

PERFORMING ENTREPRENEURIAL ACTIVITY IN THE REPUBLIC OF SRPSKA

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***Abstract:** In the Republic of Srpska since 01. 01. 2012, a new law on entrepreneurial activities is applying. With this work, the author wants to present conditions, the start, and how termination of crafts and entrepreneurial activities, organization of entrepreneurs and the register of entrepreneurs. The objective of this law is the development and promotion of entrepreneurship, the protection of old arts and crafts and handicrafts. The author also commented on the changes that are introduced by this law, as well as the expectations of the Act.*

***Keywords:** crafts, entrepreneurial activity, entrepreneur, partners, act, register of entrepreneurs*

1. INTRODUCTION

In the Republic of Srpska economic activities, determined by a valid classification of economic activities, they could deal with companies and entrepreneurs. The manner of performing activities of companies regulated by the Law on Enterprises, and the conditions, the start, and how termination of crafts and activities of entrepreneurs in the Law on Handicraft entrepreneurial activity.¹ Craft-entrepreneur sector is of great importance. To begin this activity did not require great resources and employment opportunities in entrepreneurial activity are high. Currently in the Republic of Srpska operates about 27,000 of shops that employ over 45,000 people. Trend of closing shops is caused by the economic crisis, unfair competition, numerous administrative barriers present in the Republic of Srpska. The new Law on crafts and entrepreneurial activities are simplified procedure of registration of entrepreneurs, created the conditions for closer monitoring of these areas are open opportunities for better training of entrepreneurs and persons employed by entrepreneurs for vocational and independent performance of activities, enabled active participation of entrepreneurs in creating business environment with respect to the positive European practices in this area.

Crafts and entrepreneurial activity is any economic activity, determined by a valid classification of economic activities by natural persons-entrepreneurs in production, trade and services on the market for profit, and whose conduct is prohibited or regulated by special law. Entrepreneur for all liabilities incurred by performing entrepreneurial activities corresponds with all of its assets. A special form of entrepreneurial activity is a craft activity, including craft production, the provision of vocational services, and old trades and crafts. The entrepreneur may perform one or more of the activities of which is predominantly, if the conditions for their performance. When applying for the performance of the entrepreneur himself determines prevailing activity. Entrepreneurial activity is determined by code and name of the activity, the lowest hierarchical level of the current classification. Such an innovation of the services and the aim is primarily to facilitate the competent authorities of local self-government licensing process and the uniqueness of treatment in all local authorities in the Republic of Srpska. In addition, more individuals (partners) can jointly carry out entrepreneurial

¹ "Official Gazette of the Republic of Srpska", no. 117/11

activities. Entrepreneurial activity is carried out in the form of activities, workshops, offices, bureaus, agencies, studios, guesthouses, studios, lounges, laboratories, etc., if the business activity is needed office space. Some entrepreneurial activities can be performed in the home (e.g. textile weaving, toy making, accounting and bookkeeping services, etc.) or without premises (collection of fruits, etc.).

2. METHOD OF PERFORMING ENTREPRENEURIAL ACTIVITY

Entrepreneurial activity can be performed as a primary, supplemental and additional interest. Engaged in entrepreneurial activity is a natural person who is not employed. If another employer on a full-time employment employs the individual, entrepreneurial activity may be performed solely by personal work, no longer than half the weekly full-time as an additional source of income. A natural person who is employed at another job or a retiree can register as an additional occupation and conduct entrepreneurial activities, hiring a person who meets the requirements to perform the required activities. Compared to the previous legal provisions has been expanded ability to conduct entrepreneurial activities.

Entrepreneurial activity can be performed seasonally, but not to exceed six months during the calendar year. The introduction of the seasonal performance of entrepreneurial activity allows the entrepreneur to carry out registration activities for the period for which it performs. In this way, an entrepreneur cannot sign in and out its activities each year, and during the time does not work does not pay taxes.

Maximum of ten individuals can jointly perform entrepreneurial activities. Those persons performing activities of partners and their mutual relations are governed by the contract. The joint performance of entrepreneurial activity stops if the number of partners is reduced to one, but the joint execution of activities can be pre-registered in the independent performance of activities. This principle of pre-registration is valid and if an independent contractor wants to get partners.

3. CONDITIONS FOR PERFORMING ACTIVITIES

To a natural person engaged in entrepreneurial activity must meet certain requirements: be of legal age, that his final decision of the competent authority is not banned from carrying out these activities, the general health capacity and special health requirements if requested to undertake an activity that is appropriate qualifications or to hire a person with appropriate qualifications if required to perform certain activities and to have the equipment and labor resources, personnel and office space, unless the nature of work to do requests.

An entrepreneur can start doing business after obtaining approval from the competent authority of local governments in whose territory is to have a seat, and no later than 30 days. The request to carry out entrepreneurial activities entrepreneur submits evidence that it meets the requirements for performing the required activities. Compared to the previous legal decision made easier by the conditions and reduced the number of necessary documents (proof of citizenship), a statement of eligibility shall be filed only in cases prescribed by special law. The request is not submitted any evidence of an employee or a use permit for office space. The competent body of the entrepreneur is obliged to grant authorization for work within five days of the request. Compliance with the conditions for carrying out checks by the competent inspection authority within 45 days from the date the contractor received approval. Entrepreneurial activity may be engaged and if the foreign national meets the

conditions necessary to perform required activities, can start its operations from obtaining a work permit. After issuance of the performance of entrepreneurial activities authorized body of the entrepreneur entered in the register of entrepreneurs. The new law reduced the limit for issuance of license to practice from 8 to 5 days, and inspection period was extended from 15 to 45 days.

A natural person who intends to take steps to address the entrepreneurial activity, and has no office space or the means of production, the competent authority of local government may issue a decision on approval of the preparatory activities for work but not over one year. This solution is also entered in the register of entrepreneurs. Before the commencement of the activity, the individual is required to address the competent authority for approval to carry out entrepreneurial activities.

4. NAME AND HEADQUARTERS, FEATURED OFFICE SPACE AND DUTIES OF ENTREPRENEURS

Entrepreneur has a business name and seat. Office is the place where the entrepreneur carries out the activity, and if not for the performance of required office space is considered to be based in a place where the entrepreneur resides. Entrepreneur, during the activity, may change its registered office in the territory of the same local government unit, so it can feed into another unit of local government. When the entrepreneur is changing from one office to another local authority, then the request for the performance of the one submitted to the local authority in whose territory will be the new headquarters, a competent authority for issuing the decision (within five days of receipt of the request) is entered in the Register of Entrepreneurs and inform other agencies and local government unit in which the entrepreneur had previously to the seat was eliminated from the records of entrepreneurs.

The business name is name under which the entrepreneur performs the activity and as such is registered in the register of entrepreneurs. Business name must contain the name entered in the register, name of the entrepreneur, a description of activities, marked sp (Independent contractor) and seat. Business name may contain certain images and drawings that detail the activity performed. Business name cannot contain the name and insignia that are inconsistent with applicable international rules and regulations, or may cause confusion about the identity of another entrepreneur or an activity carried out. Business name must be posted at the entrance of the headquarters building and a separate business premises or at the entrance of the apartment building, if the activity is performed in a residential area.

Entrepreneur can carry out the activity registered in one or more isolated offices. Performing of registered business in an isolated area must be reported to the competent authority of local governments to bring about a solution, also entered in the register of entrepreneurs, and informs the local government unit in which the contractor has a registered office and other authorities who monitor the work of entrepreneurs. The entrepreneur is required to separate the premises to hire workers. An entrepreneur can also entrust the conduct of the written authorization of operations manager who is employed by him. The manager leads the work in behalf of the entrepreneur.

The entrepreneur is obliged to perform registered business in high quality manner in accordance with regulations, best practices and business ethics. The obligation to entrepreneurs in the business area has highlighted the prices of their products and services, working hours, to guarantee the quality of products or services, keep proper records, observe the prescribed safety measures and protection of the environment and report all changes related to a registered business.

5. TERMINATION OF BUSINESS

An entrepreneurial ceases its entrepreneurial activity logging out or by operation of law. An entrepreneur can also temporarily stop performing the activity to a total of six months for two years.

As for the temporary cessation of the activity, contractor shall submit to the competent authority of local governments in which the reasons for temporary cessation and duration of temporary cessation. The contractor shall submit a request before it stops working and no later than eight days after the cessation of the activity. Temporary cessation of activities may be granted exceptionally and for more than six months as follows: a period of two consecutive years due to illness, training or force and maternity leave until the child reaches three years of a child. A temporary cessation of the activity as well as the beginning of re-performing entrepreneurial activities of the competent body of the solution that delivers the register of entrepreneurs. The entrepreneur is obliged to report the continuation of the activity no later than eight days after the expiration of the period of temporary cessation of activities. Compared to the previous legal solution, precisely is defined duration of temporary cessation of activities.

When the contractor ceases to its operations by signing out, the request for cancellation is submitted to the competent authority of the local government prior to the cessation of activities shall be issued on the solution and removes the entrepreneur from the register of entrepreneurs. If on the request for cancellation is not listed date of termination, the date of application will be taken.

Competent local authorities on the basis of findings of fact and after the state makes a decision on the termination of entrepreneurial activities and deleted from the register of entrepreneurs in the following cases: the death of the entrepreneur, if within 90 days is not an application for continuation of the activity, if the probate proceedings are not completed within two years and if the period of three months cannot be the address of the employer made a written submission of the two bodies of local self-government and administrative bodies and the same points were made 15 days on the bulletin board of the local self-government if the entrepreneur final act prohibited from doing business, if a natural person who had the approval of the preparatory work within one year to submit an application to carry out entrepreneurial activities, if the entrepreneur does not report the continued operation within eight days after the date on which the approval Temporary cessation of activities; at entry to serve his sentence if he is sentenced to imprisonment for more than six months, the loss of legal capacity, if no request for continuation of the activity, if a foreign national cannot submit a work permit within 30 days from the date of the decision on its operations, if the entrepreneur to the beginning of 2013, does not align its operations with the provisions of the crafts and entrepreneurial activity, if the competent authority determines that the entrepreneur issued a decision to carry out activities on the basis of forged documents relating to the terms of the activity. This broad set of termination of entrepreneurial activities under the law was aimed at creating conditions for maintaining up to date register of entrepreneurs and entrepreneurs' malpractice.

Competent local authorities shall issue a decision on the termination of the activity, the entrepreneur is deleted from the register and informs the other competent authorities, if the competent court of honor at the Chamber of entrepreneurs propose to the entrepreneurs make a decision on the termination of the activity.

The Law on handicraft entrepreneurial activity, in the event of death of the entrepreneur, given the possibility of member of the family or heirs can continue to do business in person or through an employee-interim manager. This request shall be filed within 90 days of the death of the entrepreneur. A continuation of the activity of the local competent authorities shall issue a decision that lasts until the end of the probate process, a maximum of two years. The same

possibility for the continuation of the activity is in the case if the entrepreneur has lost the capacity to act. Then an entrepreneur named guardian submits a request within 30 days from the date of the decision determining the loss of business skills of entrepreneurs.

6. ENTREPRENEURS ORGANIZATION

Registering in the register of entrepreneurs, entrepreneurs are becoming members of Chamber of Crafts and Entrepreneurship of the Republic of Srpska. The novelty of this law is the principle of compulsory membership. Chamber members may be other organizations, associations and professional associations of entrepreneurs. The Chamber is an independent, professional, business, non-profit association that represents and coordinates common interests of entrepreneurs in the Republic of Srpska. The Chamber organizes its work in one or more local government units that are linked through the territorial associations of entrepreneurs as the basic organizational unit of the single chamber system.

Tasks entrepreneurial chambers are numerous and the most important are: the representation of members' interests before the relevant bodies and organizations of the Republic of Srpska, initiatives, proposals and opinions of the competent authorities in connection with the issuance of regulations and measures relating to entrepreneurship and entrepreneurs, providing business consulting services, professional and advisory assistance in the establishment and business activities, promoting products and services of the Chamber members at home and abroad, analysis of market conditions and the possibility of entrepreneurship, informing members and the competent ministries, protection and promotion of craft activities, old crafts and cottage industry, managing a single register of entrepreneurs, etc. The law detail deals with the bodies of the Chamber and their responsibilities.

It is necessary to mention the Court of Honor as an independent body. Court of Honor takes actions and makes decisions on violations of business practices, contracts, market rules and regulations, failure to perform and non-compliance to decisions of the Chamber.

At the end, it is necessary to mention the provisions relating to master levels, and that the previous law did not know. The aim of these provisions is to further sustainable development of the craft activities that is not possible without constant improvement of knowledge and skills and transfer the same to the younger generation. In this regard, the Act prescribes the manner of acquiring the title of master, taking the master's exam, the possibility of organizing training for the examination of theoretical and practical, the register of entrepreneurs who are masters of its trade.

7. RESUME

Law on entrepreneurial activities is made in a modern way with partial takeover of European directives in this field. The law allows all individuals who wish to engage in entrepreneurial activity, to a very quick and easy way to begin performing the desired activity. The law is also built to date long-standing practice in the field of entrepreneurship in the region. Planned to adopt a number of by-laws that will more precisely define the old and artistic crafts and cottage industry, the performance of entrepreneurial activities that do not require office space and that can be done in housing, as well as defining the activities that can be perform seasonal. Furthermore, production of a single form to apply for vocational-performing entrepreneurial activity, the data changes and the cessation of activities as a way of keeping the

register of entrepreneurs will allow all businesses the same treatment as all units of local government equivalent treatment in this area.

The law was left for one year for entrepreneurs, which is carrying out activities authorized under previously existing law, to coordinate their activities with the provisions of this Act. This alignment will cause some entrepreneurs in the cost of issuing new solutions, development of new seals, etc., but it will certainly lead to unique entrepreneurs carrying out activities on the entire territory of the Republic of Srpska.

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