



South East Legal Alliance – SELA Regional News Q4 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 Ivana Kostovska

The volunteer



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Albania

Amendments to the law on the Registry of Ultimate Beneficiary Owners (“UBO”)

MAIN PROVISIONS OF THE LAW

The Albanian Parliament has approved Law no. 6/2022, which amends Law no. 112/2020 “On the Registry of Ultimate Beneficiary Owners”. Law no. 6/2022 is expected to become effective by the end of February 2022. Said amendment aims to increase compliance and facilitate the registration procedure providing companies by extending the deadline to complete the initial UBO registration for existing companies and forgiving the imposed fines for entities that had failed to comply with the previous legal deadlines.

Among main provisions that will have direct impact on the majority of existing companies with simple ownership structure (i.e. direct ownership) is the automatic transfer of data from the business register to the UBO registry.

The deadline for existing companies with indirect ownership, as well as for NGOs, the deadline to comply with the required filings at the UBO registry has been extended until 30 June 2022.

Additionally, for newly incorporated companies in Albania, the application to the UBO Register will be made simultaneously with the application for the company incorporation.

WHO THE LAW APPLIES TO

This amendment applies to all entities registered in the commercial registry as well as all entities registered with the registry of

non-governmental organizations. It will impact also all branches of foreign companies and representative offices of foreign companies registered in Albania.

HOW IT AFFECTS YOUR BUSINESS

This amendment is expected to solve the bottleneck situation faced by entities registered with the Albanian Business Registry, which have not performed the mandatory filings with the UBO Register, by extending until 30 June 2022, the deadline for existing entities.

Amendments to the Business Register Law

MAIN PROVISIONS OF THE LAW

The Albanian Parliament has approved Law no. 7/2022, which amends Business Register Law no. 9723. Law no. 7/2022 is expected to become effective by the end of February 2022.

Based on no. 7/2022, the general penalties applicable to business for failure to perform mandatory filings at the business registry will be increased to ALL 60,000 (approx. EUR 500) from the previous value of ALL 15,000 (approx. EUR 120).

A penalty of ALL 60,000 will also apply in case of filing of incorrect data, if the breach does not amount to a criminal offence.

Previously, penalties were increased to ALL 50,000 (approx. EUR 415) specifically for the failure to file a share related transaction within a 30 days deadline, and to ALL 100,000 (approx. EUR 825) for the failure to file the full list of shareholders of a joint stock



company, jointly with the publication of the annual accounts.

WHO THE LAW APPLIES TO

This amendment applies to all entities registered in the Albanian commercial registry. It will impact also all branches of foreign companies and representative offices of foreign companies registered in Albania.

HOW IT AFFECTS YOUR BUSINESS

Through these surged penalties, the government aims to increase the rate of compliance by businesses operating in Albania.

Notwithstanding possible arguments against the fairness and proportionality of said increased penalties, time will tell if this approach will achieve its goal considering that most of the failures to keep the business registry records up to date are due to oversight and not to unlawful intent.

Changes in the Albanian legislation on distant marketing contracts of consumer financial services

MAIN PROVISIONS OF THE LAW

By Decision of the Council of Ministers of the Republic of Albania (DCM) no. 736, dated 3 December 2021, the Albanian Government introduced some changes to the DCM 615 dated 7 September 2011 'On distance marketing contracts for consumers' financial services'.

The aim of such amendment is the protection of economic interests of consumers receiving online financial services.

The amendments partially transpose the requirements of EU Directive 2002/65, amended by EU Directive 2015/2366.

WHO THE LAW APPLIES TO

The amendments shall apply to all distant communication operators, including all private or public individuals, who via their trade, business or profession, make available financial services online.

HOW IT AFFECTS YOUR BUSINESS

Through these amendments, the government aims to (i) clarify the concept of the "distance communication tool"; (ii) consolidate the list of mandatory information to be part of contracts entered between traders and consumers, including financial services (i.e.: any type of banking, credit, insurance, voluntary pension, financial investment or payment service); (iii) provide for the right of consumers to withdraw free of charge, from the distance online marketing contracts, within 14 days from the date the consumer receives the products, or in case of financial services from the date of the contract execution.

These amendments shall apply also to payment services in case when payment transactions for distant services are conducted.

New regulation on licensing of payment and e-money institutions

MAIN PROVISIONS OF THE LAW

On 24 November 2021 the Bank of Albania (BOA) approved the new regulation no. 59/2021 'on licensing of payment institutions,



electronic money institutions, and the registration of payment service providers', which enters into force on 1 January 2022.

This regulation provides requirements on:

- i) professional indemnity insurance or any other comparable guarantee regarding payment initiation services and account information services;
- ii) preliminary approval to be issued by BoA on agents cooperating with the electronic money institutions;
- iii) procedural requirements regarding licensing;
- iv) monitoring, training and follow up of events impacting on the security and claims of clients regarding security of transactions;
- v) internal control mechanisms in relation to anti-money laundering and financing of terrorism;
- vi) registration, monitoring, follow up and limitation of access rights at sensitive payment data;
- vii) licensing of companies providing payment account information services;
- viii) minimum capital requirements, according to the type of and number of services provided by payment institutions (ranging from ALL 2,500,000 up to ALL 16,000,000).

WHO THE LAW APPLIES TO

The new rules apply to payment institutions, electronic money institutions, account information service providers operating in accordance with the Albanian legislation regarding Payment Services, and savings and credit companies that will operate as a payment institution, which can offer service payments only to members. All these entities must update their procedures and comply with the requirements of this new regulations and those of the Albanian Law on Payment Services by 2 July 2022.

HOW IT AFFECTS YOUR BUSINESS

The need for such new regulation came as a result of the development of the payment sector in the last years, in particular following the approval of the Albanian law no. 55 'On Service Payments', dated 30 April 2020, entered into force in January 2021. It will impact on all institutions of the field, by better regularizing their licensing procedures.

Draft Law on Startups

MAIN PROVISIONS OF THE LAW

The Albanian Parliament is assessing a new legislation on the Support and Development of Startups.

This new law aims to address the legislative gap existing now-days in Albania regarding Startups. Its purpose is to put in place a regulatory and institutional framework for the establishment and support of Startups, as well as to promote the research, and use of new ideas, models, new products and processes that produce novelties in the economic development.

WHO THE LAW APPLIES TO

The amendment applies to all relevant Albanian and foreign economic operators, and sets out competences and duties for Albanian competent authorities that will be assigned to support and monitor the startups' activity in Albania.

The new provisions will apply also to foreign nationals working online using the information technology, including them in the category of 'digital nomads' and being recognized the status of 'mobile digital workers'.



HOW IT AFFECTS YOUR BUSINESS

The new law on Startups will set forth tax breaks, support programs and other facilitation measures for startups during their incubation phase; will create a favorable climate in Albania to attract the necessary actors that provide incubation, mentoring, and financing for Startups; and will outline the criteria, rules and procedures for the

certification, support, assessment and the monitoring of Startups.

A 'startup one-stop-shop' will be put in place to support startups activity. Moreover, a startup ecosystem will be developed and financial support and grants are expected to be approved for startup companies together with other forms of financial and fiscal support.

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Bosnia & Herzegovina

Amendments to the Law on Securities of the Republic of Srpska

MAIN PROVISIONS OF THE RULEBOOK

These amendments additionally regulate new emissions of the securities allowing that a new emission of securities can be completed prior to the expiry of deadline for subscription providing those current holders exercise their preemption rights. Practically, this means that issuance of new shares may be accelerated by current shareholders by using preemption rights.

WHO THE LAW APPLIES TO

The law applies to business sector.

HOW IT AFFECTS YOUR BUSINESS

It may lead to new placement of the securities on local market as a model for financing new investments.

New labor legislation in Republic of Srpska

MAIN PROVISIONS OF THE LAW

As of the 1 January 2022, new regulations came into force in the Republic of Srpska, bringing amendments to the Labor Law, the Personal Income Tax Law and the Law on Contributions. Following these changes all employers are required to amend current employment agreements by recognizing gross wages that will be basis for calculation of other compensations. There has been further changes related to minimum wage, severance payments as well as intervention related to the personal income tax rate making distinction between income generated from employment (whereby the rate is decreased to 8%) and income generated from copyrights, patents, capital and other forms of engagement (whereby the rate is increased to 13 %).

WHO THE LAW APPLIES TO

The law applies to business and taxpayers in general.

HOW IT AFFECTS YOUR BUSINESS

This requires modification of current employment agreements.



Bulgaria

Moratorium on the prices of electricity, heating and water

MAIN PROVISIONS OF THE LAW

On 17 December 2021 a decision for imposing moratorium on the prices of electricity, water and heating was promulgated in the State Gazette. The decision freezing the prices for household consumers from 16 December 2021 to 31 March 2022 had been voted by the MPs the day before.

The moratorium prevented the independent energy regulator from increasing power prices by an average 11.5% and heating prices by about 30%, bringing them more in line with what the market prices power companies pay for electricity and natural gas.

The three-month moratorium aims to give households the chance to prepare for the change in energy prices, as well as to the Parliament consider possible solutions for overcoming the energy crisis.

WHO THE LAW APPLIES TO

The moratorium applies to the all utility providers operating in the country with regard to all household consumers of electricity, heating and water.

HOW IT AFFECTS YOUR BUSINESS

Power distribution companies and energy analysts have decried the move as populist and warned it could bring down the whole power system. The grid operators - the power distribution companies and the

Electricity System Operator (ESO) - will also receive support from the government because of the high price of electricity on the free market. Many business consumers of electricity struggle to pay their electricity bills.

The Supreme Court of Cassation ruled that filming a defendant in ongoing criminal proceedings violates the right to privacy

MAIN PROVISIONS OF THE LAW

In a recent decision, the Supreme Court of Cassation ruled on the boundaries between journalists' freedom, objectivity and dissemination of information, and the right of individuals not to be filmed without their consent.

The case was formed following a claim for compensation for non-pecuniary/moral damages brought by an individual against one of the national broadcasters which owns several TV channels, websites, etc.

The reason for the claim was video material, broadcast on one of the national television channels, in which the claimant (who was accused in ongoing criminal proceedings) was filmed, despite the fact that he had expressed an explicit disagreement to being filmed. In the material, a journalist is recording the claimant while he walks through the passage of the court and the latter clearly states that he does not want to be filmed and avoids the camera.

According to the claimant, the filming violated his right to respect for his private and family life and the right to privacy (which



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includes, among other things, the right to the protection of personal data), so he claimed compensation for moral damages.

After the courts of first and second instance rejected his claim, the case reached the Supreme Court which found that the recording/filming of the claimant constitutes an unlawful conduct and is in violation of the right to privacy.

WHO THE LAW APPLIES TO

Media and journalists.

HOW IT AFFECTS YOUR BUSINESS

Media risk court proceedings and fines if filming and broadcasting persons without their consent, even if the latter are accused of crimes, as this is in contradiction to the general presumption of innocence before the announcement and the entrance into force of a judgement.



Croatia

Final proposal of the new Electricity Market Act passed in the Croatian Parliament

MAIN PROVISIONS OF THE LAW

Making efforts to ensure further harmonization with ever-developing EU law, the amended Electricity Market Act affirms and strengthens further the prohibition of impeding cross-border trade in electricity, investments in the electricity production process, etc. It re-affirms application of principle of non-discrimination with respect to the energy entities on the market, subject to limitations regarding the market participants from third countries.

End-customers are guaranteed the right to freely purchase electricity from the supplier of their choice and are allowed to have more than one electricity supply agreement, while the suppliers will be under obligation to ensure free tool available to the customers by which they will be able to compare the price of services offered.

The main aim of the amendments is further opening of the internal market and ensuring truly free movement of goods on the market of the EU. Thus, customers from Croatia will be free to contract electricity supply with the supplier based in any EU Member States, and vice versa. This approach is deemed to stimulate market competition and ensure electricity supply under the most competitive price.

However, the Act still provides for obligation to provide electricity in a form of a public service, which will be, in addition to the 'market' option, uninterruptedly available to the customers.

WHO THE LAW APPLIES TO

All natural and legal persons engaging in contractual transactions on the energy market, as well as those participating on the energy market as energy entities.

HOW IT AFFECTS YOUR BUSINESS

Further opening of the energy market will ensure a more competitive ground for all of the stakeholders involved, and is deemed to provide a better service for the end-customers, both in terms of its price and quality.

Amendments to the Consumer Protection Act

MAIN PROVISIONS OF THE LAW

Set to be adopted in the second quarter of 2021, the amended Consumer Protection Act, which transposes "Omnibus Directive", entertains prohibition of placement of goods on the Croatian market which have dual quality (i.e. goods for which it is claimed that they are identical to certain goods on other markets, while in fact they show significant differences in their features or content) and imposes further obligation on traders to, when engaging in sale using discounted prices, indicate the lowest price of the product in the period of last 30 days.

With these further adjustments to the main piece of consumer protection legislation, it is envisioned to increase level of protection of consumers and their right when engaging in any kinds of transactions on the market, outside of their professional or commercial areas of expertise.



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WHO THE LAW APPLIES TO

Any and all natural and legal persons participating on the market, either as traders and retailers, or as the customer and consumer, by either engaging in a contractual transaction of the market or not.

HOW IT AFFECTS YOUR BUSINESS

Ever increasing demands which are being imposed on the traders aim to protect the customers and ensure fair practice of retailers and traders, foster and protect fair and non-discriminative market competition, while protecting consumer's interest and right to an informed decision.



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Montenegro

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



North Macedonia

Labor Law Amendments: Introduction of ‘Sunday as a non-working day for all’

MAIN PROVISIONS OF THE LAW

On 20 December 2021, Macedonian Assembly passed the long-announced amendments to the Labor Law that establish Sunday as a mandatory weekly rest day, starting from 1 January 2022.

WHO THE LAW APPLIES TO

Although the general rule is that Sunday is to be non-working for all, the Law does provide a list of exceptions:

Sunday does not have to be weekly rest day for workers who are engaged by employers whose working process is of such nature that it cannot be interrupted due to the technical-technological process and the need of continuity. Such described exception being applicable in a prescribed list of business activities:

- 41 exhaustively listed activities, and
- 2 groups of activities and positions that are considered ancillary or additional (further regulated with a bylaw).

**The work on Sunday is also allowed for some retail businesses, subject to separate rules prescribed with the Trade Law Amendments.*

HOW IT AFFECTS YOUR BUSINESS

Implementation of the exceptions is subject to:

- i. Notification to the State Labor

- Inspectorate (to be submitted annually),
- ii. Weekly wage supplement of at least 50% for every hour spent at work on a Sunday (unless a higher allowance is prescribed by law or a collective agreement), and
- iii. Use of the right to weekly rest day in the 7 days following the working Sunday.

Non-compliance with the Law is subject to:

- i. Monetary fees,
- ii. 15 days operations’ prohibition for the premises where the non-compliance took place (in case of repeated non-compliance, the prohibition is 30 days and the employer is subject to a misdemeanor procedure), and
- iii. Obligations during the prohibition:
 - employees must be paid wage compensation equal to their salary from the preceding month, as well as wage contributions,
 - number of employees must not be decreased.

Trade Law Amendments – Further exceptions from the ‘Sunday as non-working day’ policy

MAIN PROVISIONS OF THE LAW

The amendments define a list of retail businesses than can also work on Sundays.

WHO THE LAW APPLIES TO

The exception from the ‘Sunday as non-working day’ policy is prescribed for:

- Certain specialized retail stores or kiosks that operate at tourist locations under the Tourism Activity Law,



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- Retail stores at gas stations that sell mostly food, drinks and tobacco,
- Retailers in shopping malls with minimum 8.000 m2 effective retail space,
- Retail stands and kiosks that sell goods at sports events, festivals and events, fairs and public cinematic projections,
- Retail stores that sell food (except fruits and vegetables), drinks and tobacco, exclusively from the store owner, and
- Retail at green markets.

HOW IT AFFECTS YOUR BUSINESS

Implementation of the exceptions is subject to:

- i. Registration of the working hours in the Central Registry,
- ii. Weekly wage supplement of at least 100% for every hour spent at work on a Sunday,
- iii. Use of the right to weekly rest day in the 7 days following the working Sunday,
- iv. Abiding to specific working hours allowed by the Law,
- v. Specific obligation for shopping mall and gas station retailers: Mandatory 'donation' of 2% of the revenues generated on Sundays and public holidays – to be invested in construction of new kindergartens.

Non-compliance with the Law is subject to the same form of consequences as the ones prescribed with the Labor Law Amendments.



Serbia

Amendments to the Company Law

MAIN PROVISIONS OF THE LAW

On 17 November 2021 the National Assembly adopted the Law on Amendments to the Company Law (*Official Gazette of the RS no. 109/2021*) (hereinafter: the “**Amended Law**”) thereby implementing significant changes.

WHO THE LAW APPLIES TO

The goal of the adopted changes is to mitigate the existing problems in practice, inter alia, in relation to fictitious addresses of the registered seats of companies, special duties that prescribed persons have towards the company and protection of small shareholders in joint stock companies.

HOW IT AFFECTS YOUR BUSINESS

The most significant changes is the newly imposed obligation for the companies to register as the users of eGovernment portal.

In order to prevent use of fictitious addresses as registered seats of companies, the Amended Law enables the interested person to file a lawsuit requesting deletion of the registered address of the company’s seat, if the person, who has the right of ownership, did not allow the use of the premises where the company’s registered seat is located.

Further, the Amended Law regulates in more detail the obligation of notification that prescribed persons have in relation to activities in which there is personal interest, e.g. submitting the annual financial reports

with transactions which in personal interest was involved.

The National Assembly of Serbia adopted the new Capital Market Act

MAIN PROVISIONS OF THE LAW

The National Assembly of Serbia adopted the new Capital Market Act on 23 December 2021 (hereinafter: the “**New Law**”), which contains amendments and new solutions on capital market and focuses on the harmonization with European regulations.

The New Law entered into force on 5 January 2022, and it will start to apply from 6 January 2023, to allow all stakeholders to get familiarized with its provisions.

The goal for adopting this law is to determine the basis for the development of the capital market and to provide additional sources of financing for companies in Serbia and to attract domestic and foreign investors creating a more attractive environment for them.

WHO THE LAW APPLIES TO

The New Law applies to the investors, the Deposit Insurance Agency, the Central Securities Depository, Belgrade Stock Exchange and other financial institutions. They are obliged to harmonize their operations with the provisions of the New Law within the legally prescribed period.

HOW IT AFFECTS YOUR BUSINESS

The New Law will provide more effective legal protection for investors. It should



ensure a fair, efficient and transparent capital market, as well as reduction of systemic risk on the capital market.

Amendments to the Law on the Registration Procedure with the Business Registers Agency

MAIN PROVISIONS OF THE LAW

On 11 November 2021 the Law on Amendments to the Law on the Registration Procedure with the Business Registers Agency (*Official Gazette of the RS No. 105/2021*) (hereinafter: the “**Law**”) entered into force. However, most of the provisions will apply after one year from the date of entry into force of the Law.

WHO THE LAW APPLIES TO

The main goal of the Law is to reduce the time and costs required for establishing business entities, improving the conditions for starting a business, and the need to eliminate legal gaps observed in the current application of this regulation, and in accordance with the Action Plan World Bank rankings.

HOW IT AFFECTS YOUR BUSINESS

The Law stipulates that the application for formation of a company shall be submitted to the BRA exclusively in electronic form, and for which purposes it is necessary to have a qualified electronic signature, issued by a certification body in the Republic of Serbia. The application of this provision has been postponed, i.e. it will enter into force after 18 months from the day the Law entered into force.

In accordance with the provisions of the Law on Electronic Document, Electronic Identification and Trust Services in Electronic Business, if the application is accompanied by an act, i.e. a document previously originally made in paper form, a copy of that act, i.e. a document that is digitized and certified in accordance with the said law.

Law on Fiscalization

MAIN PROVISIONS OF THE LAW

On October 7, 2021, the National Assembly of the Republic of Serbia adopted the Law on Fiscalization, which came into force on 1 January, 2022 (*Official Gazette of the RS, No. 153/2020 and 96/2021*) (hereinafter: the “**New Law**”).

Persons who have the obligation to record the realized turnover through the fiscal cash register are obliged to harmonize their business with the provisions of the Law by 30 April, 2022.

WHO THE LAW APPLIES TO

The obligation to record changes through the electronic fiscal cash register now have all taxpayers of income tax from self-employment and all taxpayers of corporate income tax who perform retail trade.

HOW IT AFFECTS YOUR BUSINESS

The use of electronic fiscal devices is planned, which the state will financially support in the amount of EUR 100 per point of sale, and an additional EUR 100 per fiscal device, and applications for subsidies began on 15 October 2021. Applications for subsidies will last until 3 January 2022. Instead of the current fiscal cash registers with control strips, it will be possible to use practically any electronic device, which can



be connected to the Internet and which consists of security elements approved by the Tax Administration. Taxpayers will be obliged to use the security element for signing fiscal invoices for the purpose of verifying identity when exchanging information with the Tax Administration. The new fiscal invoices that will be issued will have a QR code, which the customer can scan and thus check whether their fiscal invoice has been issued in accordance with the Law.

In addition to the turnover of goods and services, according to the New Law, received advances will have to be recorded.

Bylaws in relation to the Law on Use of Renewable Energy Sources

MAIN PROVISIONS OF THE LAW

On 25 November 2021 the Government of the Republic of Serbia adopted the Decree on Market Premiums and Feed-in Tariffs and the Decree on the Model for Market Premium Agreement which were published in the Official Gazette of the Republic of Serbia no. 112/2021.

The highly anticipated decrees now complete the regulatory framework for implementation of incentive measures envisaged in the Law on Use of Renewable Energy Sources (*Official Gazette of the RS, no. 40/2021*) (hereinafter: the “**Law on RES**”) for production of electric energy from renewable energy sources (hereinafter: “**RES**”).

Decree on Market Premiums and Feed-in Tariffs

MAIN PROVISIONS OF THE DECREE

The Decree on Market Premiums and Feed-in Tariffs regulates in detail the organization of auctions and the terms for obtaining the status of temporary privileged producer of electric energy from RES (hereinafter: the “**Temporary Privileged Producer**”) and privileged producer of electric energy from RES (hereinafter: the “**Privileged Producer**”).

WHO THE DECREE APPLIES TO

The issuance of this Decree is highly important for the potential investors who are interested in production of electrical energy from RES. How it affects your business

This Decree is significant as it regulates in more detail each phase of the auction (opening of applications, qualification phase, bidding phase, ranking, issuing a decision and decision publishing) and the status of Temporary Privileged Producer and Privileged Producer (agreement conclusion, delivery of the financial security, obtaining the status, duties, status transfer, termination of status, etc.).

As envisaged by the Law on RES, this Decree prescribes the amount of monetary deposit for removal of the power plant and sanitation of the land. The amount of the monetary deposit, expressed in EUR per kW of the offered capacity is as follows:

- 0.066 for wind power plants,
- 0.02 for solar power plants, and
- 0.033 for other power plants.

Lastly, this decree includes the model of the bank guaranty in the auction phase and for obtaining the status of Privileged Producer.



Decree on the Model for Market Premium Agreement

MAIN PROVISIONS OF THE DECREE

The Decree on the Model for Market Premium Agreement lists the content of the agreement, and more importantly, it includes a very detailed model agreement for market premium.

WHO THE DECREE APPLIES TO

This Decree is of significance for the investors who participate in the auction process and may gain the status of the Temporary Privileged Producer and later on the status of Privileged Producer.

HOW IT AFFECTS YOUR BUSINESS

It is important to note that, in accordance with this decree, it is not allowed to amend the Model Agreement so that certain provisions are added or deleted. However, if the parties determine that certain, non-essential matters are not regulated in the Model Agreement or it is required to adjust the Model Agreement to the specific situation, they may amend it with prior approval of the Ministry. The Ministry must decide on the request for approval within 30 day from the day the request is submitted.

The decrees entered into force on 4 December 2021.

Having in mind that the regulatory framework concerning incentive measures for use of RES is now complete, it is safe to expect that the first auctions will be held in the near future.



Slovenia

Amendment to the Corporate Income Tax Act (ZDDPO-2S)

MAIN PROVISIONS OF THE LAW

The amendment to the Corporate Income Tax Act (ZDDPO-2S) that entered into force on 13 November 2021, with changes applying as of 1 January 2022, is bringing changes to the use of tax reliefs in the field of employment with taxable person being able to claim tax reliefs for newly employing persons under 29 or over 55 or persons in professions for which there is a lack of sufficient staff on the labour market. There are also some changes claiming a relief on the tax base when accepting an apprentice under an apprenticeship contract for work-based training. The recognition of costs has also slightly changed – now the costs of representation and the Supervisory Board are tax deductible in the amount of 60 % and at the same time the tax treatment of amortization costs for tangible fixed assets, intangible assets and investment property has changed.

General tax allowance has increased for donations, while an additional relief may be claimed for donations to sports, culture and volunteer associations. The amendment to the Act newly provides a tax relief for investments in the digital and green transition (for investments in cloud computing, artificial intelligence, big data, investments in environmentally friendly technologies, cleaner, cheaper and healthier public transport etc.).

And finally, the amendment also transposes into Slovenian law the provision of Directive (EU) 2016/1164, which stipulates treatment when coming to reverse hybrid mismatches. The aim of the amendment is to ensure stricter tax treatment of countries that

promote harmful tax practices or are not willing to cooperate for tax purposes through corporate income taxation.

WHO THE LAW APPLIES TO

The law applies to all legal entities. Only sole proprietors who are natural persons and not legal entities are exempt to paying a Corporate Income Tax.

HOW IT AFFECTS YOUR BUSINESS

Fiscal measures described are primarily promoting economic recovery after COVID-19 pandemic while also supporting the tackle on climate and environmental changes without additional administrative burdens for companies.

Anti-coronavirus Package – ‘PKP10’

MAIN PROVISIONS OF THE LAW

‘PKP 10’ or Act on additional measures to prevent the spread, mitigate, control, recover and eliminate the consequences of Covid-19 (ZDUPŠOP), worth EUR 280 million, entered into force on 30 December 2021.

It provides measure to help the economy by partially reimbursing lost income for the self-employed, company members and farmers for the duration of quarantine at home or inability to work due to force majeure, providing aid to legal entities for the purchase of rapid antigen self-tests for SARS-CoV-2 as well as extending the



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deadline to spend the tourist vouchers until 30 June 2022.

In the field of healthcare extend of the temporary labour redeployment measure is planned until 30 June 2022. An amendment to the national tender for improving access to health services has also been prepared, so that the waiting list above the permissible waiting period is taken into account within six or nine months after the tender is carried out. In addition, the financing of telemedicine treatment has been extended until 30 June 2022. The measure of taking a leave of absence due to sickness without a certificate of justified absence from work has been extended until 28 February 2022 and lastly, an option of using unused annual leave for 2020 has been extended until 1 April 2022.

'PKP 10' also provides a solidarity allowance to the most vulnerable groups of the population: pensioners with the lowest pensions are entitled to an allowance. That also applies to farmers and disabled

persons. Volunteers, mainly members of the civil protection and students who have accepted work in health care institutions, that will also receive a special allowance.

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, 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.



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SELA lawyer spotlight

FEATURING IVANA KOSTOVSKA



Ivana Kostovska is a partner at Apostolska, Aleksandrovski & Partners. Specialized in corporate, commercial and regulatory law, she successfully advises some of the most successful companies present on Macedonian market.

*Client testimonial for The Legal 500, 2021: "Ivana Kostovska is another lawyer I highly recommend. She is an important part of the team, always committed to the success of its clients. **Very educated and extremely professional lawyer.**"*

Spending days in managing large projects, coordinating team-work and processing a great scope of work and details, while also finding the time for continuous learning, does require a lot of energy and focus.

To do all of this, Ivana builds her energy by engaging in various forms of volunteering work, whenever she has free time. She believes that being of help for others and being a part of something greater than ourselves, is a true source of happiness and joy.

According to her, volunteering is an incredibly rewarding experience that can also be very helpful on the journey of professional growth.



Top 5 ways volunteering can make you become a better lawyer (and a better person):

1. It teaches care: And we all know that our care for our clients is the 'secret' ingredient that makes a difference in our services;

2. It is humbling: Being good at what we do can be a real ego challenger sometimes - and ego is the worst enemy of personal growth. Volunteering helps in gaining perspective on life that can keep us on the ground;

3. It improves focus & creativity: Volunteering very often includes learning new skills and having fun. It's a known fact that doing something new and fun from time to time is a real focus and creativity booster for when we return to what we do daily;

4. It navigates one's direction of further growth: Like nothing else, doing selfless deeds can expand our horizons and open our minds, thus allowing us to see where we are and where we should be heading next;

5. Networking: Volunteering is a great way of making valuable new friends!

