



## South East Legal Alliance – SELA Regional News Q1 2021

*The SELA regional newsletter features an overview of the most important regional legislative developments recently announced in the jurisdictions of SELA coverage.*

*Many of the changes recently implemented impact the regions ability to attract foreign investments and related to tax, customs and other investment incentives, illustrating just how strategically important the governing bodies of the region see foreign investment.*

### SELA lawyer spotlight

Featuring Davorin Marinković

The chef



[See his secret recipe for “baklava”](#)

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### MAIN TAKEAWAYS

#### Albania

- [Partnership, Trade and Cooperation Agreement with the UK](#)
- [Deadline for re-evaluation of real estate extended](#)
- [New Public Procurement Law approved](#)
- [New Law on fiscal regime for the hydrocarbons sector approved](#)

#### Bosnia & Herzegovina

- [New Law on Electricity](#)
- [Factoring now been regulated through the Law on Factoring](#)
- [New Law of Free Zones](#)

#### Bulgaria

- [The Audio-Visual Media Services Directive Already Implemented in the Local Radio and Television Act](#)
- [Amendments to Tax Legislation Regarding Natural Persons and Corporate Income Tax](#)
- [Amendments to the VAT Act](#)

### Local Touch – Regional Reach

Albania • Bosnia and Herzegovina • Bulgaria • Croatia • Montenegro • North Macedonia • Serbia • Slovenia



## Croatia

- [Amendments to the Foreigners Act](#)
- [Amendments to the Credit Institutions Act](#)
- [Croatian government adopted a set of new bank-sector laws](#)
- [Legislative preparations for introduction of euro as the new currency in Croatia](#)
- [Novelties in the field of tax legislation](#)

## Montenegro

- [No notable legislative developments](#)

## North Macedonia

- [New General Product Safety Law](#)
- [Amendments on the Law on Trade Companies](#)
- [N. Macedonian Government passed a new Law on Prevention and Protection against Discrimination](#)
- [Law on amendments to the law on prevention of money laundering and financing of terrorism](#)
- [Strategic investments in North Macedonia](#)
- [New Law on Phytopharmacy](#)

## Serbia

- [Serbian Government prepared a set of laws in energy section](#)

## Slovenia

- [Amended Companies Act \(ZGD-1K\)](#)
- [New Motor Vehicles Tax Act \(ZDMV-1\)](#)
- [Anti Coronavirus Packages – “PKP” 7 and 8](#)
- [New Draft Environmental Protection Act \(ZVO-2\)](#)



## Albania

### Partnership, Trade and Cooperation Agreement with the UK

#### MAIN PROVISIONS OF THE LAW

On 03.04.2021, the Albanian Government proposed to the parliament the approval of a draft law on the ratification of the “Partnership, Trade and Cooperation Agreement” between the Republic of Albania and the United Kingdom of Great Britain and Northern Ireland.

#### WHO THE LAW APPLIES TO

The Partnership, Trade and Cooperation Agreement, once ratified by law, will apply to businesses trading between Albania and in the UK.

#### HOW IT AFFECTS YOUR BUSINESS

The Partnership, Trade and Cooperation Agreement establishes a free trade area between Albania and the UK. It replicates wider elements of the EU-Albania Association Agreement, and contains some provisions regarding cooperation in political, security and foreign matters.

### Deadline for re-evaluation of real estate extended

#### MAIN PROVISIONS OF THE LAW

On 23.12.2020, the Albanian Parliament approved law no. 164/2020, providing for the extension until 31st of December 2021, of the term for the re-evaluation of the cadastral value of immovable properties.

#### WHO THE LAW APPLIES TO

The law applies to individuals and entities owning real estate in Albania.

#### HOW IT AFFECTS YOUR BUSINESS

With the extension of the deadline, individuals and businesses will have more time to perform the re-evaluation of the cadastral value of immovable properties, by paying a the reduced tax rate on capital gains, of 3% for individuals and 5% for legal entities.



## New Public Procurement Law approved

### MAIN PROVISIONS OF THE LAW

On 23.12.2020, the Albanian Parliament approved law no. 162/2020 “On Public Procurement”.

### WHO THE LAW APPLIES TO

The law applies to businesses participating in public procurement procedures launched by Albania authorities.

### HOW IT AFFECTS YOUR BUSINESS

The new public procurement law provides further approximation of the national legislation with the EU acquis on public procurement. The new law will start being implemented as from the 31<sup>st</sup> of March 2021.

## New Law on fiscal regime for the hydrocarbons sector approved

### MAIN PROVISIONS OF THE LAW

On 17/12/2020, the Albanian Parliament approved law no. 153/2020 “On the fiscal regime for the hydrocarbons sector”.

### WHO THE LAW APPLIES TO

The new law applies to local and foreign businesses engaging in hydrocarbon operations in Albania.

### HOW IT AFFECTS YOUR BUSINESS

The new law overhauls the fiscal regime for the hydrocarbons activities, in force since 1994, in line with international best practice, with the aim of facilitating the new investments in hydrocarbon exploration and exploitation activities.



## Bosnia & Herzegovina

### Law on Electricity

#### MAIN PROVISIONS OF THE LAW

A new law on electricity in Republic of Srpska has been effective as of 1 January 2021.

The law transposes the EU's Third Energy Package and paves the way for market liberalization.

The law envisages the unbundling, the reorganization of state-owned Elektroprivreda Republike Srpske (ERS), introduces the status of a protected consumer, the possibility of establishing energy cooperatives, and standards for the development of e-mobility.

#### WHO THE LAW APPLIES TO

The law applies to both business sector as well as to individual consumers.

#### HOW IT AFFECTS YOUR BUSINESS

The law supports further market opening and should create a ground for more suppliers on the market and that all categories of consumers including households will have the right to choose a supplier.

Small customers and households that do not do so will have the right to be provided with a universal supply service under regulated conditions.

Also, it gives new impulse to sustainable low-carbon energy development through the possibility of establishing energy cooperatives to achieve economic and environmental benefits from renewable

energy sources and an increase in energy efficiency.

### Law on Factoring

#### MAIN PROVISIONS OF THE LAW

Factoring in Republic of Srpska now has been recognized and regulated through the Law on Factoring.

The law regulates the concept, subject and types of factoring, factoring agreement, rights, obligations and responsibilities of factoring participants, conditions for establishment, operation and termination of factoring company.

The law prescribes that the factoring transactions will be done by banks as well as by specialized factoring companies licensed by the RS Securities Commission.

#### WHO THE LAW APPLIES TO

The law applies to business sector.

#### HOW IT AFFECTS YOUR BUSINESS

It is expected that the law improves general liquidity in business sector and specially to give a boost to SMEs by providing new opportunities for financing.



## Law on Free Zones

### MAIN PROVISIONS OF THE LAW

New Law on Free Zones in Republic of Srpska adopted in February.

The law specifies the procedure for establishment and work of free zones and parallel application of regulations of Republic of Srpska and Bosnia and Herzegovina and regulates other important issues: tax and customs reliefs, employment in free zones,

establishment and operation of banks in the free zone, etc.

### WHO THE LAW APPLIES TO

The law applies to business sector.

### HOW IT AFFECTS YOUR BUSINESS

SMEs and other interested parties now have a better idea about requirements and procedure for formation of a free zone as well as to have an idea about benefits.



## Bulgaria

### The Audio-Visual Media Services Directive Already Implemented in the Radio and Television Act

#### MAIN PROVISIONS OF THE LAW

The Bulgarian Radio and Television Act (RTA) was amended as of 22 December 2020 to transpose the Audio-Visual Media Services Directive. The main amendments concern the regulation of video-sharing platform services, the promotion of European works by on-demand media providers, the proportion of television advertising and ensuring the accessibility of audio-visual media services for persons with disabilities such as impaired vision or hearing.

The RTA provides a couple of new provisions changing essentially the current regime for minors' protection and also a new uniform standard for regulation of sound levels in advertising which have to be developed.

#### WHO THE LAW APPLIES TO

The RTA applies to video-sharing platform providers, on-demand media providers and televisions.

#### HOW IT AFFECTS YOUR BUSINESS

The video-sharing platform providers are obliged to notify the Council for Electronic Media if they intend to provide services in Bulgaria. The notification shall include various information, including among others the general terms and conditions for the use

of the platform. The providers shall also take appropriate measures to protect the general audience and minors from different types of harmful content.

The on-demand media providers should promote the European works by reserving at least 30% of their content for European works.

### Amendments to Tax Legislation Regarding Natural Persons and Corporate Income Tax

#### MAIN PROVISIONS OF THE LAW

The amendments to the Income Taxes on Natural Persons Act (ITNPA) and the Corporate Income Tax Act (CITA) entered into force on 1<sup>st</sup> of January 2021. The changes for natural persons:

1. tax relief for expenses on residential property renovations
2. increased deductible amounts of the tax relief for children and children with disabilities for tax income for 2021
3. extended deadline for filing annual tax returns by persons carrying out business activity as traders.

The amendments to the CITA include extended deadlines for declaring and paying the due tax and changes regarding advance contributions.



## WHO THE LAW APPLIES TO

The amended regulations apply to both individuals and companies.

## HOW IT AFFECTS YOUR BUSINESS

Both ITNPA and CITA prescribe for extended deadlines for declaring and paying due taxes. Additional tax obligations and reliefs are envisaged for different industries (e.g., the exempt social expenses for food vouchers are being increased).

## Amendments to the VAT Act

### MAIN PROVISIONS OF THE LAW

The amendments to the VAT Act transpose 2 European directives on e-commerce and distance selling of goods to consumers established on the territory of the EU. The main changes include:

1. rules on cross-border e-commerce between taxable and non-taxable persons (the so-called B2C);
2. refinement of the provisions concerning the exemption from VAT of insurance and reinsurance services;
3. repealing the obligation to use a Retail Management Software approved by the

National Revenue Agency and introducing reliefs for those who use it voluntarily.

4. inclusion of Covid-19 vaccine supply and Covid-19 tests in the zero-rate taxable supply range;

5. special provisions regarding Northern Ireland in relation to the UK's withdrawal from the EU (Brexit).

### WHO THE LAW APPLIES TO

Prior to the amendments, the Mini One Stop Shop or MOSS scheme was applicable only to the supply of telecommunications, radio and television broadcasting services or electronically supplied services to which recipients are non-taxable persons established in another Member State.

The amendments extend the scope of the scheme to all B2C services with a place of performance in another Member State (e.g., accommodation services, transport services, vehicle rental, etc.) where the supplier is not established in that country.

### HOW IT AFFECTS YOUR BUSINESS

The purpose of the amendments is to facilitate suppliers by avoiding the need for multiple VAT registrations in different Member States, as well as the declaration and payment of the VAT due separately in each of them.

The scheme will apply as of 01.07.2021 and entities will be able to submit registration documents starting 01.04.2021.





## Croatia

### Amendments to the Foreigners Act

#### MAIN PROVISIONS OF THE LAW

Amended Foreigners Act entered into force on 1 January 2021. Its new provisions are establishing the concept of market test by which it will be decided whether a Croatian employee can offer employment to third county citizens. The government, therefore, will no longer render decision on determining of the annual quota for the employment of foreigners, whereas it is the employer who will have to request performance of the market test from the Croatian Employment Administration. Those professions that are in deficit (such as dentists, waiters, butchers etc.) will be exempted from the obligation of conducting the market test prior to the employment, as well as seasonal employments up to 90 days. The concept of a long-term visa is introduced as well (“visa-D”), which will be issued in case that the third county citizen has been approved a temporary residence. Lastly, newly introduced provisions recognize the concept of a digital nomad as the person performing its work entirely through digital engines – while in Croatia – for foreign employers, and presents a beneficial framework for regulation of their temporary residence in Croatia.

#### WHO THE LAW APPLIES TO

Third county citizens, i.e. non-EU and non-EEA citizens (with an exemption of members of foreign diplomatic missions, consular offices, members of the UN missions, employees of the EU institutions, staff of other international organizations, including members of their families).

#### HOW IT AFFECTS YOUR BUSINESS

Companies who intend to employ foreigners in deficient professions, as well as seasonal workers, will be able to do so with less administrative burden.

### Amendments to the Credit Institutions Act

#### MAIN PROVISIONS OF THE LAW

Main aim of the introduced amendments to the Credit Institutions Act is to disable the spill-off of the disturbances of the financial sector in one country to another. The position of the Croatian National Bank as the central monitoring point for credit institutions has been reaffirmed, as well as its cooperative role in relation to the ECB. Novelties also include rules on the content of the employment agreement which the member of the management board concludes with the credit institution, as well as eligibility requirements for position in the management board and obligation of the credit institutions to inform the Croatian National Bank of termination of mandate of its members *of the management or supervisory board, within 3 work days.*

#### WHO THE LAW APPLIES TO

Croatian National Bank, credit institutions, investment funds, members of the management and supervisory boards of the credit institutions, shareholders of the credit institutions.



## HOW IT AFFECTS YOUR BUSINESS

Amendments to the Credit Institutions Act are a significant in furthering Croatia's path towards eurozone. The amendments enter into the force as the European Central Bank become responsible for the direct supervision of significant credit institutions in the Republic of Croatia, for joint procedures for all supervised entities and for supervising the supervision of minor institutions.

## Croatian government adopted a set of new bank-sector laws

### MAIN PROVISIONS OF THE LAW

With entering the ERM II, Croatia has opened a new stage in the path towards membership in the eurozone. To reflect such progress, as of 1 January 2021 a new set of bank-sector laws have entered into force in Croatia. Accompanying the previously adopted Credit Institutions Act, these laws are Deposits Insurance System Act, Credit Institutions' Liquidation and Recovery Act and Private Equity Companies' Recovery Act.

The main novelties are connected to the aspect of recovery performance; it will now be the Croatian National Bank (for credit institutions) and Croatian Agency for Financial Services Monitoring "HANFA" (for private equity companies) who will have the authority to perform the recovery. State Agency for Savings Deposit Insurance and Banks Recovery "DAB", who used to have recovery competencies as well, will no longer perform such activity and as of 2021 continues to act under new name – Croatian Agency for Deposit Insurance.

With respect to the amendments introduced to the Credit Institutions' Liquidation and Recovery Act, the main objective is to shorten the duration of banks' bankruptcy proceedings, establish a controlled system for failed bank to exit the market in order to minimize the risk and avoid spill-off of the negative effects to the rest of the financial market. In addition, the novelties aim to ensure swift and efficient joint settlement of the credit institution's creditors in case of compulsory liquidation.

### WHO THE LAW APPLIES TO

Croatian National Bank, Croatian Agency for Financial Services Monitoring "HANFA", Croatian Agency for Deposit Insurance, credit institutions and private equity companies, creditors, deposit holders and other parties engaging into legal relationship with credit *institutions and/or private equity companies*.

## HOW IT AFFECTS YOUR BUSINESS

The new legislation is perceived as a significant step towards shortening the duration of bankruptcy proceedings, controlled exit of failed credit institutions from the market with the aim of reducing risk and spilling over negative effects to the rest of the financial market and the quick and efficient bulk settlement of creditors by preserving the value of financial assets and liquidation assets of the credit institution as soon as possible.



## Legislative preparations for introduction of euro as the new currency in Croatia

### MAIN PROVISIONS OF THE LAW

With the key step towards membership in eurozone achieved in July 2020 (i.e. joining the ERM II), Croatia initiated further legislative preparations for introduction of euro as its formal currency, which is envisioned for 1 January 2023. The Croatian government and the Croatian National Bank have prepared the National Plan in cooperation with many stakeholders. The document outlines all important activities which the stakeholders of public and private sector will have to perform in the upcoming period of preparations for endorsement of euro.

The National Plan defines core principles of the process of introduction of euro and the procedure of currency swap, describes adjustments of the national legislation needed for introduction of euro as well as the roles of the main stakeholders in the process. The technical conditions of the process are presented as well – procurement of supply with euro bank notes and coins, cash swap procedure, course of conversion of funds from kuna to euro. Notably, the document defines rules on recalculation of the prices as well which envisions for the prices to be stated in the transition period (i.e. up to 12 months from the date of formal introduction of euro) in both kuna and euro. With imposition of such obligation, which would enter into force after 30 days from the decision of the Council of the EU on introduction of euro to Croatia, the Croatian government aims to prevent unjustifiable increase of prices on the market and inaccurate recalculation.

### WHO THE LAW APPLIES TO

All stakeholders, legal and natural persons in Croatia, as well as all other subjects participating on the Croatian Market.

### HOW IT AFFECTS YOUR BUSINESS

Businesses will have to adapt to the gradual introduction of euro by stating prices in both euro and kuna during the transitional period. Financial and IT solutions will have to be prepared to switch timely to euro.

## Novelties in the field of tax legislation

### MAIN PROVISIONS OF THE LAW

Representing the law package of 5th round of the tax reform in Croatia, the following acts together have the most significant impact on both private and business parties in Croatia due to the general application of these acts. Value Added Tax Act introduces harmonizing provisions to adhere to the relevant EU-directives, among which is denunciation of exemption from VAT payment for the low-value parcels shipped from third-countries (provision entering into force on 1 July 2021).

### WHO THE LAW APPLIES TO

All taxpayers in Croatia, as well as Croatian institutions in the taxation sector.



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## HOW IT AFFECTS YOUR BUSINESS

Amendments to the Income Tax Act lower the taxation rates in an attempt to increase public spending and provide positive boost for the reduction of unemployment. In that regard, newly adopted amendments include beneficial conditions for attracting digital

nomads to Croatia, in a form of a tax exemption of their incomes. Lastly, Corporate Tax Act introduce reduction of the general rate (from 12 to 10 per cent) for all who have annual turnover of less than 7,5 million kunas. The same reduction is introduced for the tax deducted at source in relation to payment of dividend or of share in the profit.



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## **Montenegro**

Apart from technical amendments to the current Montenegrin legislation there were no significant novelties in the first quarter of 2021.



## North Macedonia

### New General Product Safety Law

#### MAIN PROVISIONS OF THE LAW

The General Product Safety Law was adopted on December 16, 2020. It regulates the safety of products placed on the market, the criteria for assessing the conformity of products with the general safety requirements, the obligations of the manufacturer and distributor, the conditions for informing and exchanging information regarding the risks the product arises for the health and safety of consumers, as well as the performance of the supervision.

The purpose of the General Product Safety Law is:

1. safety of products when placed on the market for the human health, public interest, consumers, environment;
2. clear definition of the rights and obligations of manufacturers and distributors regarding the placement of safe products;
3. mechanisms for strengthening the cooperation of the competent state bodies for guaranteeing the safety of the products; and
4. mechanisms for exchange of information between the competent authorities and the European Union on dangerous products and their return, i.e. withdrawal from the market.

#### WHO THE LAW APPLIES TO

The Law applies directly to the manufacturers and distributors defining their rights and obligations regarding the placement of safe products. It also applies to the competent state bodies for guaranteeing

the safety of the products and to the state bodies responsible for exchanging information with the competent authorities of the European Union.

#### HOW IT AFFECTS YOUR BUSINESS

The positive impact of this law can be identified in three areas: economic - will increase the competitiveness of the Macedonian economy and growth of economic activity; social - will strengthen confidence in market products (ban on counterfeit products); and environmental – will create a system of safe products that do not have a negative impact on the environment or to the people.

### Amendments on the Law on Trade Companies

#### MAIN PROVISIONS OF THE LAW

The Law on amendments and additions on the Law of Trade Companies was proclaimed on December 7, 2020. The purpose of enactment of these amendments is determined by the strategic goal of the Republic of North Macedonia for membership in the European Union and the need to fulfill the undertaken obligations for the implementation of the reforms which incorporate European standards in the national legislation.

#### WHO THE LAW APPLIES TO

The amendments to the law stipulate an obligation for the joint stock companies



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whose shares are listed on the Macedonian Stock Exchange, in a separate part of the annual report on the operation of the company, to give a statement on the application of the Corporate Governance Code with information about the corporate governance code that the company applies, as well as the place where the text of the Code is publicly available, information about the application of the corporate governance by the company that applies the code, and especially the ones that are specifically not prescribed by law, and deviations from the rules of the corporate governance code, provided that such deviations exist and an explanation for such deviations.

## HOW IT AFFECTS YOUR BUSINESS

The amendments envisage, among other things, closer conditions regarding the procedure and the manner of cross-border merger of joint stock companies or limited liability companies established in accordance with the provisions of this Law and registered in the trade register (Macedonian companies) with companies in which the liability of the partners is limited, to which applies to the law of another member state of the European Union and have a registered office, central administration or principal place of business in a Member State of the European Union (European Union companies).

## New Law on Prevention and Protection against Discrimination

### MAIN PROVISIONS OF THE LAW

The new Law on Prevention and Protection against Discrimination was proclaimed and entered into force on October 30, 2020.

The law prohibits any discrimination based on race, skin color, national origin or ethnicity, sex, gender, sexual orientation, gender identity, marginalized group, language, citizenship, social origin, education, religion or belief, political belief, other belief, disability, age, family or marital status, property status, health status, personal status and social status or any other basis.

The amendments envisage that the members of the Commission for Prevention and Protection against Discrimination be proposed by a special Selection Commission, composed of seven members - two members of the Assembly from the government and the opposition and three representatives of civil society, instead of being proposed by the Elections and Appointments Commission of the Assembly.

### WHO THE LAW APPLIES TO

The Law applies to all natural and legal persons.



## Law on amendments to the law on prevention of money laundering and financing of terrorism

### MAIN PROVISIONS OF THE LAW

The Assembly of the Republic of North Macedonia adopted the Law on Amendments to the Law on Prevention of Money Laundering and Financing of Terrorism on December 28, 2020.

The subject of regulation of the Law on Amendments to the Law on Prevention of Money Laundering and Financing of Terrorism is to determine the measures and actions for detection and prevention of money laundering and financing of terrorism undertaken by the competent entities, as well as the work and competences of the Financial Intelligence Office. The most important novelty in the Law is the introduction of the Registry of Real Owners, which aims to increase the transparency of the ownership structure. The real owner is any natural person who is the ultimate owner of the legal entity or controls the legal entity, i.e. a natural person in whose name and on whose behalf a transaction is performed. The term also includes a natural person who exercises final and effective control over a legal entity or a foreign legal arrangement.

### WHO THE LAW APPLIES TO

This Law applies to all competent state entities responsible for taking actions in order to detect and prevent money laundering and financing of terrorism, as well as all natural persons who are real owners of legal entities.

### HOW IT AFFECTS YOUR BUSINESS

The registry is being established as a product of the intensive cooperation between the Financial Intelligence Office and the Central Registry. The subject of entry in the registry are the real (final owners) of the entities, subject to registration in the Central Registry, with certain exceptions that are clearly prescribed by the Law on Prevention of Money Laundering and Financing of Terrorism.

## Strategic investments in North Macedonia

### MAIN PROVISIONS OF THE LAW

The purpose of the Law for Strategic Investments is to increase the economic growth, employment and application of new technologies and innovations, enhancement of the competitive economic opportunities of the Republic of North Macedonia, an increase of the exports and a decrease in the trade deficit and improvement of the wellbeing and living conditions of the citizens of the Republic of North Macedonia by encouraging, attracting and creating conditions for the implementation of strategic investments.

The Law defines the meaning of a strategic investment project, what conditions are required in order for the project to obtain the status of strategic investment and what areas should be covered by the project.

### WHO THE LAW APPLIES TO

The Strategic investment projects are of public interest, thus, all legal entities (domestic and foreign) can participate in the





Public Call, published every year by the Government.

## HOW IT AFFECTS YOUR BUSINESS

The benefit for acquiring the status of Strategic investment project is the adoption of a Lex specialis (Special law) for the project. The most obvious benefit being that the necessary approvals, permits, consents, licenses, authorizations, certificates and other documents (which are normally issued in accordance with the special laws) shall be issued within the deadlines determined under a law regulating the implementation of the Strategic Investment.

It is to be expected that a faster and straighter forward procedure will be adopted with the Lex Specialis.

The adoption of Lex Specialis will mean legal certainty and stronger protection of the investors and their rights.

## New Law on Phytopharmacy

### MAIN PROVISIONS OF THE LAW

The Assembly of the Republic of North Macedonia adopted a new Law on Phytopharmacy, at the session held on December 16, 2020. Once this law entered into force, the Law on Products and Plant Protection ceased to be valid.

The subject of regulation of the Law on Phytopharmacy is regulation of the rules for registration and authorization of phytopharmaceutical products in commercial form and for their placement on the market, production, use and control on the territory of the Republic of North Macedonia, determining the rules for approval of active

substances, antidotes and synergists of which phytopharmaceutical products are composed or contained, rules for additives and conformants, as well as residues of phytopharmaceutical products. This law establishes a framework for achieving sustainable use of phytopharmaceutical products by reducing the risks and impacts of their use on human health, animals and the environment and following the principles of integrated plant protection.

### WHO THE LAW APPLIES TO

The purpose of this law is to ensure a high level of protection of human health, animals and the environment, to improve the functioning of markets, as well as to improve agricultural production. The law is based on the precautionary principle, which refers to the products that are placed on the market not to have a negative effect on health and the environment. It also establishes a legal basis for registration of all economic operators that need to meet the conditions for consistent implementation of procedures for obtaining safe final primary products.

### HOW IT AFFECTS YOUR BUSINESS

The economic operators that perform activities determined by this Law, are obliged to harmonize their operation with the provisions of this Law, within two years from the day of its entry into force. The bylaws whose adoption is envisaged by this law will be adopted within one year from the day of entry into force. Until the entry into force of the new bylaws, the regulations adopted on the basis of the Law on Plant Protection Products will be applied.

Also, the initiated procedures for registration of economic operators and phytopharmaceutical products until the entry into force of this Law, will be completed in accordance with the abovementioned Law on Plant Protection Products.



## Serbia

### Serbian Government prepared a set of laws in energy section

#### MAIN PROVISIONS OF THE LAW

Serbian Government prepared the following draft laws: Draft Law on Energy Efficiency and Rational Use of Energy, Draft Law on Amendments of the Energy Law, Draft Law on Amendments of the Law on Mining and Geological Research and the Draft Law on Renewables.

For all the mentioned draft laws a public discussion was held and final proposals are expected to be published soon.

The Draft Law on Renewables draws the most attention as it is a completely new law which introduces a new system of incentive measures for the producers of electrical energy from renewables – the auction system and for the first time, a law regulates the status of prosumer – a person who is a producer and user at the same time.

#### WHO THE LAW APPLIES TO

Together, the draft laws provide a consistent legal framework for all subjects in energy section. However, the most important novelties concerning the new system of incentive measures, provided in the Draft Law on Renewables, are primarily relevant for the domestic and foreign producers of electrical energy from renewables as potential investors.

The newly introduced possibility of becoming a prosumer is not insignificant either, as it is expected that many consumers will see that as an opportunity to lower their expenses in relation to the usage of electrical energy.

#### HOW IT AFFECTS YOUR BUSINESS

A consistent and reliable legal framework in energy section is necessary in order to attract investors. The prepared set of laws, together with respective bylaws, which will be issued later on, will provide such framework and hence, make it easier for the investors to decide whether they will enter the market.



## Slovenia

### Amended Companies Act (ZGD-1K)

#### MAIN PROVISIONS OF THE LAW

The main reason for the amendments to the Companies Act is the transposition of the Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement into Slovenian law. At the same time, the amendment also brings novelties in the field of restrictions on the establishment of companies, entry in the register and audits in companies. Further on, the amendment interferes with the operation of limited liability companies, so that it redefines the obligation to form a Supervisory Board in those limited liability companies that are considered to be a subject of public interest. In such companies, the Supervisory Board must also form an Audit committee, unless one of the exceptions applies.

#### WHO THE LAW APPLIES TO

The law determines the statutory rules for the establishment and operation of companies, sole proprietors, related parties, economic interest associations, branches of foreign companies and their status transformation.

#### HOW IT AFFECTS YOUR BUSINESS

Corporations must adjust their operations and corporate structure in accordance with these new provisions.

### New Motor Vehicles Tax Act (ZDMV-1)

#### MAIN PROVISIONS OF THE LAW

Under the new Motor Vehicles Tax Act (ZDMV-1), which entered into force on 30 December 2020, the Motor Vehicles Tax is no longer based on the value and power of the engine, but on its height mainly influenced by CO2 emissions and emission standard. The amount of tax also depends on the type of fuel, with electric vehicles not being taxed. Old-timers, race cars, intervention vehicles, vehicles for the disabled and vehicles for families with three or more children will also be exempt from the tax. The so-called luxury vehicle tax, which applies to vehicles with engines over 2.5 liters, has also been abolished.

Due to the tax on luxury vehicles, which was introduced in Slovenia in 2012, many Slovenes have registered their luxury vehicles abroad, which is now expected to change.

#### WHO THE LAW APPLIES TO

The tax applies to buyers of motor vehicles that are placed on the market or registered on the territory of the Republic of Slovenia for the first time.

#### HOW IT AFFECTS YOUR BUSINESS

Introduced amendments are expected to lower prices of luxury cars, which may present an opportunity for companies to change their car park.



## Anti Coronavirus Packages – “PKP” 7 and 8

### MAIN PROVISIONS OF THE LAW

PKP 7 or Act Determining Intervention Measures to Assist in Mitigating the Consequences of the Second Wave of COVID-19 Epidemic (ZIUPOPDVE), worth EUR 550 million, entered into force on 31 December 2020. The law introduced new measures to help the economy, a solidarity allowance for certain vulnerable groups of the population and additional aid to health care, tourism, carriers, social and health workers. Further on, it extended some of the measures that would otherwise be in force until the end of last year, namely: partial reimbursement of lost income due to ordered quarantine or force majeure, monthly basic income, subsidy to cover fixed costs, compensation of wages due to quarantine or force majeure, deferral of installment payment of tax liabilities and the obligation of the employer to inform the inspectorate about work at home.

PKP 8 or Act on Additional Measures for Mitigation of Consequences COVID-19 (ZDUOP) entered into force on 5 February 2021. It provided an additional 320 million EUR for the implementation of measures to mitigate the effects of the epidemic, subsidizing the increase in the minimum wage and extending subsidies for waiting for work, and expanding the circle of beneficiaries of a one-time solidarity allowance from PKP7. The possibility of absence from work due to illness without a certificate from a personal doctor for up to three consecutive days in total, until the end of the year, has been reintroduced. A novelty are the fines for skipping the order of vaccination.

### WHO THE LAW APPLIES TO

The law applies to a very wide range of beneficiaries in Slovenia - natural and legal persons in Slovenia, employers and employees, vulnerable groups, public health care, vulnerable groups of the population etc.

### HOW IT AFFECTS YOUR BUSINESS

Corporations and industries affected by the Covid-19 epidemics may find equivalent measures and subsidies from the state to mitigate the consequences of the epidemic and to facilitate the recovery.

## New Draft Environmental Protection Act (ZVO-2)

### MAIN PROVISIONS OF THE LAW

On 31 December 2020, the Ministry of the Environment and Spatial Planning issued a new draft law on environmental protection in order to transpose several EU Directives into the national law.

The draft of the new law remains systemically and conceptually the same as the current one. The law introduces some new solutions to address the most pressing issues, such as irresponsible waste management. With regard to waste, there is a new comprehensive regulation of waste management, including the establishment of basic rules for waste management, conditions and criteria for the cessation of waste status and the regulation of the system of extended producer responsibility.



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## WHO THE LAW APPLIES TO

The law applies to polluters, producers of waste, public environmental protection services, compulsory public utilities in the field of the environment etc.

## HOW IT AFFECTS YOUR BUSINESS

After the Act will enter into force, the companies must in particular pay attention to the new waste management system and make sure to comply with the new legal provisions.



## SELA lawyer spotlight

### FEATURING DAVORIN MARINKOVIĆ



*Davorin Marinković is a partner at Dimitrijević & Partners, advising clients on all aspects of doing business in Bosnia & Hercegovina.*

*He is recognized by Legal500 as a **Leading Individual** in [Commercial, corporate and M&A](#), while IFLR1000 recognizes him as a **Highly Regarded** lawyer in [Project development](#) and in [Restructuring and insolvency](#).*

While being one of the leading lawyers from B&H for several years in a row and providing exceptional legal advice to his clients, in his spare time, Davorin manages extremely well in the kitchen.

Among his friends and family, he is well-known as the best sweets chef by a mile. Even a famous TV chefs could learn a thing or two from him.

This is why he agreed to share with us his secret recipe for baklava, a layered pastry dessert originating from the Ottoman cuisine.



### Ingredients:

500 g filo pastry (20 -24 sheets of “jufka”)  
250 g walnuts, chopped  
60 g sugar  
200 g melted butter  
2 lemons  
5 dcl water





## Steps:

1. Mix together walnuts and sugar.
2. Grease the cake tin with butter.
3. Lay on sheet of pastry and brush it with a little melted butter. Repeat with 4 to 5 more sheets brushing each sheet with butter.
4. Sprinkle 1/3 of the nut mixture.
5. Repeat steps 3. and 4. twice, and finish with remaining 4 to 5 sheets on top brushed with melted butter.
6. Using a sharp knife, cut through the layers to make 20 squares.
7. Bake in preheated oven at 220C for 15 minutes and then reduce to 180C and bake for 15 minutes until brown and crispy. Remove from oven.
8. Heat the lemon juice and water until boil and then spoon over the hot cake and leave to cool.

Enjoy!

**Chef Davorin**  
*Dimitrijević & Partners*



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