

LEGISLATIVE PROCEDURES

| NUMBER, TITLE, DATE | TRASPOSITION OF ANY EU DIRECTIVE | AREA OF APPLICABILITY | LINK TO THE OFFICAL WEBSITE | ABSTRACT IN ENGLISH |
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| <p style="text-align: center;">REGULATION ON CRITERIA AND PROCEDURE FOR SETTING THE FEES FOR CONVERSION OF THE USE RIGHTS IN THE PROPERTY RIGHT</p> <p style="text-align: center;">Službeni glasnik Republike Srbije, br. 4/2010 i 24/2010</p> <p>Offical Gazette Republic of Serrbia, no. 4/2010 and 24/2010</p> | | <p style="text-align: center;">spatial planning and bulding</p> | <p style="text-align: center;">http://www.ekoplan.gov.rs/src/1-4-1-Uredbe-iz-2010-godine-203-document.htm</p> | <p>This Regulation establishes the evaluation criteria and procedure for setting the fees for conversion of the use rights in the property right with compensation</p> <p>Conversion of use rights in the property right is carried out on individual cadastral parcels</p> |

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| <p>REGULATION ON CONDITIONS AND MANNER UNDER WHICH THE LOCAL GOVERNMENT MAY DISPOSE OF OR LEASE LAND Službeni glasnik Republike Srbije, br. 13/2010</p> <p>Official Gazette Republic of Serrbia, no. 13/2010</p> | | <p>spatial planning and bulding</p> | <p>http://www.ekoplan.gov.rs/src/1-4-1-Uredbe-iz-2010-godine-203-document.htm</p> | <p>This regulation prescribes the conditions under which local government may dispose of or lease the building land in public ownership, at a cost, that is less than the market price or rental or alienation or lease of land in public ownership without compensation</p> |
| <p>DECREE ON THE PROMOTION OF DIRECT FOREIGN INVESTMENT Službeni glasnik Republike Srbije, br. 34/2010 i 41/2010</p> <p>Official Gazette Republic of Serrbia, no. 34/2010 and 41/2010</p> | | <p>foreign investments</p> | <p>http://www.siepa.gov.rs/files/pdf/Uredba_o_uslovima_i_nacinu_p_rivlacenja_direktnih_in_vesticija.pdf</p> | <p>This Decree governs the terms and conditions for attracting direct investments to the territhory of Republic of Serbia, the criteria for allocating the funds for attracting direct investments, the dynamics of disbursement of awarded funds , as well as other issues of importance for increasing the competitiveness of the Republic of Serbia through the inflow of direct investments that have a favourable impact on job creation, transfer of new knowledge and technologies, balancing the Republics regional development, the revival of the devastated regions and regions of special state interest, and particulary in attracting direct investments to the automotive, electronics ,IT and telecommunication industries</p> |

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| <p>LAW OF CONCESSIONS Službeni glasnik Republike Srbije, br. 55/2003</p> <p>Official Gazette Republic of Serrbia, no. 55/2003</p> | | <p>foreign investments and foreign economic relations</p> | <p>http://www.parlament.gov.rs/content/lat/akta/akta_detalji.asp?Id=92&t=Z</p> | <p>The present Law shall determine the conditions for, way of and procedure for granting concessions to exploit natural resources, goods in general use that are the property of the Republic of Serbia under law and for conducting a business of general concern; subject matter of concession; duration of concession period; concession contract; concession fee; exercise of concessionary rights and duties; foundation and operation of concessionary enterprises and other matters of importance for the exploitation of concessions. The Law on Concessions states that the duration of a concession may be up to 30 years, depending on the subject, the estimated profit, level of assumed business risk, demand for construction at an early phase and demand for market development in the field of the concession.</p> <p>The concessionary must establish a company registered in the Republic of Serbia within 60 days from the date of the Concession Agreement.</p> <p>For arbitration of disputes, a foreign concessionaire may choose international arbitration, as long as the subject matter of the dispute is not real estate.</p> |
| <p>FOREIGN EXCHANGE MANAGMENT LAW</p> <p>Službeni glasnik Republike Srbije, br. 62/2006</p> | | <p>foreign investments and foreign economic relations</p> | <p>http://www.parlament.gov.rs/content/lat/akta/akta_detalji.asp?Id=371&t=Z</p> | <p>This Law is about:</p> <ol style="list-style-type: none"> 1) Payments, collections and transfers in foreign means of payment and Dinars between residents and non-residents; 2) Payments, collections and transfers in |

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| <p>Official Gazette Republic of Serrbia, no. 62/2006</p> | | | | <p>foreign means of payment between residents;</p> <p>3) Purchase and sale of means of payment between residents and non-residents, as well as purchase of foreign means of payment between residents;</p> <p>4) Unilateral transfers of means of payment from the Republic of Serbia (hereinafter: the Republic) and into the Republic, which do not have the characteristics of transactions conducted between residents and non-residents;</p> <p>5) Current and deposit accounts of residents abroad and residents and non-residents in the Republic;</p> <p>6) Credit transactions in the Republic, between banks and residents in foreign exchange and between banks and non-residents in Dinars, as well as foreign credit transactions.</p> |
| <p>FOREIGN TRADE LAW</p> <p>Službeni glasnik Republike Srbije, br. 36/2009</p> <p>Official Gazette Republic of Serrbia, no. 36/2009</p> | | <p>foreign investments and foreign economic relations</p> | <p>http://www.parlament.gov.rs/content/lat/akta/akta_detalji.asp?id=570&t=Z#</p> | <p>This law regulates the foreign trade in accordance with the World Trade Organization (WTO) and the regulations of the European Union (EU) and the jurisdiction of the Serbian Investment and Export Promotion Agency</p> |

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| <p>FREE-TRADE ZONE LAW</p> <p>Službeni glasnik Republike Srbije, br. 62/2006</p> <p>Official Gazette Republic of Serrbia, no. 62/2006</p> | | <p>foreign investments and foreign economic relations</p> | <p>http://www.parlament.gov.rs/content/lat/akta/akta_detalji.asp?id=378&t=Z</p> | <p>This Law establish the conditions for setting the locality and operation of free-trade zones, lines of business which may be conducted in free trade zones, requirements for the conduct of such business and requirements for dissolution of free-trade zones, as well as govern the establishment, legal status and purview of the Free-trade Zone Authority.</p> |
| <p>LAW ON THE PROTECTION OF COMPETITION</p> <p>Službeni glasnik Republike Srbije, br. 51/2009</p> <p>Official Gazette Republic of Serrbia, no. 51/2009</p> | | <p>companies, business</p> | <p>http://www.parlament.gov.rs/content/lat/akta/akta_detalji.asp?id=655&t=Z</p> | <p>The present Law shall govern the protection of competition on the market of the Republic of Serbia for the sake of economic progress and wellbeing of society and particularly to the benefit of consumer, as well as the establishment, status, organisation and authority of the Competition Protection Commission (hereinafter: the Commission).</p> |
| <p>LAW ON ENVIRONMENTAL PROTECTION</p> <p>Službeni glasnik Republike Srbije, br. 135/2004</p> <p>Official Gazette Republic of Serrbia, no. 135/2004</p> | | <p>Protection of the environment</p> | <p>http://www.parlament.gov.rs/content/lat/akta/akta_detalji.asp?id=181&t=Z</p> <p>Changes</p> | <p>This law regulates the integral system of environmental protection which shall ensure human right to live and develop in a healthy environment as wall as balanced economy growth and protection in environment in the Republic</p> |

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| <p>Changes Službeni glasnik Republike Srbije, br. 36/2009</p> <p>Official Gazette Republic of Serrbia, no. 36/2009</p> | | | <p>http://www.parlament.gov.rs/content/lat/akta/akta_detalji.asp?id=555&t=Z</p> | |
| <p><u>VALUE ADDED TAX ACT</u></p> <p>Službeni glasnik Republike Srbije, br. 84/2004</p> <p>Official Gazette Republic of Serrbia, no. 84/2004</p> | | <p>Obligation to pay value added tax</p> | <p>http://www.parlament.gov.rs/content/lat/akta/akta_detalji.asp?id=154&t=Z#</p> | <p>This Act regulates the systems and establishes the obligation to pay value added tax on the territory of the Republic of Serbia.</p> |
| <p><u>CONSTITUTION OF THE REPUBLIC OF SERBIA</u></p> <p>Službeni glasnik Republike Srbije, br. 98/2006</p> <p>Official Gazette Republic of Serrbia, no. 98/2006</p> | | <p>political system</p> | <p>http://www.parlament.gov.rs/content/lat/akta/ustav/ustav_1.asp</p> | <p>Serbian Constitution guarantees equality and equal protection of private, public (state) and cooperative property. Social property ceases to be recognized constitutional category, where the Constitution grants its transformation into private hands. Feel free to use and management of agricultural land, land forest, and urban construction land in private ownership. Foreign and domestic individuals and legal persons shall enjoy equal treatment with respect to market competition. This individual and legal persons may own property rights (in accordance with regulations or contracts). This individual and legal persons may also obtain concessions for</p> |

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| | | | | the exploitation of natural resources and goods of public interest. |
| <p>LAW ON LOCAL GOVERNMENT</p> <p>Službeni glasnik Republike Srbije, br. 129/2007</p> <p>Official Gazette Republic of Serrbia, no. 129/2007</p> | | political system | http://www.parlament.gov.rs/content/lat/akta/akta_detalji.asp?Id=469&t=Z# | This law regulates local governments, the criteria for their establishment, the responsibilities, authorities, supervision of their acts and operations, protection of local self-government and other issues of importance to the rights and duties of local governments |

DIFFERENT LEVELS OF SPATIAL PLANNING

Law on Planning and Construction

(Official Gazette of the Republic of Serbia, 72/09)

www.parlament.gov.rs/content/lat/akta/akta_detalji.asp?Id=689&t=Z#

Introduction

On 11 September 2009 the new Law on Planning and Construction (the "Law") which regulates the area of planning, building land and construction, entered into force. Both the new Law on State Survey and Cadastre and the Law represent a significant reform of the real estate legal framework in Serbia.

The main scope of the new Law is to harmonise the issue of planning and construction with the text of the Serbian Constitution, especially with regard to the rights to urban building land and harmonisation with European Union regulations and standards.

The provisions of this Law shall not apply to the construction of facilities considered as military facilities according to the law regulating defence affairs.

Key features

1. Spatial and Urban Planning

The Law prescribes in a new way the types of documents of spatial and urban planning and new deadlines for their adoption. It establishes a hierarchy of plan-related documents in the context of hierarchy of spatial and urban planning. The Law fully provides for a democratic decision-making process on the manner and conditions of use of space - one of the main goals in enacting this Law.

2. Conversion of the right of use into the right of ownership

The possibility of converting the right of use to building land into the right of ownership is a new solution introduced under the Law. A conversion can be performed with or without reimbursement. Of special significance is the Law's treatment of the conversion of the right of use into the right of ownership with reimbursement for companies and other legal entities which acquired the right of use through privatisation, bankruptcy or enforcement proceedings. Those legal entities may, in the absence of the right of ownership, have the right to build new objects or to reconstruct existing objects for the purpose of performing their principal business activity only in the period provided by the Law.

3. Public property

In accordance with the Serbian Constitution, the Law regulates public property as the property of the Republic of Serbia, an autonomous province or local-self government. Public property may be conveyed and leased out in line with the Law.

4. Legalisation

The Law regulates the process of obtaining a building permit or an inspection certificate for a building that has been constructed or reconstructed without a construction permit, or for objects in use not possessing an inspection certificate. The Law stipulates new terms and deadlines for subsequently obtaining construction and usage permits.

5. Construction

- Concerning construction itself there are some new solutions regulating it more concretely and more specific deadlines have been fixed;
- The introduction of a location permit as a type of authorisation which must be obtained prior to the construction permit;
- The terms for acquiring a construction permit as well as the term of its validity have changed;
- Payments for the development of building land are regulated more stringently;
- Alteration of the decision on location and construction permit in the event of change of investor is regulated;

- A new "temporary object" category has been introduced;
- The re-designation of agricultural land is regulated in a more comprehensive way;
- The Law regulates the acquisition of the right of ownership to land under the building for the normal use of such building and formation of the building lot;
- The powers of the building and the urban planning inspector are extended and regulated in detail;
- Construction without a construction permit is classed as a misdemeanour and not a crime.

Serbian legal framework recognizes two land categories most commonly used for investment purposes.

Construction land

It is the land on which structures have been built as well as the land that serves for regular use of the land that serves for regular use of these structures and the land designated for construction and regular use of structures envisaged by the urban plan.

Construction land can be:

- public construction land (in state-municipality ownership)
- other construction land (in all ownership forms – private and state)

Agricultural land (in all ownership forms – private and state owned)

- cultivable land
- uncultivable land

Characteristics of public construction land

Public construction land has the following characteristics:

- it is state owned
- it covers land area where structures of public interest have been constructed
- it is a land area designated for construction of public structures, as well as public areas (public roads, parks, squares, streets etc) according to the Urban plan

Public construction plan is exclusively state property and as such is solely intended for construction of structures of public interest (roads, schools, hospitals, infrastructure)

Other construction land is land where structures already exist, as well as land predefined for construction of structures. It is previously not declared as public construction land. It is transferable and can be found in all types of ownerships. The municipality is responsible for rational use of other construction land. The structures which can be built on other construction land are: residential, commercial, industrial, etc. This classification is in accordance with the Urban municipality plan.

There are three ways of acquiring other construction land (OCL) for construction

By leasing the land

OCL in state ownership – municipality land can be leased for 99 years under conditions set by municipal authorities. The land is leased through either public bidding or public tender. The lessee automatically obtains a right to build structures.

Once he has the structures built on the land previously acquired he becomes owner of a built structure, and is obliged to use the land according to its designated purpose.

Acquiring a 'right to use' the land

The right to use the land granted for indefinite period of time by the newly adopted Law on Urban planning and construction. The right use to use the land is irrevocable and permanently attached to the ownership of the structure located on a particular land lot. It is based on either:

- ownership of a structure built on the land in accordance with the Urban plan (in which case the land has the same status as the structure)
- intention to construct a building on urban land. Right to use the land is related to the ownership of the structure located on the urban plan. It entitles the user to permanently use the land as long as the previously acquired structure remains on the land acquired.

By acquiring OCL through conversion of agricultural land into construction land

By acquiring agricultural land in private ownership with a possibility of conversion into construction land and investor automatically obtains the right to build a structure on it according to the Urban plan. Only agricultural land which is included in Urban plan can be reclassified to OCL.

For the conversion of agricultural into OCL land an investor must submit a formal application which includes:

- description of the current and intended use of land in question
- a certificate of owner or the right to use papers
- an extract from Urban plan which provides grounds for obtaining a building permit

TERRITORIAL ORGANIZATION OF SERBIA

The territorial organization of **Serbia** is regulated by the Law on Territorial Organization adopted in the National Assembly of Serbia on 29 December 2007 Under the Law, the units of the territorial organization are: municipalities, cities and autonomous provinces.

Serbia is also divided into 29 districts under the Government's Enactment of 29 January 1992.

Autonomous provinces

Serbia has two autonomous provinces: Vojvodina in the north (which includes 39 municipalities and 6 cities) and Kosovo and Metohija in the south (with 28 municipalities and 1 city). The Autonomous Province of Kosovo and Metohija (or just *Kosovo* for short) has been transferred to the UN administration of UNMIK since June 1999.

Autonomous province has its own assembly and executive council (government). It enjoys autonomy on certain matters, such as infrastructure, science, education and culture.

Statistical regions

In 2009, Serbian National Assembly of Serbia adopted the *Law on Equal Territorial Development* that formed 7 statistical regions in the territory of Serbia. The Law was amended on 7 April 2010 so that the number of regions was reduced to 5. The Eastern Serbia was merged with Southern Serbia and Šumadija was merged with Western Serbia.

The statistical regions are:

- Vojvodina
- Belgrade
- Šumadija and Western Serbia
- Southern and Eastern Serbia
- Kosovo and Metohija

Districts

Municipalities and cities are gathered into districts, which are regional centers of state authority, but have no assemblies of their own; they present purely administrative divisions, and host various state institutions such as funds, office branches and courts. Districts are not defined by the Law on Territorial Organisation, but are organised under the Government's Enactment of 29 January 1992.

Serbia is divided into 29 districts (17 in Central Serbia, 7 in Vojvodina and 5 in Kosovo), while the city of Belgrade presents a district of its own.

Municipalities and cities

Serbia is divided into 150 municipalities and 24 cities, which form the basic units of local self-government.

Municipalities

Like in many other countries, municipalities are the basic entities of local self-government in Serbia. Each municipality has an assembly, elected every 4 years on local elections, a municipal president, public service property and a budget. Municipalities usually have more than 10,000 inhabitants.

Municipalities comprise local communities, which mostly correspond to settlements (villages) in the rural areas (several small villages can comprise one local community, and large villages can contain several communities). Urban areas are also divided into local communities. Their roles include communication of elected municipal representatives with citizens, organization of citizen initiatives related with public service and communal issues. They are presided with councils, elected on semi-formal elections, whose members are basically volunteers. Role of local communities is far more important in rural areas; due to proximity to municipal centers, many urban local communities are defunct.

Cities

Cities are another type of local self-government. Territory with the status of "city" usually have more than 100,000 inhabitants but is otherwise very similar to municipality. There are 23 cities, each having an assembly and budget of its own. Only cities have mayors.

The city may and may not be divided into "city municipalities". Five cities, Belgrade, Novi Sad, Niš, Požarevac and Kragujevac comprise several municipalities, divided into urban and suburban areas. Competences of cities and their municipalities are divided.