



American Chamber of Commerce  
in BiH

PRESENTATION  
OF THE  
WHITE PAPER

# THE OBSTACLES TO USA INVESTMENT IN BIH

The Rule of Law

Permits and Procedures

Education and the work  
force market

Legal & Regulatory  
Framework

Customs Policy

Corruption

Intellectual Property  
Rights Policy

Taxes

Software Development  
& Technology

Public Administration  
Reform

Single Economic Space &  
Harmonization of  
Regulations

## OBSTACLE #1

### Permits and Procedures

#### ➤ ISSUE:

- Complex administrative procedures.
- One-stop-shop system not realized in the FBiH (in RS established).
- Procedures administered at a subnational level by more than one level of government.
- E-Procedures that precede the issuance of permits are still complicated, both time and financially demanding.

#### ➤ ACTION PLAN:

- Shorten the process of permits.
- Simplify E-Procedures.
- Introduce the system of electronic permits.

## OBSTACLE #2

### Legal & Regulatory Framework

#### ➤ ISSUE:

- Multi-layered constitutional and political structure in BiH.
- Two separate legal systems with limited coordination at the federal level.
- Commercial cases suffer unsatisfactory court service.
- Obtaining the concession is regulated by cantonal laws.

#### ➤ ACTION PLAN:

- Help implement legal reforms and integration.
- Enhance the court service.
- Raise activities on Health Care and Environmental issues.

## OBSTACLE #3

### Corruption

#### ➤ ISSUE:

- Irregularities in the work of the administration.
- GRECO warned 11 recommendations out of 15 have partially been conducted, 4 have not even been implemented.

#### ➤ ACTION PLAN:

- Form the AmCham BiH Ethics and Compliance Committee.
- Support initiative and join the Western Balkans Network for Integrity and Compliance.

## OBSTACLE #4

### Taxes

#### ➤ ISSUE:

- Enormous taxes and levies on salaries. Unequal tax practice of business entities.
- Critical review of the procedure of giving opinions to ITA BiH.
- The application of international agreements on the exclusion of double taxation in BiH.
- Suggest the adoption of a new VAT law in BiH for approximation with EU regulations.

#### ➤ ACTION PLAN:

- Reduce the procedure and length of time required to pay tax.
- Continue to cooperate with relevant decision-makers.

## OBSTACLE #5

### Public Administration Reform

#### ➤ ISSUE:

- No unique policy-making system in Bosnia and Herzegovina.
- Different planning approaches applied at the state and entity level and Brčko District.
- The ultimate precondition for the successful integration of BiH into the EU.

#### ➤ ACTION PLAN:

- Improve cooperation between all levels of government.
- Provide a harmonized approach to policy development and coordination.

## OBSTACLE #6

### Single Economic Space & Harmonization of Regulations

#### ➤ ISSUE:

- Different rules in force applied in different parts of the country.
- Absence of a single economic space. Lack of compliance between the harmonizations, presents a burden on the economy which lingers long-term investment planning.

#### ➤ ACTION PLAN:

- Build a unified economic space in compliance with international standards.
- Change the negative constant of the inconsistency of certain regulations in the territory of BiH.

## OBSTACLE #7

### Software Development & Technology

#### ➤ ISSUE:

- BiH is lagging behind on adopting EU frameworks in communications and media.
- The Law on Communications based on the EU is outdated, from the year 1998.
- IT education in BiH not synced, not up to date.

#### ➤ ACTION PLAN:

- Harmonize the BiH legislation with the EU legislation.
- Help define clear linear infrastructure in RS and FBiH.
- Education system alignment to ICT world trends.

## OBSTACLE #8

### Intellectual Property Rights Policy

#### ➤ ISSUE:

- BiH has not prioritized systematic IPR enforcement.
- Ex officio enforcement non-existent.
- Slow and inconsistent enforcement at the request of right holders.

#### ➤ ACTION PLAN:

- Commitment of the Governments to effective IPR enforcement.
- Designation of enforcement officers working on IPR infringement cases.

## OBSTACLE #9

### Customs Policy

#### ➤ ISSUE:

- Poor customs policies.
- The new Customs Policy Law is not in force.
- Non – existent free trade – zones.

#### ➤ ACTION PLAN:

- Launch an initiative to establish a one-stop-shop at the state level to register free-trade zones.
- Strive to increase BiH exports through the U.S. program of the GSP.

## OBSTACLE #10

### Education and the work force market

#### ➤ ISSUE:

- Clear lack of the required educational profiles.
- Absence of the Ministry of Education at the state level.
- Education policies do not meet the labor market needs.

#### ➤ ACTION PLAN:

- Help Improve the inadequate link between education system and labor market.
- Include the economy into the education system.
- Create a program aimed for training and lecturing students in the final years of their studies.

# OBSTACLE #11

## The Rule of Law

### ➤ ISSUE:

- Court system divided into four court systems.
- Specialized courts regulated at the state and entity levels, the BiH Court Law, the RS Law and the FBiH Law on Courts.
- Court system in BiH one of the most problematic court systems in the whole Europe.

### ➤ ACTION PLAN:

- Continue cooperation with the World Bank and EBRD and other responsible international institutions.





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THANK YOU!