



**PROVISIONAL INSTITUTIONS OF SELF-GOVERNMENT
INSTITUCIONET E PËRKOQSHME TË VETËQEVERISJES
PRIVREMENE INSTITUCIJE SAMOUPRAVLJANJA**

MINISTRY OF ECONOMY AND FINANCE/TAX ADMINISTRATION OF KOSOVO
MINISTRIA PËR EKONOMI DHE FINANCA/ADMINISTRATA TATIMORE E KOSOVËS
MINISTARSTVO ZA PRIVREDU I FINANSIJE/PORESKA ADMINISTRACIJA KOSOVA



Procedure for VAT Excluded Purchases

- "Exclusion" means an import, intra-FRY inflow or domestic purchase for which no value added tax is payable by the entitled bodies for excluded purchases.
- The bodies entitled under Regulation No. 2001/11 "On Value Added Tax" and amendment of this Regulation No. 2002/17 to Exclusions are the following:
 - Imports, intra-FRY inflow or supplies funded from the proceeds of grants made to UNMIK or through UNMIK for Ministries and Departments (Provisional Institutions of Self-Government) and Directorates of the Interim Administration by governments, government agencies, governmental or non-governmental organizations in support of humanitarian and reconstruction programs and projects in Kosovo;
 - Imports or intra-FRY inflow made by, or supplies made to, diplomatic representatives or liaison offices in accordance with UNMIK Regulation No. 2000/42 of 10 July 2000 on the Establishment and Functioning of Liaison Offices in Kosovo;
 - Imports or intra-FRY inflow made by, or supplies made to, the United Nations or any of its organs including UNMIK (as defined in UNMIK Regulation No. 2000/47 of 18 August 2000 on the Status, Privileges and Immunities of KFOR and UNMIK and Their Personnel in Kosovo), the specialized agencies of the United Nations, KFOR, the World Bank and international inter-governmental organizations;
- Representatives of the organizations stated above, seeking to clear the goods at Border Crossing Points or Administrative Boundary Lines shall produce to Customs Service:
 - any document that shows that the recipient of the shipment of goods is entitled to such exclusion;
 - **Purchase Order** attached to this paper.
- Any time an excluded domestic purchase is made to the organizations stated above, the representatives of these organizations shall provide the registered vendor with his/her personal ID details and an authorization by the organization that he/she is authorized to execute the official purchase. A model of a **Purchase Order** is attached to this paper.
- Domestic Vendors shall not charge VAT for excluded supplies to organizations listed above (c, d, e). The vendors can claim input tax credit for any tax paid for that excluded supply. For VAT paid on import they are entitled to rebate. Supplies for bodies entitled to exclusion have the same effect as 0% rated supplies
- The representative of the organization shall certify that no VAT was paid for that supply by putting his/her signature on the invoice. Excluded bodies shall produce photocopies of the VAT excluded invoices on monthly basis, certify their authenticity and deliver them to the Regional or Local Tax Office.

Purchase Order

No _____ Dated _____

To:

BRN

From:

Subject: VAT Exclusion

Dear sir/madam,

We have decided to buy the following items/services from your company:

- 1 _____
- 2 _____
- 3 _____
- 4 _____
- 5 _____
- 6 _____
- 7 _____
- 8 _____
- 9 _____
- 10 _____

Based on section **11/ c, d, e** (circle one letter) of the UNMIK Regulation 2002/17, dated August 1st 2002, amending UNMIK Regulation No.2001/11, as amended, On Value Added Tax in Kosovo,

(Write the name of the organization)

is exempt from VAT both on importation/intra FRY inflow and domestic purchase of goods and services. We kindly ask you to grant us such an exemption.

The person in charge for executing the purchase is _____
with ID Number _____

In accordance with the Administrative Instruction 01/2001 Dated 31 of May 2001, section 2.5, he/she is authorized to certify that no VAT was charged and collected with this invoice and to put his/her signature on it.

Thank you for your cooperation

(Head of Office, Name, Signature and Seal)