ

Address: Ive Andrića 26
Telephone: 052/753-949, Faks: 052/753-949, 065/537-479
E-mail: borivojgak@gmail.com

3. ZORIĆ SANJA

Address: Pionirska 61
Telephone 052/751-304, Faks: 052/751-304,
065/714-137
E-mail: sanja_zoric@teol.net, sanjazoric4@gmail.com

4. JANKOVIĆ ALEKSANDAR

Address: Njegoševa 27
Telephone: 065/710-973
E-mail: advokat.jankovic.ng@gmail.com

5. KNEŽEVIĆ SNJEŽANA

Address: Pionirska 61
Telephone 052/751-304, Faks: 052/751-304, 061/460-768
E-mail: aurelius@poen.net

6. PAVIĆ ALEKSANDAR

Address: Dobrile Grubor 12
Telephone: 052/751-911, Faks: 052/751-911, 065/519-311
E-mail: advpavic@gmail.com; advpavic@outlook.com

7. PRAVULJAC ĐORĐE

Address: Karađorđa Petrovića 76
Telephone: 052/752-229, Fax: 052/752-229, 065/519-313
E-mail: advokat.pravuljac@gmail.com

8. ŠLJOKAVICA SLOBODANKA

Address: Vidovdanska 20A
Telephone: 052/752-391, Fax: 052/752-391, 065/724-334
E-mail: -

List of notaries in Novi Grad:

1. GRAONIĆ DANKA

Address: Vidovdanska 22b
Telephone: 052/226-011, 065/804-190
Fax: 052/226-011
E-mail: dankagraonic@yahoo.com



6. BANKS AND BANKING SERVICES

List of banks in Novi Grad:

1.



„Nova banka“, ad Banja Luka
Agencija Novi Grad
Address: Karađorđa Petrovića 31, 79 220 Novi Grad
Telephone: 052/720-050, 052/720-051, 05/720-052

2.



„Raiffeisen BANK“ dd Bosna i Hercegovina,
Agency “Novi Grad”
Address: Miće Šurlana 22, 79 220 Novi Grad
Telephone: 052/721-240, 052/721-241, 052/721-243

3.



„NLB Banka“ a.d. Banja Luka
Branch Novi Grad
Address:: Karađorđa Petrovića 34, 79220 Novi Grad
Telephone:: 52/752-121, 080/050-510, fax: 052/751-065

4.



„Addiko Bank“ a.d. Banja Luka
Branch office Novi Grad
Address:: Karađorđa Petrovića 45, 79 220 Novi Grad
Telephone/fax: 052/721-250,
Mobile phone: 066/907-070, 066/907-079

5.



„Atos Bank“ a.d. Banja Luka
Branch office Novi Grad
Address:: Karađorđa Petrovića 17, 79 220 Novi Grad
Telephone: 052/721-190, Fax: 052/ 721-170

6.



„UniCredit Bank Banja Luka” a.d., Banja
Luka
Filijala Novi Grad
Address: Karađorđa Petrovića 33, 79220 Novi Grad
Telefon: 052/751-756

7.



„MF banka” a.d., Banja Luka
Branch office Novi Grad
Address: Miloša Obilića bb, 79220 Novi Grad
Telephone:: 052/721-140, 051/498-316

MICROFINANCE INSTITUTIONS:

1.



MKF „MIKRA“ d.o.o. Banja Luka
Novi Grad office
Address: Kralja Petra I Karadorđevića 34, 79 220 Novi
Grad
Telephone: 052/753-834

2.



MKD "Mikrofin" d.o.o. Banja Luka
Branch office Novi Grad
Address: Karađorđa Petrovića 25, 79220 Novi Grad
Telephone: 052/720-780

3.



MKD „ZDRAVO“ d.o.o. Banja Luka
Regional office Novi Grad
Address: Njegoševa b.b. 79220 Novi Grad
Telephone: 052/720-800

Useful links:



АГЕНЦИЈА ЗА БАНКАРСТВО
РЕПУБЛИКЕ СРПСКЕ

Guarantees of the Guarantee fund of Republic of Srpska

[The Guarantee fund of Republic of Srpska](#) issues guarantees as security for a portion of the loans granted by banks to beneficiaries under guarantee lines, in case the beneficiaries under guarantee lines cannot provide adequate collateral for the loan required by the bank.

There are several types of guarantee lines, such as those for initial business activities, for companies, for entrepreneurs, for export support, for agriculture, etc.

More information about the guarantee lines of the Guarantee Fund of the Republic of Srpska can be found on the website www.garantnifondrs.org.

The aim of organizing the Guarantee Program is to facilitate access to financial resources for micro, small, and medium-sized enterprises, as well as entrepreneurs, by issuing guarantees to secure claims on loans granted by financial institutions.

Factoring Law

The National Assembly of the Republic of Srpska adopted the Factoring Law at the end of 2020 ("Official Gazette of RS", No. 123/20). The purpose of enacting this law is to regulate factoring as a non-banking financial service to ensure greater access to financial resources for small and medium-sized enterprises through the purchase of overdue short-term monetary claims. The Factoring Law is intended to assist businesses that traditionally have difficulty accessing banking funds due to low creditworthiness or inadequate loan collateral.

Factoring is a legal transaction involving the purchase and sale of existing overdue or future short-term receivables arising from contracts for the sale of goods or the provision of services, involving the assignor, the factor, and the debtor. The subject of factoring may be the purchase of any existing overdue or future, whole or partial, short-term receivables arising from contracts for the sale of goods or the provision of services concluded between business entities. The recipient that acquires or purchases short-term receivables from the assignor (factor) can be a bank, a factoring company, or the Investment and Development Bank of the Republic of Srpska.

Factoring companies in Republic of Srpska:



"Big Faktor" a.d. [Banja Luka](#), closed joint-stock company specializing in factoring services in Banja Luka, Republic of Srpska.

Address: Jovana Dučića 25, 78000 Banja Luka,
Telephone: 051/264 -860, 325-410
065/424-246

E-mail: info@bigfaktor.com

web: <https://www.bigfaktor.com/>

Services:

- **Regular (traditional) factoring** - purchasing existing or future short-term receivables arising from contracts for the sale of goods or the provision of services before their due date.
- **Reverse factoring** - payment of obligations and settlement of debts to your suppliers on your behalf.
- **International factoring** - regular and reverse factoring when one of the parties involved in the transaction is from abroad.



[Factoring Company "Faktoris", Banja Luka, d.o.o.](#)

Address: I krajiškog korpusa 35, 78000 Banja Luka,
Telephone: 065/821-267

E-mail: info@faktoris.com

Web: <https://www.faktoris.com>



[Investment and development bank of Republic of Srpska \(IRBR\)](#)

Address: Vidovdanska 2, 78000 Banja Luka,
Telephone: 051/334-700

E-mail: info@irbrs.org

Web: <https://www.irbrs.org>

[Rules on factoring of the Investment and development bank of Republic of Srpska](#)

Useful links::



ГАРАНТНИ ФОНД
Републике Српске


7. INSURANCE SERVICES

Insurance Companies in Novi Grad:

1. 
"KRAJINA OSIGURANJE" a.d. Banja Luka
Branch office Novi Grad
Address: Ive Andrića bb, 79 220 Novi Grad
Telephone/fax: 052/751-661
E-mail: office@krajinaosiguranje.ba
WEB: <https://www.krajinaosiguranje.ba/>

2. 
"DRINA OSIGURANJE" a.d. Milići
Office Novi Grad
Address: Lazara Drljače broj 9, 79220, Novi Grad
Telephone/fax: +387 52/753-022
Email: office@drina-osiguranje.com
WEB: <https://www.drina-osiguranje.com/>

3. 
"EUROS OSIGURANJE" a.d. Banja Luka
Sales office: Novi Grad
Address: Dobrile Grubor 5, 79220, Novi Grad
Telephone: 065/148-301
Email: kontakt@eurososiguranje.com
WEB: <https://www.eurososiguranje.com/>


4. 
"Nešković osiguranje" Bijeljina
Office Novi Grad
Address 1: Dobrile Grubor 6, 79220, Novi Grad
Telephone 1: 052/753-885
Email 1: novigrad@neskovicosiguranje.com
WEB: <https://www.neskovicosiguranje.com/>

Address 2: Kralja Petra I Oslobodioca bb,
79220, Novi Grad
Telephone 2: 052/490-700
Email 2: novigrad2@neskovicosiguranje.com
WEB: <https://www.neskovicosiguranje.com/>

5. 
WIENER OSIGURANJE
VIENNA INSURANCE GROUP
Wiener osiguranje Vienna Insurance Group a.d.
Sales office Novi Grad
Address: Pionirska 29, 79220 Novi Grad
Telephone: 052 751 236
E-mail: novigrad@wiener.ba
WEB: <https://www.wiener.ba/>

6. 
"OSIGURANJE AURA" Banja Luka - Poslovna jedinica broj 8 Novi Grad
Address: Ulica Petra Pecije broj 15, 79220 Novi Grad
Telephone/fax: 052/490-140, 066/702-671
E-mail: info@auraosiguranje.com
WEB: www.auraosiguranje.com

7. 
"Triglav Osiguranje", a.d.
Office NOVI GRAD
Address: Karđorđa Petrovića 61, 79220 Novi Grad
Telephone: 052/754-072
E-mail: info@triglavrs.ba
WEB: <https://www.triglavrs.ba/>

8. 
"BRČKO-GAS OSIGURANJE" d.d.
Office Novi Grad
Address: Kralja Petra I oslobodioca bb
Tel./Fax: 052/490-112
E-mail: bgasosig@teol.net
WEB: <https://www.brckogasosiguranje.com/>

8. LABOR COSTS

Employment - Contracts and Conditions

Employment is established by an employment contract which regulates the rights, obligations, and responsibilities between employers and workers. General conditions for employment through the conclusion of an employment contract between an employer and a worker are regulated by [the Labour Law](#) ("Official Gazette of Republic of Srpska", No. 01/16 and 66/18, 91/21, 119/21, 112/23, 39/24). Specific conditions for employment are determined in relation to the specific job position and are regulated by a collective agreement and work rules. In addition to the general conditions set out by the law, conditions determined by a collective agreement and employer's regulations, a foreigner must also meet the specific requirement of having a work permit for concluding an employment contract issued by the Employment Bureau of Republic of Srpska.

The form and content of the employment contract are defined by Article 35 of the Labour Law and the [Regulation on the Forms of Employment Contracts](#) ("Official Gazette of Republic of Srpska", No. 9/22). More details on the legal regulations governing this area can be found on the website of the [Ministry of Labor, War Veterans and Disabled Persons' Protection](#)

In Republic of Srpska, the Labour Law regulates the negotiation of gross wages. In addition to the salary, an employee is entitled to meal allowance, transportation allowance for commuting to and from work, and the right to a holiday bonus. The minimum net wage in Republic of Srpska currently amounts to 460, 25 EUR, or in gross terms 687, 44 EUR. The meal allowance can be paid or provided through catering or in the employer's own canteen. If provided, the meal allowance is non-taxable up to the amount of 0,75% of the average net wage, which in 2024 amounts to 4, 86 EUR per day. The meal allowance paid out cannot be less than 0, 85% of the average gross wage, which in 2024 amounts to 8,42 EUR per day. The meal allowance paid out is not exempt from contribution and tax calculations.

An employee is entitled to a holiday bonus for using annual leave. The amount of the holiday bonus is not prescribed by law but is determined by the employer's decision.

The allowance for commuting to and from work is exempt from contributions and taxes up to the amount of the public transport ticket price.

The employer is obliged to increase the basic salary by 0,3% for each year of service.

The salary for work increased for length of service + meal allowance in cash + holiday bonus represents the total gross income of the worker on which taxes and contributions are calculated.

Contributions are calculated at a rate of 31% on the gross salary. Tax is calculated at a rate of 8% on the base consisting of the gross salary reduced by personal deduction, which currently amounts to 512,82 EUR, and deductions based on the tax card that each worker can obtain from the Tax Administration for dependent family members, housing loans, or additional insurance.

For example: If the employer wants to pay the minimum wage and a meal allowance in accordance with the law, the minimum gross salary with an allowance for a worker with no length of service is 881,04 EUR, i.e., net 578,34EUR + tax and contributions 302,70 EUR.

Contributions

The system of mandatory contributions for financing pension and disability insurance, health insurance, unemployment insurance, and child protection in Republic of Srpska is regulated by the [Contributions Law](#) ("Official Gazette of Republika Srpska" No. 114/17, 112/19, 49/21, 119/21, 56/22, 132/22, 112/23, 110/24), and the contributor of contributions under this law is the income payer (recipient) representing the basis for payment of contributions in accordance with this law.

Funds for financing pension and disability insurance, health insurance, unemployment insurance, and child protection are provided through contributions:

- Contribution for pension and disability insurance - 18.5% of gross salary,
- Contribution for health insurance - 10.2% of gross salary,
- Contribution for unemployment insurance - 0.6% of gross salary,
- Contribution for child protection - 1.7% of gross salary.

The contribution for the rehabilitation, training, and employment of persons with disabilities is regulated by the [Law on Professional Rehabilitation, Training, and Employment of Persons with Disabilities](#). Every employer who does not employ at least one person with a disability out of sixteen (16) employees is obliged to pay a contribution for the rehabilitation, training, and employment of persons with disabilities in the amount of 0,1% of each paid gross income. This obligation also applies to employers who employ fewer than 16 workers.



9. INVESTOR PROTECTION

[The Law on Foreign Investments in the Republic of Srpska](#) (Official Gazette of the Republic of Srpska, No. 21/18) is one of the most liberal ones and ensures that:

- A foreign investor has the same rights and obligations as domestic investors,
- A foreign investor may establish a business entity under the same conditions that apply to domestic investors. The only restriction exists for the military industry sector (production of weapons, ammunition, explosives for military use) and media affairs. However, in these sectors, investment is possible up to 49% of the capital value, and above it, with the consent of the Government of Republic of Srpska. Investment in all other sectors is free,
- A foreign investor can acquire ownership of real estate in accordance with the regulations on real rights (i.e. on the basis of reciprocity),
- Foreign investment is exempt from customs duties and obligations in accordance with the provisions of the law governing customs policy in BiH,
- A foreign investor has the right to open an account for the purpose of investing in the territory of the Republic of Srpska, in any commercial bank, in domestic or any other free convertible currency,
- A foreign investor has the right to employ workers from abroad without restrictions, unless otherwise determined by special regulations governing the areas of work and employment of foreign persons, if there are no such workers on the domestic labor market,
- It is guaranteed to the foreign investor that his investments will not be expropriated or subject to measures with similar consequences, except in exceptional cases, when it is in the public interest and in accordance with laws and other regulations, which also apply to domestic investment.,

- A foreign investor has the right to transfer funds arising as a result of his investment in the Republic of Srpska, without restrictions, in any free convertible currency with prior settlement of all tax and other legally prescribed obligations based on public revenues in the Republic of Srpska,

Investment protection agreements

BiH has signed agreements on investment promotion and protection with the following countries: Albania, Austria, Belgium and Luxembourg, Belarus, Montenegro, Czech Republic, Denmark, Egypt, Finland, France, Greece, Netherlands, Croatia, India, Iran, Italy, Canada, Qatar, China, Kuwait, Lithuania, Hungary, Macedonia, Malaysia, Moldova, Germany, Pakistan, Portugal, Romania, San Marino, Slovakia, Serbia, Slovenia, Spain, Switzerland, Sweden, Turkey, Ukraine, United Kingdom, Jordan and OPEC countries.

Risk protection

Foreign investors concerned about restrictions on profit transfer, expropriation, war and civil unrest, and denial of justice can insure themselves against these risks with the [Multilateral Investment Guarantee Agency](#) (MIGA, part of the World Bank Group).



CONTENTS:

1. BASIC INFORMATION ABOUT NOVI GRAD	2
2. TAXES AND CONTRIBUTIONS	2
3. TAXES AND FEES	2
4. LOCAL COMMUNAL FEES.....	2
5. NOTARY AND LAWYER SERVICES.....	2
6. BANKS AND BANKING SERVICES	2
7. INSURANCE SERVICES	2
8. LABOR COSTS	2
9. INVESTOR PROTECTION	2

