Bilateral screening : Chapter 6
PRESENTATION OF THE REPUBLIC OF SERBIA

Brussels, 5 February 2015
Requests for disclosure in respect of corporate entities and branches
Relevant acquis

• Directive 2009/101/EC of the European Parliament and of the Council of 16 September 2009 on coordination of safeguards which, for the protection of the interests of members and third parties, are required by Member States of companies within the meaning of the second paragraph of Article 48 of the Treaty, with a view to making such safeguards equivalent (Official Journal L 258, 1.10.2009, p. 11–19),


Legal framework in the Republic of Serbia

- Law on Companies (RS Official Gazette No 36-11, 99-11, 83-14, 5-15),
- Law on the Serbian Business Registers Agency (RS Official Gazette No 55-04, 111-09, 99-11),
- Law on the procedure of registration with the Serbian Business Registers Agency (RS Official Gazette No 99-11, 83-14),
- Rulebook on the content of the Business Entities Register and documentation required for registration (RS Official Gazette No 6-12).
Company – a legal entity that carries on an activity for profit, legal personality is acquired by registering pursuant to the law regulating the registration of business entities.

Types of companies are:

• General Partnership
• Limited Partnership
• Limited Liability Company
• Joint-Stock Company
• Entrepreneur – a natural person with legal capacity, carrying on an activity for profit.
• Cooperatives, public enterprises and socially-owned enterprises
## Number of Business Entities on 31 December 2014

<table>
<thead>
<tr>
<th>Number of Companies</th>
<th>Company Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>2125</td>
<td>General partnership</td>
</tr>
<tr>
<td>336</td>
<td>Limited partnership</td>
</tr>
<tr>
<td>115401</td>
<td>Limited Liability Company</td>
</tr>
<tr>
<td>2037</td>
<td>Joint-stock company</td>
</tr>
<tr>
<td>2460</td>
<td>Cooperative</td>
</tr>
<tr>
<td>766</td>
<td>Public company</td>
</tr>
<tr>
<td>414</td>
<td>Socially owned company</td>
</tr>
<tr>
<td>215367</td>
<td>Entrepreneurs</td>
</tr>
<tr>
<td>336</td>
<td>Foreign Company Branch</td>
</tr>
<tr>
<td>1293</td>
<td>Representative Office</td>
</tr>
</tbody>
</table>
Serbian Business Register Agency

• established in January 2005 as a central institution administering the registers envisaged by law, as integrated, centralized, electronic databases on business entities.

• governed by regulations on public agencies, the task performed by the Agency, i.e. the administration of electronic registers, is a delegated task.

• objectives: increasing cost-effectiveness, access to information and establishing integrated, centralized, electronic databases, all successfully accomplished.
SBRA’S international activity

The Agency is a member of three international organizations:

- **European Commerce Registers Forum (ECRF)**, [www.ecrforum.org](http://www.ecrforum.org)
- **European Business Register (EBR)**, [www.ebr.org](http://www.ebr.org)
- **International Association of Commercial Administrators (IACA)**, [www.iaca.org](http://www.iaca.org)

From July 2009, the SBRA is integrated into the *EBR* electronic network which allows *EBR* members access to information kept in the Business Entities Register, specifically:

- *company search*, by name or part of the name, containing the following data: registration number, name, company type, status data, registration authority, company seat and postal code of the seat, as well as the standard EBR Company Profile Report that the Serbian Business Registers Agency provides through the EBR electronic network (this service is free of charge);

- generation of registered data on business entities, in the form of *standard EBR reports*: the *Company Profile Report* and the *Company Appointments Report*. 
Data registration

Article 4 of the Rulebook on the content of the Business Entities Register and documentation required for registration (RS Official Gazette No 6-12) stipulates that the Register shall contain information on business entities, as prescribed by the law, and specifically:

1. business name;
2. registered address;
3. date of establishment;
4. date of registration, change or strike-off of data or documents;
5. company code assigned by the Statistical Office of Serbia, which is at the same time also the registration number;
6. tax identification number (PIB);
7. registration codes assigned by the Pension and Disability Insurance Fund (PIO) and Health Insurance Fund of Serbia;
8. duration, if the entrepreneur and company are established for a limited period of time;
9. legal form, i.e. form of organization or designation of entrepreneur;
10. code of core activity;
11. data on the person authorized to represent and restrictions of his powers;
12. registered capital;
13. shareholder’s share and contribution;
14. appraisal of the value of non-cash contribution or certificate of the competent authority of the subject of registration on the appraisal of the value of the non-cash contribution;
15. memorandum of association;
16. articles of association.

In addition to data from paragraph 1 of this Article, depending on the company type, the Register shall also contain data on:
1. shareholders and founders of the registered entity;
2. cooperative members;
3. director and members of the board of directors or executive board;
4. president and members of the supervisory board;
5. President and members of the management board.
Registration

• Registration begins by filing an application, supported by documents and proof that the fee has been paid.

• The Registrar is required to decide on an application within 5 days, otherwise it is deemed that the application was granted (so called “positive silence of administration”).

• Registered data and documents (e.g. memorandum and articles of association) are published on the Agency’s website (www.apr.gov.rs) and produce legal effect towards third parties on the day following their publication. The Agency’s website is available 24 hours a day, and 365 days a year and any interested party can access all registered data on business entities.

• A one-stop-shop registration system was established in 2009 that enables the incorporation of companies within 24 hours of the filing of an integrated application at the Agency’s desk. The business entity receives a decision that contains: the taxpayer’s identification number (PIB) issued by the Tax Administration and a unique registration number issued by the Statistical Office of Serbia.
Incorporation and nullity of the instrument of incorporation

• The *national treatment of incorporation* entails the equal treatment of domestic and foreign nationals and legal entities in respect of the possibility of setting up a business.

• The notarization of the signatures of the founders on the instrument of incorporation can be performed either by a court of jurisdiction, or by a public notary, or by a municipal administration body.

• The court may declare the instrument of incorporation null and void if:

1. it does not comply with the form provided for in this Law,

2. the company’s activity stated in the instrument of incorporation is contrary to enforceable regulations or public order,

3. it does not specify the company’s registered name, the contributions of its members, the amount of share capital or the company’s core business activity,

4. none of its signatures had full business or legal capacity at the time of signing of the instrument of incorporation.

An instrument of incorporation cannot be declared null and void on any other grounds apart from those listed above. The nullity of a company’s instrument of incorporation will have no effect on the company’s transactions with *bona fide* third parties.
Documentation required for the incorporation of a limited liability company:

1. Memorandum of association with the notarized signatures of the company founders (shareholders);

2. Proof of identity of the company founders (for Serbian nationals – photocopy of personal ID card, and for foreign nationals – photocopy of passport or of personal ID card if one has been issued to them, or, if the founder is a legal entity not registered with any of the Registers kept by the Serbian Business Registers Agency, then a copy of entry of the certificate of registration from the original register);

3. Resolution on the appointment of the representative if no representative is designated by the contract of incorporation;

4. The representative’s signature notarized by a body competent to notarize signatures;

5. Bank confirmation of the payment of the contribution in cash if the contribution is payable prior to incorporation, i.e., founders’ agreement on the appraisal of the value of contribution in kind if the contribution is made to the company prior to incorporation (the founders may decide not to pay in the minimum required share capital, amounting to RSD 100, i.e. the equivalent of EUR 0.80, when registering, and instead commit themselves to pay within the deadline established in the instrument of incorporation, which may not exceed 2 years for joint-stock companies, and 5 years for other types of companies).
The Business Entities Register - Companies

- **About Register** (basic information about the Register)
- **Data Search** (access to data from SBRA’s database)
- **Instructions** (information about the documentation required for incorporation of new companies, for changes or strike-off of existing companies, etc.)
- Instructions about the harmonization with the new Law on Public Enterprises
- Instructions about the harmonization with the new Company Law
- **Forms** (online filing or download of application forms for registration and other forms)
- **Examples of company’s acts** (decisions, agreements and other acts)
- **Fees** (amounts of fees for registration of incorporation, changes, strike-off and for other services provided by the SBRA)
- **Certificates** (list of certificates issued by the SBRA and supporting documentation required for the issuance of these certificates)
- **Glossary** (definitions of basic registration terms)
Certificates and fees

The Agency provides legal assistance and answers clients’ questions by letter and by e-mail, free of charge.

The Law on the Procedure of Registration with the Serbian Business Registers Agency (RS Official Gazette No 99/11, 83/14) stipulates that, within two day from the day of receipt of a request submitted by an interested party, the Registrar is required to issue:

- an excerpt of data from the Register;
- a copy of a registration supporting document;
- certificate confirming that data or documents were registered, recorded or disclosed, or that the Register contains some document, or that certain facts are contained in the documents kept by the Register; or confirming legal status and legal consequences of registration, recording and disclosure.
Electronic filing

• Article 11 of the Law on the Procedure of Registration with the Serbian Business Registers Agency (RS Official Gazette No 99/11, 83/14) stipulates the possibility for filing electronic applications with the Agency through the electronic filing user application securing the receipt of electronic documents and proofs of payment of the registration fee.

• Starting January 2015, the Agency’s Register of Financial Statements and Data on Solvency will begin the electronic receipt of financial statements filed by large, medium and small enterprise in electronic format with the qualified electronic signatures of their representatives, which is their obligation pursuant to Art. 33, para. 6 of the Law on Accounting (RS Official Gazette No 62/2013). It is expected that 12,000 electronic applications will be filed, while the majority of the business entities, around 150,000 (the so called micro-enterprises) will be obliged to do so starting from next year.

• The implementation of the electronic registration system by the other registers, particularly by the companies register, is expected to occur in parallel with the further application of the law regulating electronic signatures and electronic documents.
Disclosure of financial statements

• The Register of Financial Statements and Data on Solvency of Legal Entities and Entrepreneurs started its activity within the Serbian Business Registers Agency on 1 January 2010.

• Article 33 of the Law on Accounting (RS Official Gazette No 62/2013) stipulates that legal entities and entrepreneurs must submit their annual financial statements for a particular reporting year to the Agency, for public disclosure, at the latest by 30 June of the following year, unless stipulated otherwise by a special regulation. Article 35 of the Law stipulates that legal entities and entrepreneurs must submit a balance sheet, income statement and statistical analysis for the fiscal year that coincides with the calendar year to the Agency, by end of February of the following year.

• Within 60 days from the date of receipt of the complete and computationally accurate financial statement and documentation, the Agency discloses the complete statements and documentation on its website, in the Financial Statements Register’s section, complete with auditors reports for Reporting Entities subject to statutory auditing requirements according to the law regulating auditing, or the short form of the statements and documentation for other legal entities and entrepreneurs.

• Fines for commercial offences are stipulated by the Law if the financial statements are not delivered to the Agency for disclosure.
Branches of domestic and foreign companies

The branch of a company is a separate organizational unit of a company through which that company carries on a business activity in the Republic of Serbia, in accordance with the law.

A branch has to be registered with the Business Entities Register, along with any changes of registered data and termination of the branch. Foreign company branch data subject to registration with the Business Entities Register are: the name of the branch, data on its founders, seat and registration number of the founders, address of the branch, core activity of the branch, personal name or business name and authorities of the representative of the branch.

An application for the formation of a foreign company branch must be accompanied by:

1. Resolution on the formation of the branch,
2. Certificate from the register in which the foreign company is registered, with a translation by a certified court interpreter,
3. Evidence of bank accounts through which the foreign company operates,
4. Signature of the branch's authorized representative certified by the body competent to certify signatures,
5. Statement by the authorized representative of the foreign company that the company takes on full responsibility for all liabilities arising in connection with the business activities of the branch, certified by the competent certification authority, along with a certified translation by a certified court interpreter.

An application for the strike-off of a branch must be accompanied by the resolution of the company founders to this effect and a tax clearance certificate issued by the competent Tax Authority.
Representative Office

The Law also regulates representative offices of foreign companies, which are a separate organizational unit of a foreign company that may carry out preliminary and preparatory work leading to the conclusion of a transaction by that company. A representative office does not have legal personality. A representative office may only enter into transactions relating to its current operations. A foreign company is liable for any obligations towards third parties that may arise in the operations of its representative office.
Alignment with the EU Acquis

Alignment of the national legislation with the Directive 2009/101/EC, which deals with obligations regarding the disclosure of data on companies, and with the Directive 89/666/EEC that deals with the disclosure of data on branches of foreign companies, has been fully achieved; however, no compliance has been achieved with the Directive 2012/17/EC, relating to the interconnection of central, commercial and companies registers, which will be transposed into national legislation by the end of 2018, and implemented at the time of acquiring the status of a member of the European Union.
REPUBLIC OF SERBIA
Negotiating Team for Accession of the Republic of Serbia to the European Union

THANK YOU FOR YOUR ATTENTION