**1. Sample Tender Condition Section (To include in tender documents)**

**SECTION V. OFFERS: Importation, Customs, and VAT Responsibilities**

1. **Import Responsibilities**
The successful bidder shall be fully responsible for the importation of the goods (used snow groomers and electronic access control systems) into the Republic of Kosovo, including customs clearance, classification, and the payment of all applicable duties, taxes, and fees.
2. **Importer of Record**
The bidder may choose to act:
	* Directly as the importer (if legally registered in Kosovo), or
	* Through a legally registered partner or representative entity in Kosovo who will act as the importer of record.
3. **Customs Duties and VAT**
The bidder shall ensure compliance with Kosovo customs legislation. This includes:
	* Customs duty (normally 10% of CIF value)
	* VAT (standard rate of 18%, or 8% for eligible machinery if applicable)
	* Preparation of all necessary customs documentation (SAD, Certificate of Origin, Technical Sheets, CMR, etc.)
4. **Pricing and Delivery Terms**
All prices shall be quoted in Euro (€), inclusive of all applicable duties, taxes, customs, and transportation charges as per the Incoterm specified by the bidder.
5. **Proof of Clearance**
The bidder must submit copies of:
	* Customs declaration forms (SAD)
	* Proof of duty and VAT payment
	* Delivery receipts confirming receipt of equipment at the Brezovica site
6. **Reimbursement (If Applicable)**
If reimbursement of taxes is foreseen, it will be executed only after submission of all customs and delivery documentation and validation by Socially Owned Enterprise INEX Shar planina Brezovica – Ski Center (Under administration of Privatisation Agency of Kosova).

**2. Step-by-Step Guide for Foreign Supplier**

**Title: Import & Delivery Process for Foreign Suppliers – PAK Tender (Brezovica Ski Center)**

**Step 1: Prepare Documentation**

* Commercial Invoice & Proforma Invoice
* Packing List & Technical Specifications
* Certificate of Origin (EU/CEFTA if applicable)
* Bill of Lading / CMR
* Identify HS Codes (Customs Tariff Classification)

**Step 2: Choose Operational Structure**

* Option A: Register a Branch or Subsidiary in Kosovo (if long-term activity is foreseen)
* Option B: Partner with a Local Kosovo Company to act as the Importer of Record

**Step 3: Customs Clearance**

* Importer (you or your local partner) submits a customs declaration (SAD form)
* Pay applicable **customs duty (approx. 10%)** and **VAT (18% or 8%)**
* Obtain customs release

**Step 4: Transport and Delivery**

* Deliver equipment to the **Ski Center in Brezovica** under DDP or DAP terms
* Ensure unloading and inspection by PAK/authorized personnel

**Step 5: Submit Delivery & Tax Documentation**

* Submit to PAK:
	+ - Copy of customs clearance documents (SAD)
		- Receipts of VAT and customs duty
		- Delivery confirmation at the site

**Step 6: Invoicing and Payment**

* Issue final invoice to PAK (including/excluding taxes per contract)
* PAK verifies documentation and processes payment as agreed in contract terms

**Addittional Information on Customs Duties and VAT**

**Customs Duties & VAT**

1. **Customs Duty (Import Tariff)**
	* Standard ad valorem rate: **10 % of the CIF value** (cost + insurance + freight) for goods from non‑CEFTA/EU/Turkey countries [dogana.rks-gov.net+9trade.gov+9kiesa.rks-gov.net+9](https://www.trade.gov/country-commercial-guides/kosovo-import-tariffs?utm_source=chatgpt.com)[taxsummaries.pwc.com](https://taxsummaries.pwc.com/kosovo/corporate/other-taxes?utm_source=chatgpt.com).
	* Exemptions may apply if the equipment originates from EU, CEFTA, or under special agreements.
2. **VAT**
	* Standard rate: **18 %** on the CIF + customs duty .
	* A reduced rate of 8 % applies for certain categories (e.g. IT equipment and production-line machinery) if they qualify .
	* If used access-control systems and snow groomers are classified under production machinery or IT categories, **8 % VAT** may apply, contingent on customs classification.
3. **Excise Tax**
	* Generally **not applicable** to machinery. Excise is reserved for fuel, alcohol, cigarettes, etc. .

**Foreign Company vs. Partnership**

**Option A: Foreign entity opens a branch or subsidiary in Kosovo**

* **Must register for VAT** if importing (> €30,000 turnover) [taxsummaries.pwc.com+1university.heavnn.io+1](https://taxsummaries.pwc.com/kosovo/corporate/other-taxes?utm_source=chatgpt.com).
* Can import directly and **claim VAT refunds** where applicable.
* Easier to manage contracts and liabilities domestically.

**Option B: Partnering with a local Kosovar company**

* Local partner handles import under its registration.
* VAT and customs duties are paid by that company.
* Foreign supplier exports goods to the local partner at agreed terms.
* Local firm invoices Brezovica Ski‐Center or PAK afterwards.

**Which to choose?**
Partnering is often simpler (less setup, lower compliance). Owning a subsidiary offers more control but involves administrative overhead and VAT registration.

**Who Pays Customs & VAT?**

Responsibility for duty and VAT lies with the **importer of record**—the legal entity whose name is on the customs declaration.

* If the **foreign company** imports directly and is registered in Kosovo → it pays duties and VAT.
* If a **Kosovo-based partner** declares the import → they pay the taxes when bringing the equipment into the country.
* Ultimately, the **breach ski‑center (PAK)** reimburses the importer via invoicing—so one of the two (foreign branch or local partner) actually remits payment.

**Summary Table**

| **Step** | **Duty/VAT Rate** | **Who Pays (Importer of Record)** | **Beneficiary** |
| --- | --- | --- | --- |
| Customs duty | 10 % CIF value | Importer (FK branch or local partner) | Kosovo Customs |
| VAT | 18 % or possibly 8 %\* | Same importer | Tax Admin (TAK) |

\* Depends on HS code and whether goods qualify for reduced VAT.

**Recommendations**

* **Check TARIK HS codes** for each piece of equipment—determine eligibility for 8 % VAT.
* **Decide on import structure**:
	+ *Foreign subsidiary* → more control and direct VAT handling.
	+ *Local partnership* → simpler and faster setup.
* **Define roles clearly** in the procurement tender: who will be the legal importer, who bears the upfront tax costs, and how reimbursement works.