
Contracts and their importance in Kosovo

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Abstract:

Considering the importance of contracts in our country and in our environment practices that ignore formal agreements because of Canon and mentality in our environment, not many people are aware of the importance of contracts. Although in the past many people in Kosovo perform business transactions only through handshake. Written contracts are not so frequent. In fact, a small number of the people in Kosovo believe that written contracts are offensive to the integrity of people involved in business deals. Failure to apply the written contracts also undermines the budget of Kosovo, since it is an obstacle to the economic development of the Republic of Kosovo by not enforcing contracts state is not aware of many transactions that occur and that the state of Kosovo Tax Administration and Customs of Kosovo are the two main institutions that affect the state treasury. So non-payment of property tax and administrative tax are part of the informality that is inconsistent with the Copenhagen Criteria which Kosovo aims to become very soon a part of the big European family.

Key words: Contract, importance, progress, application

Unlike common law family Anglo-Saxon law system is based on judicial precedents in principle "stare decisis", the system of Kosovo is part of the civil law and as such has the hierarchy and as the primary source has the Constitution of Kosovo which

has entered into force since the 15th of June 2008, the law, legislation acts, customary law and international conventions.

Kosovo in the course of its development has had a difficult history. For many years, it was under the rule of foreign invaders, so it was natural that in its territory were applied different legislations. Consequently, after the Turkish conquest in Kosovo, except of the Albanian customary law there were operating the Sharia law, Turkish canons, civil and criminal codes. In this way in Kosovo has existed legal dualism, because in addition to Turkish law is applied Albanian customary law, too. Consequently, because of the previous powers insistence that all social relations are regulated by their laws and statutes, Albanian customary law during all the period of Turkish rule was applied oversized especially in mountain areas and so survived the asimilit trends. The canon of Leke Dukagjini as the main source of Albanian customary law has in total 12 books, 24 chapters, 259 knots, and 1263 paragraphs. After the conquest from the Serbo-Croat-Slovene Kingdom in 1918 in Kosovo began to apply laws that had the blessing of this kingdom, and after the Second World War, Kosovo was under the jurisdiction of the Socialist Federal Republic of Yugoslavia. After the last war in 1999, being part of NATO and establishing international civilian interim administration of the United Nations (UNMIK), so on 27.07.2004 Kosovo drafted the Law on Obligations. Kosovo Civil Law has never had a civil code but this does not mean that it has not followed a disposition of law. In fact our civil legislation distributed in some laws belongs exactly to pandekt system.

As we mentioned above the non-application is made for a series of reasons and among others because of the faith in the word you give and avoidance of formal ways. In order to avoid such experiences, "Bring Agreement on the paper" and the relevant institutions are there to provide solutions. There are many reasons why people choose a form of agreement from another, but their selection is usually based on the beliefs and the way of doing business. Traditionally, business deals in

Kosovo were based on the so-called "Besa institution" where business ends on the basis of the given word. The argument, let's call under the terms "traditional" often used in favor of doing business, through the word given, is based on the fact that the other party is a friend/trustworthy person or simply a "good person". Also, often we encounter the attitude that "the party does not trust the judicial system in Kosovo" and simply the formalization of the respective issue (in this case the agreement) seems like a waste of time and arduous thing. However, being part of the global development where businesses are flooded with transactions, verbal agreements have proved to be insufficient and problematic at the same time. Simply, just a misunderstanding or non-correctness (of the oral agreement) causes big financial problems, so formal contracts in writing in practical and functional terms remain necessary. In contrast to the agreements based on words, written contracts remind the parties' obligations and deadlines, and in case of disagreement they serve as legal proof.

Let's take the example below: agreeing to supply a ton of 'big apple' or 'high quality apple'. So what size should these apples be? What is meant by the word quality? Is it about: taste, color, or what?

Let's take another example where both parties that have reached an agreement through given word / promise and agree to make the supply of goods within a week, one party has meant the term 'one week' as seven (7) days (including the weekend) while the other party has understood it as the term of five (5) working days (Monday - Friday). Who is right in this case? Who should be held responsible for the damages?

In Kosovo, the contractual relationships are regulated by law (no. 04 / L-077) on obligations which entered into force in December 2012. The law is very modern and adapted to the Kosovo and international acts for contractual relations. (USAID program execution and commercial legislation (CLE))

The preparation of contract came seemingly at the moment of transition from goods with goods economy to goods-

money economy, precisely during slave society, in Roman law, especially in the period of the republic. The feudal society had an aground due to lag goods-money and because of turning back to natural economy. The biggest development was possible in the XIX century where the rights of obligations proclaimed the principle "solo consensues obligat" a principle which has not been present to the Roman law¹.

Effective systems for the enforcement of judicial acts are vital to economic growth, creation of job opportunities and increasing prosperity. Any unfulfilled contract, any unpaid bill of municipal services, and any interest in property that is not observed in an efficient and timely manner, calculated as a resource that would otherwise be used to invest, to buy or to use. So efficiency in enforcement directly implies an increase in the use of contract (program execution and commercial legislation USAID).

Dispute resolution system in Kosovo is mainly traditional such as courts, the court system in the Republic of Kosovo, which consists of: Basic Courts, the Court of Appeal and Supreme Court. Through more efficient operations of the relevant court, within the Court of Appeals and the Basic Courts may be established Departments and Divisions. A party shall consume all these courts and then they can address to the Constitutional Court which is the highest in case of violation of the constitution, and for Strasbourg Court Kosovo has not yet achieved the recognition of the uniqueness of the European Union entirety yet files of the Kosova people are ignored by the latter².

In addition to the courts in Kosovo meditation is one of the alternative methods that people can resolve issues with the help of a neutral mediator who is trained to help people to overcome differences contested. An important feature of meditation is that the dispute resolution process remains within the control of the parties in the matter and that the

¹ Dr.D.Stojcevic, Acts. The cit. Fq.6.7.

² Law on Courts LAW NO. 03 / L-199

solution is in the hands of the parties. The principle of autonomy of the parties guarantees the free will of the parties included in mediation, when to go to mediation and who is elected as a mediator. Regulation of mediation is made by national legislation. Mediation in Kosovo is regulated by the Law on Mediation (Law no. 03 / L-057) ("Mediation Law") which was approved on 18 September 2008. The law establishes basic standards and procedures for resolving disputes through mediation process that leads to a solution that will be applied by the courts.

As an alternative choice is applied arbitration which is an alternative mechanism for dispute resolution, widely used in developed countries, and is also available in Kosovo. Important reasons why businesses often choose arbitration before litigation are speed, efficiency, party autonomy and the ultimate nature of arbitral awards. International Economic rooms are pioneering of international economic arbitration and procedures of OEN often used for international arbitration today.

Arbitration in Kosovo is regulated by the Law on Arbitration (Law no. 02 / I-75) ("Law on Arbitration ") which was approved on 26 January 2007. The law sets rules for arbitration agreements, arbitration actions, and the implementation of arbitral awards made inside or outside Kosovo. The law is based on modern business practices and meets the International standards.

It provides efficiency of procedures and emphasizes the autonomy of the parties and the confidentiality of arbitration as an important principle of arbitration. With the goal of establishing an effective infrastructure of arbitration, two arbitration centers have been established recently and are operated by the Kosovo Chamber of Commerce and the American Chamber of Commerce in Kosovo.

In Kosovo there is not a precise date regarding the use of contracts, although Kosovo has arranged this area by the Constitution of the Republic of Kosovo and the Law on

Obligations of Kosovo that was approved on dt.27.07.2004. Which contains 1,372 articles consisting of basic principles, provisions on the sources of obligations, the effects of obligations, change of subjects in obligation relations, and remission of duties and this law applies to all the participants in relations of obligations for entrepreneurs and individuals. Those who know the value of the contract in Kosovo are businessmen, who, in the case of any dispute in court belongs to be among the 100,000 judgments without executed, a very unfavorable position, which takes too much time. Initially it takes time in the contentious proceedings since the court does not take into consideration the subject, ie. if we refer to the subjects in the Basic Court in Gjakova then the just sent subject has to wait for years since the first priority are old subjects.

Also after reaching the final judgment which often happens to be delayed for years on Appeal, at the execution or the executive phase happens the same thing.

The contract is a related contractual agreement between two or more contracting parties whose purpose is the creation, change or extinction of legal relations of duty. So it is a legal category because it is regulated by the Law on Torts and is also an economic category because free market economy where contracts between legal and / or physical entities form the basis of trade in a free market economy. Therefore it is important for new of future traders to gain a basic understanding of the importance of contracts and procedures relating to the use of contracts to import and export transactions. This means that the contract is a result of the desire of the contracting parties and that they exclusively define this desire which in legal science is called "The principle of autonomy of Willing"(Galgano Francesco - Diritto Privato (Settima edizione) Casa Editrice Dott.Antonio Milani, 1992.

Contract Scope of application is broad and often constitution is affected by political leaders as a social contract

between the government and its people, otherwise contract applies in almost all branches.

Even in criminal law contract in the labor law finds expression at relations between work. This collective agreement contains provisions on conditions of employment, connectivity, content and termination of individual employment contracts, vocational training, as well as on relations between the Contracting Parties. In economic law the contracts find application mostly in the circulation of goods and delivery of services. In administrative law contract is applied to regulate public relations between states. In financial right contract is applied to financial transactions in international law, however mostly contracts apply in the right of liabilities, after all it is limited by the Constitution norms and *ius cogens* norms.

Legal literature states that the contract do not apply only in criminal agreement, however the agreement made between the prosecutor and the perpetrator of a criminal act is it a contract? Of course it is. This type of criminal agreement on the guilty plea as in all Western European countries that has shown success in the implementation of this institute, and not to say about the United States where 95% of cases perform in the preliminary phase of the investigations, in Kosovo this practice is found where the advantage of this is that the defendant may be convicted of at least 90% of the minimum of the sentence stipulated in the relevant provisions of the criminal code. All this is achieved because the law allows the prosecutor the right to concluding guilty plea agreement between the defendant and the responsible institution.

The negotiations that precede the conclusion of the contract are not binding and either party can suspend them any time he wants. The party that has negotiated without aiming to conclude a contract, is responsible for the damage caused during the negotiations. Liability for damage caused holds the party that held negotiations aiming to conclude the contract, and then give up this aim, without any reason and thus causes damage to the other party. If they do not agree otherwise, each

party bears its own costs on the preparation for signing the contract, and they devide the common expenses in equal parts³.

The offer

The offer is a proposal for signing a contract and contains all the essential elements of the contract, so with its acceptance could be linked the contract. The contract is considered signed if the contracting parties postpone the agreement for secondary elements provided that the parties have agreed on the essential elements of the contract. If the parties can not agree on the secondary elements, they will be appointed by the court taking into account the preliminary negotiations, the established practice between contractors and docket. The proposal for concluding the contract to an indefinite number of persons, contains essential elements of the contract. The offer may be revoked only if the person to whom has made the offer has received the revocation before receiving the offer, or simultaneously with it.

The Pre contract

Pre-contract is a contract by which in the end we conclude the major contract. The provisions on the form of the main contract are the same as for the pre-contract, if the provided forms is a condition of validity of the contract. Pre-contract obliges, if it contains the essential elements of the main contract. With the request of the interested party, the court shall order the other party to refuse the connection of the main contract to do so within the deadline which will devote⁴.

Principles of contractual rights:

There are two principles: 1. Freedom of contracting and this principle means that every subject of the right freely decides the person with whom to contract and freely assigns the contract's content, form and manner of making its way onto the

³ Law of Contract and Torts in Kosovo Article 12 Law no. 04 / L-077

⁴ Law of Contract and Torts in 2004, Article 20, 22, 33

alter and contract closure. 2. The principle of consensualism, contract can be concluded simply on the basis of the will of the contracting parties without the need for a certain form, so the contract is concluded *bona fide*-, in good faith although Roman law does not recognize this principle nor to feudalism.

Conditions for concluding the contract

General conditions for the conclusion of a contract: working ability of the parties, the consent of the will and the subject of the contract while in the group of particular conditions are part the conclusion of the contract with the delivery of the item and approving the conclusion of a contract⁵.

The conclusion of a contract through an authorized person. Any legal person may conclude a contract on the basis of legal skills and business proficiency as in internal circulation as well as foreign as to be registered in the competent authorities. Contracts and other legal or business affairs may be performed by an attorney. Authorization is based on the law, statute or any other normative act but declaring the person who has authorized the other person. Companies or travel agencies are represented by the authorized representative of the enterprise in conformity with the statute or the person authorized by the enterprise. The authorized persons may be persons who have limited powers and authority to enter into certain contracts only and people who have limited powers and can enter into contracts for the all issues on the activities of the entity that authorizes⁶.

Legally, in Kosovo a person acquires the ability to work at the age of 18 years or when the individual at the age of 16 has got married with the permission of the competent authority, while reconciliation of will is of mutual means, to be

⁵ Dr.B. Loza, vep, e cit., pg 87, Dr. Dordevic, vep e cit., pg.129, Pravni leksikon, Beograd, 1971, pg. 245-745

⁶ UP - Business School Law in tourism and hospitality Mr.sc. Armand Krasniqi

free, serious, true and possible. And, if the contract is entered without the above properties then it is declared an invalid contract in accordance with Article 89 of the current law in Kosovo as well as the subject of the contract may be a movable object, an immovable object, and a consumed item. And conclusion of a contract with the delivery of the item is obvious at the contract on loan, gift, deposit, pledge and approving the conclusion of the contract as a special condition for the protection of individual, minors or general interest. And the form of contract which is usually required in writing to purchase contracts of immovable property, contract on use of the apartment, on security, license, bank contract, leasing contracts.

Article 51 of the Law on Obligations does not mean that the connection of the contract is not subject to any form, unless otherwise prescribed by law and if the contract is not related to the contracted form has no legal effect, if the parties have conditioned the validity of the contract with a particular form.

Considering the fact that a contract is prescribed by law or not, contracts are classified as: 1. Named Contract and 2. Unnamed contract. Under the necessary conditions needed for their creation the contract will be based on the will of parties- solo consensus or under the form specified contracts are classified as: 1. Consensual contracts and 2. Formal contracts. They are also classified as: 1. Contracts with compensation and 2. Contracts without compensation. According to the rights and obligations arising between the contracting parties, contracts are classified as: 1. Unilateral and 2. Mutual. Based on the way of their creation contracts are classified as: 1. General and 2. Special. Based on the fact that the contract is signed in order to sign another contract, contracts are classified into: 1. pre-contract and 2. main contract. Because in the conclusion of the contract take part directly all of those who have expressed the willingness or a person enters into the contract on their behalf, contracts classified as; 1. Individual and 2. Collective. According to the technique and the way of their signing,

contracts are classified in contracts; 1. Certain content 2. The contract of adhesion. Typically on a contract if the basis is visible or not, contracts are classified into: 1. causal and 2. Abstract.⁷

Collective contracts are those contracts that create legal effects for all subjects belonging to certain groups, regardless the fact that not all of them give its consent to its signing. We can include here: the collective labor contract, collective insurance contract, violently agreement with the creditors.

With the Labour Law of Kosovo Law no. 03 / L-212 Collective Contract - the agreement between the organizations of employers and organizations of employees regulating the rights, duties and responsibilities arising from employment according to the agreement reached; Article 4.2 Collective Contract can not contain rights less favorable to the employee and the employer than the rights provided by this law.

In Kosovo recently is signed a collective contract of the education sector even though it was signed earlier in 2005, while, this new contract is also supplemented with some new requirements from teachers such as payment of three salaries after retirement, monthly insurance, etc.⁸

Administrative contracts will be called such agreements, where at least one party is part of public administration and aim to create, change or cancel the legal relationship in the field of public law".⁹

The law on public procurement in the Republic of Kosovo, defines public Contract as a general term covering any and all specific types of the following contracts signed by a contracting authority: a service contract, a supply contract, a contract of employment including labor concession contract and framework agreement. "Consultancy contracts" public

⁷ www.biznesi.net

⁸ Dr.B. Loza, vep, e cit., fq 87, Dr. Dordevic, vep e cit., fq.129, Pravni leksikon, Beograd, 1971, pp.245-745

⁹ Commentary of the Code of Administrative Procedure, the Institute of Public and Legal Studies, Toena publications, Tirana 2004, pp. 357-358

contracts, public service contracts, public supply contracts and public works contracts¹⁰.

As a general rule, a contract should be imposed only through an indictment in court, if one party fails to fulfill the obligations stipulated in it. The law does not recognize any general power which allows the administration to impose directly the signing of the contract. Tender is the term that we find very often in administrative contracts, which usually refers to a document submitted to a contracting authority by an economic operator setting forth the terms of the offer of the economic operator in response to a specific contract notice invitation to tender or other solicitation issued or made by the contracting authority. The term "tender" shall include, but not limited to, a proposal or price quotation (Article 1.65)

A characteristic of administrative contract is the lack of equality between the contracting parties, unlike contracts between private parties. In fact, only one of them, namely the administrative body has a superior position compared to the other contractor whether a private person or an administrative body of a lower level.

To determine the differences between the administrative contract and private contract is not sufficient that a contract is called "administrative" simply by the fact that one party is an organ of public administration but should the parties to this contract be intended to create, change or extinguish a legal relationship in the field of public law it is necessary that this relationship should be regulated by norms of public law and not by the private law 40¹¹.

Commercial or financial contracts are contracts signed by commercial entities between them besides other persons having legal entities established by law and other legal persons who perform gainful activity are considered occasionally or property subjects during their primary activities involved in

¹⁰ Official Newspaper Of The Republic Of Kosovo / No. 18, 19 September 2011, Pristina

¹¹ Sokol Sadushi, administrative law 2, third edition, revised, Tirana 2005

profitable activities. Commercial contracts are lying at the banking sector more precisely in the loan agreement, the pledge contract and contract on the mortgage that the borrower mainly signs and authorized employee of the Bank, as well as the deposit contract that the provider signs and authorized person of the bank. Another type of bank contract is the Leasing Bank which is not the traditional contract of civil law, unlike exchange, sales, lease and loan contracts, etc., Which found that the Roman law. Rather, it is a contract - "production" of economic operators' requirements in international or national market that is worth to apply.

In Kosovo only two banks are applying this kind of contract by 7 banks that are operating in Kosovo altogether. Financial leasing law of Kosovo into force defines a financial relationship in which the lessor enters into a written agreement with the lessee which gives the lessee the right of possession and use of a Leased Asset for a specified period of time in return of payment, with or without the purchase option, (Article 2 of the Law on Leasing).

Another development of international practice is also Franchise that started in Kosovo although not regulated by any law that regulates in a specified manner. One of the most successful examples of them is the collaboration between Private Universities and those of the European Union, Britain, USA etc. Franchise have become quite prevalent today and are one of the best ways to do business. It is enough to have a little capital and even if you have no idea what business to start then the best option for the business remains Franchise.

Security tools for the execution of the contract:

Personal security tools for the execution of the contract are: repentance, criminal and bail condition, while real assets for the execution of contracts are mortgage, pledge, earnest and bail. (The Law of Obligations Nerxhivane Dauti)

Invalidity of contract

Consent of the parties and certain forms of signing the agreement are not sufficient conditions for the validity of the contract. Initially, it is important that the expression of the will of the parties should be in accordance with the objective right and the content of the contract in order to be permissible under the law. The contract therefore does not produce legal effects if its content is not allowable under the provisions of objective law or if the will of the parties is not freely manifested. Such contracts are considered invalid and as a consequence are annulled or voided.

Void contracts exclude all legal effects and do not create rights or obligations. Invalidity can refer to any interested party until the court or any other official body according to official obligation declare the causes of invalidity or otherwise. In this category are listed these contracts: 1. Illegitimate contracts are all of them which are expressly prohibited by law, 2. Legal immoral actions are ones that contain annoy and are contrary to the undeniable moral standards, 3. Contracts for usury are those contracts when one of the parties mis-uses the other party which is in a difficult material position material (or any other way), so that can bring profits for themselves or a third person. 4. Stimulants contracts (fraudulent) are those in which the parties are allegedly related to the purpose of hiding the real situation for any business transaction of the contract, 5. Fictitious contracts are those that do not really tie contractual relations, but they leave the door to a statement that the contract was signed in order to avoid legal obligations, 6. The contracts which legal entities sign against their competences and activities registered, and 7. contracts signed on the basis of absolute disabled persons. Broken contracts are those in which there is and can be documented the small will of one of the contracting parties. Small will can be presented as: error, fraud, threat or coercion (Right In Tourism & Hospitality Armand Krasniqi Mr.sc. pg.39)

Article 89 nullification 1. A contract which is contrary to public order, mandatory provisions or public moral is void, if the purpose of the rule is not violated it doesn't guide in any other sanction or if the law in a particular case does not provide otherwise. 2. If the signing of the contract is restricted only for one party, the contract will be valid, if the law is not provided otherwise for a particular case, while the party that has violated the legal ban will suffer relevant consequences.

What is a void contract in Kosovo?

When the object of obligation is impossible, impermissible, undetermined or which can not be assigned the contract is absolutely void. Our law defines usury contract (void) if someone, using the bad situation or the bad conditions of the other, insufficient experience of his frivolity or his addiction, contracts for himself or for a third party the benefit that is manifestly disproportionate to what he has given or has done to the other, or is forced to give or to do.

In the market of Kosovo commercial banks are not required to calculate interest on interest rate at the moment when the subject of the execution is submitted to the Court, however customers still pay the interest or penalty when they fail to make the payment according to the payment schedule of course without going the case to the court.

It is void the contract for the sale of the property, which is out of circulation. (577 paragraph 1 of the LMD) In circulation is the thing that can be bought, sold, or exchanged and can not be out of circulation such as: parks, streets, rivers, roads, etc.

Void is a contract by which a lawyer or other recipient warrant will purchase the disputed law, whose implementation is entrusted to him or will contract for themselves participation in the allocation of the amount set by the court decision (LMD).

Contract provisions on limitation or exclusion of liability for defects of the item is void if the defect was known to the seller, and for that he has not informed the buyer, and when

the seller has imposed this provision by exploiting the dominant position. Life insurance contracts is void if in the case of its signing has been incorrectly reported the age of the insured (Article 965 LMD).

Contract for the Benefit of Third Parties (Pactum In Favorem Tereti)

When someone contracts on its behalf any request in favor of a third person, the third person acquires the right to own and the immediate right to the debtor, if it is not contracted something else or if it does not arise from the circumstances of the work. (LMD Article 131). This contract is important especially at the insurance part where through the contract on life insurance in favor of a third person the benefited is the insured one.

The clause *la Rebus Sic Stantibus*

If after the signing of the contract are created circumstances which hamper the fulfillment of the obligation of a party, or if because of them can not achieve the main objective of the contract, and as in one, the same in the other case to the extent that it is clear that the contract does not respond to what is expected by the contracting parties and according to the general assessment it would be unfair to keep it like it is, the party which finds it difficult to fulfill the obligation, or the party that due to changed circumstances might not realize the purpose of the contract, can require that the contract be resolved or changed. However the contract will not be resolved if the party is summoned to changed circumstances, it was obligated at the time of entering into the contract to take into account these circumstances or enable them to avoid or to afford, or in changed circumstances which are caused after the expiry of the deadline for fulfillment of its obligations, if the other party offers or accepts that the relevant terms of the contract can be changed fairly, otherwise the Court would commit the parties to fulfill the obligation. For the implementation of this rule should be met these conditions: the changed circumstances must fulfill

the obligation burdening, should be unforeseen and extraordinary and as such should be submitted after the moment of signing of contract and without the fault of the contracting parties (Article 116 LMD).

Exclusion of liability from the damage caused

Here takes part the major power (*Vis Maior*), the case, and the fault of a third person. "Major Power" means an event beyond the control of the affected party, and that does not include the fault or negligence of this party, and that is not predictable, or that should have been covered by insurance obtained from the supplier.

Such events may include, but are not limited to, customer actions in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes. (The standard forms of contract for the carriage of goods with legal commentary and guidelines for general use USAID).

Compensation of the Damage

The responsible person is obliged to restore the situation which has been before the damage caused. If restoring the previous situation does not mitigate the damage fully, the responsible person is obliged to give a reward in money for the rest of the damage. If restoring the previous status is not possible, or when the court considers that it is imperative that this can be done by the responsible court will determine that he may pay to the injured party the respective amount in cash on behalf of awarding damages. The court will judge to the injured the reward of money when he requests it, unless the specific circumstances of the case justify restoring the previous situation. The objection may be made by claim or objection. If the court approves the request, the lawsuit, loses effect only against the plaintiff and only as much as needed to meet its requirements. The suit to objection can be filed within one year

for possession from paragraph 1 of the preceding article, while other cases within three years.

Conclusion

Kosovo now must focus to a comprehensive campaign to raise awareness regarding the use of contracts, especially contracts of international practice and its importance which has a direct impact on economic development, so through this paper we can recommend:

1. Their disuse affects negatively the fiscal budget and the entire social infrastructure.
2. Make a written contractual agreement! Mission of the European Union is the rule of law, the use of contract sends Kosovo closer to the European Union;
3. Readiness of the competent bodies to make practical promotion of international business contracts;
4. To exist special law which regulates franchising contract, tajmesheringun, know-how, etc.
5. Increased confidence in the population to executive proceedings;
6. Development of a new strategy in monitoring the implementation of labor contracts in the private sector especially as informal labor contracts and systematic evasion of social security contributions weaken the protection of workers and their social gains;
7. All institutional harmonization especially in eliminating dilemmas, or removal of legal gaps in the laws which regulate the contract;
8. Read carefully the contracts before signing.
9. Public transparency by providing to simple citizens direct access to administrative contracts.

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