

Republic of Serbia

Legal Provisions

Compiled by:

Karanović & Partners Law Firm

Belgrade, May 2021

GENERAL REMARKS

The purpose of this document is to give an overview of trade-related legal provisions and regulations, particularly those relevant for small and medium sized Swiss companies operating from outside the target country. It outlines the current state of legislation and, to the extent possible, its practical application.

CONTENTS

GENERAL REMARKS	1
CUSTOMS LAW AND DUTIES	2
IMPORT REGULATIONS / NON-TARIFF RESTRICTIONS	2
PRODUCT REGISTRATION AND TECHNICAL STANDARDS	2
CURRENCY REGULATIONS AND OTHER TRANSFER RESTRICTIONS	3
COMMERCIAL REGISTER AND OTHER SOURCES OF COMPANY INFORMATION	3
LEGAL FORMS OF COMPANIES	3
REGULATIONS GOVERNING SALES AGENTS AND COMMERCIAL REPRESENTATIVES	4
ENTRY CONDITIONS FOR STAFF PERFORMING MAINTENANCE OR REPAIR SERVICES	4
PROTECTION OF INTELLECTUAL PROPERTY	4
PROCEDURES FOR COLLECTING PAYMENT	5
ENFORCING COMMERCIAL CONTRACTS AND RESOLVING DISPUTES	5
OVERVIEW OF PUBLIC PROCUREMENT SYSTEM	5
SOURCES OF INFORMATION AND REFERENCES	5

CUSTOMS LAW AND DUTIES

Serbia has signed the Stabilization and Association Agreement and Interim Agreement on Trade and Trade - related matters with EU countries. Serbia is also a signatory of PEM convention and has free trade agreements with Russia, Belarus, Kazakhstan, Turkey, CEFTA and EFTA countries. Customs Administration (*Uprava carina*) is the authority within Serbian Ministry of Finance in charge of custom issues. Goods imported in Serbia are generally subject to VAT (commonly 20%).

IMPORT REGULATIONS / NON-TARIFF RESTRICTIONS

Traffic of goods between Serbia and Switzerland is regulated by the Free Trade Agreement with EFTA countries. Basically all industrial products of Swiss origin with a declaration of origin can be imported without duties. Additionally, bilateral Agreement on Agriculture between Serbia and Switzerland provides preferential treatment for trade with agricultural products.

When it comes to the import of goods, besides Customs Law, as the general framework, Serbia has special laws regulating certain goods that are considered to be of an important significance and complexity, such as agricultural equipment, vehicles, weapons and military equipment.

In some specific cases import can be done with zero fees, e.g. if the subject is exporting/importing goods for marketing purpose, humanitarian, scientific, cultural, medical, ecological, social, sport, religious and other non-commercial purposes etc.

Regarding the non-tariff restrictions, Customs Law explicitly states that there are not any special taxes or fees to be paid when it comes to regular control procedures. The fees may be implied only when special nature of the goods being controlled require special treatment, or risks tied to it.

PRODUCT REGISTRATION AND TECHNICAL STANDARDS

Producer/importer of electronic products must monitor quantity of produced/imported electronic goods, prepare and submit reports on production/import to the environmental authority.

General product safety regulations, registration laws etc. are in the authority of the following institutions:

- Medicines and Medical Devices Agency (<https://www.alims.gov.rs/eng/>)
- The Intellectual Property Office (<http://www.zis.gov.rs/home.59.html>)
- Sector for Market Inspection within the Ministry of Trade, Tourism and Communication (<https://mtt.gov.rs/en/sectors-of-the-ministry/sector-for-market-inspection/>)

Serbia applies the technical norms that are harmonized to a significant extent with the ones in the EU, and the main laws that regulate this area are the Trade Law and the Law on Technical Requirements for Products and Assessment of Conformity, with applicable bylaws. The Serbian Institute for Standardization is responsible for adopting, publishing, withdrawing and application of the Serbian standards and related documents.

CURRENCY REGULATIONS AND OTHER TRANSFER RESTRICTIONS

Serbia is neither a member of the European Union nor of the European Monetary Union, EMU.

The Serbian currency, the dinar (RSD), is issued by the National Bank of Serbia (<https://nbs.rs/en/indeks/index.html>) and freely traded. There are certain limitations to import and export of currencies. Persons travelling with cash exceeding the value of EUR 10,000 must report it to Customs (Law on Prevention of Money Laundering and Financing of Terrorism). This procedure contributes to combatting money laundering, terrorism as well as crime and supports security as well as the prevention of felonies.

Commercial banks and other payment institutions are to report foreign exchange transactions higher than EUR 15,000 to the Administration for the Prevention of Money Laundering in accordance with the Law on Prevention of Money Laundering and Financing of Terrorism.

COMMERCIAL REGISTER AND OTHER SOURCES OF COMPANY INFORMATION

The main commercial register in Serbia is the Serbian Business Registers Agency (<https://www.apr.gov.rs/home.1435.html>). There are multiple department within the agency, each of them containing specific legal forms (e.g. Companies, Health Institutions, Foundation and Endowment etc. (<https://www.apr.gov.rs/registers.1608.html>)).

LEGAL FORMS OF COMPANIES

The available legal forms of companies in Serbia are:

- 1) General partnership (*ortačko društvo*);
- 2) Limited partnership (*komanditno društvo*);
- 3) Limited liability company (*društvo sa ograničenom odgovornošću*); and
- 4) Joint stock company (*akcionarsko društvo*).

A company can engage in all legally permitted activities, but its predominant business activity (taken from an exhaustive list of business activities provided by Serbian laws) must be defined in the Memorandum of Association and registered with the Serbian companies' registry. There are certain activities (e.g. financial services and insurance services), that may only be performed by an entity incorporated in a certain legal form (e.g. joint-stock company), and certain activities (e.g. trade in poisonous goods, medicines or weapons) that may be subject to licensing requirements. In addition, construction companies need to obtain construction permit for undertaking construction activities in Serbia and to comply with other construction related requirements imposed by Serbian laws.

REGULATIONS GOVERNING SALES AGENTS AND COMMERCIAL REPRESENTATIVES

Serbian Law on Obligations recognizes commercial representatives (*trovinski zastupnik*) and sales agents (*posrednik*). Commercial agents undertake to constantly strive that third parties conclude agreements with his principal, to mediate between them, as well as to conclude agreements with third parties in the name and on behalf of the principal. Commercial representatives undertake to seek to find and bring into agreement with the principal a person who would negotiate with him on the conclusion of a particular agreement. Generally, sales agents and commercial representatives hold right to seek compensation, provided that the agreement in question is concluded.

When it comes to real estate, Serbian Law on Intermediation in Purchase and Lease of Real Estate has special provisions about Agents who provide guidance during the process of purchasing real estate. They are obligated to pass certification in order to obtain status of a real estate agent and are also required to get registered at the Public Registry of agents.

ENTRY CONDITIONS FOR STAFF PERFORMING MAINTENANCE OR REPAIR SERVICES

Generally, employment and labour law matters are regulated through the Constitution of Serbia, laws and secondary legislation. The main piece of legislation is the Labour Law, while employment of foreign nationals is regulated by the Law on Employment of Foreigners.

A foreigner (including Swiss nationals) can enter and stay in Serbia for up to 90 days during six-month period, subject to visa regime limitations, if any. Note that for citizens of certain out-of-EU countries (e.g. Russia) different rules may apply, depending on existing bilateral conventions.

As a rule, a foreigner cannot perform work unless he/she obtains a proper residence and work permit. Exceptions when a foreign national who stays in Serbia for less than 90 days during six-month period can work without work permit include following (i) he/she is a director, founder, representative or member of managing body of the local company, provided that he/she has not concluded employment contract with the local company, (ii) he/she is a seconded employee who delivers, installs or repair certain goods, machines or equipment or provides a related training, under an adequate commercial contract between foreign and local company.

A foreigner can obtain the temporary residence permit based on: (i) employment with Serbian company; (ii) secondment from abroad to Serbian company; (iii) inter-company mobility; and other specific grounds (e.g. family reunion, ownership over real estate in Serbia, studying etc.). The temporary residence permit is issued for a period of up to one year and may be renewed for a same period, although the first permit is usually issued for a 6-months period.

The residence permits are issued by the Ministry of Interior.

The work permits are issued by the National Employment Service.

PROTECTION OF INTELLECTUAL PROPERTY

Serbian Law on Copyright and Related Rights does not require mandatory registration of the copyright. The author enjoys legal protection from the moment when his creation was manifested into existence,

subject to specific limitations. Certain intellectual property like patent, design or brand-mark have to be registered in order to be legally protected.

The main institution when it comes to matter of intellectual property is the Intellectual Property Office.

PROCEDURES FOR COLLECTING PAYMENT

The usual financial information and debt-collection agencies are also present in Serbia, e.g. (<http://odmc.rs/en/> , <https://www.creditexpress.com/sr/#home-slider>)

ENFORCING COMMERCIAL CONTRACTS AND RESOLVING DISPUTES

According to most recent data from the Doing Business scale of the World Bank (<https://www.doingbusiness.org/en/data/exploretopics/enforcing-contracts>), Serbian enforcing contracts indicator shows that enforcement of commercial contracts in Serbia is slower in pace than the middle value for Europe and Central Asia.

On a general note, options for resolving disputes other than judiciary resolution, include amicable resolution, mediation and arbitration.

Permanent Arbitration at the Chamber of Commerce and Industry of Serbia is a local affordable arbitration and mediation centre based in Belgrade (<http://www.stalnaarbitraza.rs/en/>).

OVERVIEW OF PUBLIC PROCUREMENT SYSTEM

The public procurement system in Serbia is regulated by the Law on Public Procurements. The main body in charge of public procurements is The Public Procurements Office (<http://www.ujn.gov.rs/#>). The Law on Public Procurement introduces a possibility of electronic submittal of bids on the Public Procurement Portal (<https://jnportal.ujn.gov.rs/>).

SOURCES OF INFORMATION AND REFERENCES

The Serbian principle of public accessibility is embedded in the Law on Access to Information of Public Importance which entails the right of each individual to gain access to public documents, without giving reason thereof, however subject to certain limitations.

Disclaimer: By using this document, the user agrees to this usage policy and the disclaimer. The use of information is expressly at user's own risk and responsibility. We do not assume any liability or

