

# **OHR signs agreement on social contributions and wage related taxes of local staff**

The Office of the High Representative, on Tuesday evening, signed Memoranda of Understanding (MoU) with the Ministers of Finance of the two Entities regarding the calculation and the payment of social contributions and levies for the local staff of the OHR. According to the MoUs, as of July 1st OHR will pay appropriate social contributions for all of its local staff. Although the OHR, having the status of an international organisation, is not legally obliged to make these contributions, it regards the inclusion of its local staff into the welfare system of BiH as being very important.

As staff of an international organisation local staff will be exempt from levies on income in respect of their salaries from the OHR. However, this does not affect other income outside of OHR which remain subject to normal taxation provisions.

These MoUs will only enter into effect after the Minister of Foreign Affairs of BiH enters into a separate agreement, recognising the terms reached with the Entities. In the meantime contributions will be transferred to a trust account.