



Reimbursement of travel expenses of the deputies of the Assembly of the Republic of Kosovo

Representation of the people in state institutions and the fair articulation of their interests constitute one of the fundamental pillars of a country's democracy. As representatives of the people, deputies cannot hold other public positions because the focus on fulfilling the entrusted tasks should be paramount. At the same time, deputies in addition to a fixed salary for their work, enjoy other benefits such as the case of reimbursement of travel expenses.

The publication in the media of travel expenses by the deputies of the Assembly of Kosovo, provoked numerous reactions in the public, while suspicions of legal violations by the deputies were raised.

This brief paper aims to provide best practices for reimbursing the deputies for travel as well as to provide recommendations to the Assembly of Kosovo. The first part will analyze the current legal basis for this form of reimbursement, the second part includes the practice of the European Parliament for the reimbursement of travel to its Members. In the last part, recommendations will be given on how to regulate this issue based on the modalities of other countries.

Legal framework on reimbursement of travel expenses to deputies of the Assembly of the Republic of Kosovo

In general, the allowances and reimbursements of the deputies of the Assembly of the Republic of Kosovo are defined by the Law on Rights and Responsibilities of the Deputy¹ and the Rules of Procedure of the Assembly of the Republic of Kosovo². According to the Rules of Procedure of the Assembly:

¹ Law No. 03/L-111 on Rights and Responsibilities of the Deputy, Article 14, 2010. Link: <https://dpl.us/bsr> (lastly accessed on: 14/03/2022).

² Rules of Procedure of the Assembly of the Republic of Kosovo, 2010. Link: <https://dpl.us/83p> (lastly accessed on: 14/03/2022).

At the moment of verification of the mandate of the deputy, the deputy enjoys all the rights he/she should have as a deputy, i.e. additional rights, in order to ensure the conditions for the successful exercise of his/her function, in accordance with the law.

The amount of the reimbursement is regulated by a special Decision³ of the former Speaker of the Assembly of Kosovo in 2011. According to this decision, the deputies are reimbursed for travel expenses for participation in the proceedings of the plenary session and in the commissions appointed with the following amounts:

up to 30 km

 **10 euro**

up to 60 km

 **20 euro**

over 60 km

 **30 euro**

Reimbursement of travel expenses based on this decision, does not mean only expenses for fuel, but for all modes of travel. The moment the deputies win the mandate for the new legislature, they register by filling out the forms for their place of residence. After the start of the work of the Assembly, the calculation of their participation in sessions and committees starts automatically, and in this way the reimbursement is made through the above-mentioned formula which is based on the declared place of residence.

Deputies are not required to provide proof of monthly travel expenses and the reimbursement is made directly in the monthly salary, so it becomes part of the monthly salary.

In addition to the relatively high budgetary implications, which for the period 2011-2021 amount to 1,158,070.00 Euros⁴, this form of reimbursement for travel expenses has raised concerns that public money has been misused, with the suspicion that some deputies have not declared it correctly, or have not updated their address of residence at the Assembly administration, thus receiving monthly allowances for non-existent travel expenses.

In the absence of transparency and accountability, this reimbursement model has remained in force for more than ten (10) years, aggravating the state budget and causing a crisis in the trust of citizens in their representatives in the Assembly.

Deputies should have the right to be reimbursed for transport costs for expenses which are unavoidable, necessary and exclusively for the performance of parliamentary duties, but the new decision should be based on accountability and transparency, eliminating the possibilities and doubts for abuse.

³ Assembly of the Republic of Kosovo. 2011. Decision 04-V-079. Link: <https://dpl.us/c82> (lastly accessed on: 14/03/2022).

⁴ Assembly of the Republic of Kosovo. 2022. Travel Expenses of the Deputies of the Assembly of the Republic of Kosovo for the period 2011-2021. Link: <https://dpl.us/e2z> (lastly accessed on 14/03/2022).

Model of reimbursement of travel expenses according to the Law on Personal Income Tax

The Law on Personal Income Tax⁵ (LPIT) can be taken as a reference for the regulation of the form through which the reimbursement of travel expenses of the deputies can be made, specifically Item 2.4 of Article 9. According to this Article, the reimbursement of travel expenses should not be part of the total salary, but should be separated. The amount of reimbursement per kilometer in this case is 0.16 cents and is not taxed. So, if the Assembly sets the reimbursement amount at 0.16 cents for one (1) kilometer, regardless of the total distance, the amount would ultimately not be taxable. But, if the Assembly decides that the amount of reimbursement per kilometer should be, for example 0.30 cents, the amount over 16 cents would be taxed and this practice is in accordance with the law.

This arrangement can be used as a reference model, while the amount of reimbursement per kilometer remains at the discretion of the Assembly, as an institution which must determine its amount, factorizing the market price and inflation rate. Reimbursement for travel expenses should not be part of the total salary of the deputy, and should be taxed in accordance with the LPIT.

The model of reimbursement of travel expenses in the European Parliament

In the European Parliament, reimbursements and allowances for members of the Parliament (and also for civil servants) are updated annually, taking into account EU economic and social policies⁶. The change in the values of reimbursements is updated based on economic indicators, with the inflation rate being one of them.

New measures⁷ that entered into force since the beginning of 2022 are:

- In case of car travel, maximum of 1000 km for travel abroad or within the country: reimbursement is calculated: 0.56 Euros/km;
- for travels between 0 and 50 km: 0.25 Euros;
- for travels between 51 and 250 km: 0.14 Euros/km;
- the maximum annual amount that can be reimbursed in relation to travel expenses abroad will be 4716 Euros;
- the maximum annual amount that may be reimbursed in respect of travel expenses incurred by the chairpersons of committees or subcommittees traveling to attend conferences or events relating to a matter of European interest falling within the area of responsibility of the committee or their subcommittee and having a parliamentary dimension will be 4716 Euros. Such participation shall require the prior authorization of the President of the Parliament.

⁵ Law No. 05/L-028 on Personal Income Tax. Article 9, Item 2.4. Link: <https://dpl.us/fin> (lastly accessed on 14/03/2022).

⁶ EUR-LEX, *Staff Regulations of Officials of the European, 1962*. Accessible at <https://dpl.us/sov>.

⁷ Official Journal of the European Union, *Decision of the Bureau of the European Parliament of 13 December 2021 amending the Implementing Measures for the Statute for Members of the European Parliament, 2021*. Accessible at <https://dpl.us/8qc>.

Some recommendations for regulating the travel reimbursement of the deputies of the Assembly of Kosovo

With the aim at best regulation of this issue, D+ recommends the following:

1. The Assembly of Kosovo should abolish the automatic reimbursement of travel for deputies based on the declaration of the place of residence;
2. The Assembly should base the regulation of travel allowances for deputies in the Law on Personal Income Tax (LPIT), while the determination of the values (amount of reimbursement) is left to the discretion of the Assembly. This reimbursement should not be part of the total salary of the deputies, and should be taxed in accordance with the provisions of the LPIT;
3. The Assembly should make the new regulation on the reimbursement of the travel expenses of the deputies in an as detailed manner as possible, specifying the criteria of reimbursement, the form of reimbursement and reporting, in order to avoid potential misinterpretations;
4. The value (amount) of reimbursement should be updated annually, based on the market price of fuel and the annual inflation rate;
5. Reimbursement should be made retroactively, where proofs (invoices) should be required for travel expenses, either after each trip or on a monthly basis (this should be at the discretion of the deputy). These proofs should be submitted to the administration of the Assembly and based on them the travel expenses would be reimbursed;
6. To publish in a detailed form, on a monthly basis on the official website of the Assembly all financial reimbursement for the travels of the deputies;
7. The Presidency of the Assembly in the new decision should set a monthly limit for the reimbursement of travel expenses;
8. The Assembly should assure the public that those who violate the rule based on law, will be sanctioned by a decision of the Presidency or the President of the Assembly;
9. To establish an independent mechanism that verifies cases of suspected abuse in all forms of financial reimbursements of deputies. This independent mechanism should play a proactive role for the best possible management of public finances and it could issue an annual report, which would include a general overview of deputies' reimbursements.

