Open Parliament Newsletter

PARLIAMENTARY INSIDER

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THE OPEN PARLIAMENT INITIATIVE

The Open Parliament Initiative has been monitoring the work of the Serbian Parliament every day since 2012. The Open Parliament collects and publishes data on the Parliament's work and results and deals with the analysis of various processes from the perspective of transparency, accountability and participation.

The main goal of the Open Parliament Initiative is to increase transparency and accountability of the work of the Parliament, to inform the citizens about the work of the Parliament and to establish regular communication between citizens and their elected representatives. Our work is based on the values contained in the international Declaration on Parliamentary Openness, and the Open Parliament took part in the development of this initiative.

Since January 2018, the Open Parliament team has increased the focus of this initiative's activities on democratism and accountability in the conduct of MPs and the work of the institution.

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DEUTSCHE ZUSAMMENARBEIT

Auswärtiges Amt

The Federal Foreign Office of the Federal Republic of Germany has been supporting the Open Parliament Initiative since August 2018, including drawing up the newsletter. The views expressed in the newsletter are the views of the Open Parliament team, but they do not necessarily reflect the views of the donor.

INTRODUCTORY REMARKS

What were the highlights of autumn in Parliament?

The autumn in Parliament was characterised by many significant events, from introduction of the dual model of studies in higher education, to adoption of the 2020 budget, but also evasion of procedures, insults on the account of university professors, as well as the incident between Dveri and Serbian Progressive Party MPs. Part of the opposition continued with the boycott, and discussions on daily politics dominated the plenary sittings again.

During autumn sittings the MPs worked almost 61 days: in September they had spent nine days in the plenary sittings, 19 days in October, 12 days in November and even 21 days in December. Ten regular sittings, three special sittings and three extraordinary sessions were held. From the beginning of September until the end of December, the MPs adopted 91 laws, two of which were adopted under the urgent procedure. One public hearing was organised in September, while in November three public hearings were organised. The MPs had an opportunity to ask questions to the members of the Government only twice – in November and December.

Annual Report on the work of Commissioner was considered in the plenary during the sitting in October. The method of considering the report was different now, compared to debates on other independent institutions during the sittings in July, when the MPs mostly discussed daily politics, and the need for these bodies existence was even questioned.

After the conclusion of the final December sitting, three new members of the Regulatory Authority for Electronic Media were appointed. On the proposal of the competent parliamentary committee Judita Popovic was elected, who was proposed by LDP parliamentary group. Other two elected were Zoran Simjanovic, on the proposal of the Association of film, performing and dramatic artists and Association of composers, and Aleksandar Vitkovic, on the proposal of the national minority councils.

Boycott of one part of opposition MPs continued after the summer break, with a little less than 50 MPs who are still boycotting the work of committees and the plenary sittings. Miroslav Lazanski, SNS MP, has ended his mandate since he was appointed Serbian ambassador to Russia. Nevenka Kostadinova was given his seat.

It is interesting that in plenary debates during the autumn sessions, professors and representatives of academic community were regularly mentioned and insulted. So Serbian Progressive Party MPs **made accusations** more than once on the account of Professor Rasa Karapandza and university professors Jovo Bakic, Dubravka Stojanovic, Cedomir Cupic and Rade Veljanovski. The repetition of this type of behaviour deteriorates the integrity of National Assembly MPs, and citizens remain deprived of the essential debate on the legislative solutions that are adopted in their representative body.

At the beginning of September, during the plenary speech, the ruling majority MPs publicly invited Serbs from Kosovo to vote for the Serb List in the parliamentary elections held in Kosovo. Ljiljana Malusic, Serbian Progressive Party MP, mentioned that the Serb List is "the extension of the politics of our President Mr Aleksandar Vucic" and that Serbs "can survive in Kosovo and live their lives only with this politics", while her colleague Dusica Stojkovic (SNS) said that "everyone participating in some other list is working for the Albanians only, against the interests of the Republic of Serbia".

During October sittings the majority of time was dedicated **to discussions on the topics outside of the agenda,** and among other things, on whistle-blowers. Aleksandar Martinovic, SNS MP, said that Aleksandar Obradovic, who worked in Valjevo factory "Krusik" who had informed the public on malfeasances in arms trade, cannot be a whistle-blower since "he had never addressed any

competent government authority, but approached the media with the fake information, in fact, so as to harm Serbia as a country."

The greatest polemics this autumn in the plenary referred to the Proposal of the Law **on 2020 Budget.** The MPs had sufficient time the learn more about the proposal, and in the plenary sitting it was scrutinised as the sole item of the agenda with as double as time for the debate. This was not enough to force the opposition MPs to come back to their seats, since they had chosen to talk about the budget at press conferences in the Assembly entrance hall. The majority of plenary debate was dominated by **praises for the ruling coalition,** whose MPs emphasised in almost every speech that the budget was rather developmental than electoral.

Among the acts adopted in December, **the Defence and National Security Strategy of Serbia** were adopted. Both strategies corroborate the military neutrality of the country and Serbia's desire to become the full-fledged member of the European Union. The strategies set out that all citizens would be trained in some way and involved in the defence of the country against various threats, from natural disasters to less likely armed aggression.

Regular autumn session ended with verbal and physical conflict between Dveri MPs and Serbian Progressive Party MPs in the Assembly plenary hall, on the last working day in 2019. The cause of incident, which turned into complete mess, was the adoption of the Law on Freedom of Religion in Montenegro and the arrest of the Democratic Front MPs. The Open Parliament strongly condemns any form of violence, as well as the MPs behaviour that significantly influences the deterioration of the citizens' confidence in the Parliament. This incident proved to be a repeated reminder why it is necessary to adopt the Ethical Code, as a key step towards to improvement of the Assembly work, establishment of the MPs political accountability and further strengthening of citizens' trust in their highest representative body.

4.

Pre-election campaign of the Serb List

The MPs again used up the debate time for topics outside the agenda, this time in relation to the pre-election campaign of the Serb List. Eleven MPs of the ruling coalition invited the Serbs from Kosovo to vote for the Serb List in the upcoming parliamentary elections in Kosovo. They have mentioned that the Serb List is "the extension of the politics of our President Mr Aleksandar Vucic" and that Serbs "can survive in Kosovo and live their lives only through this" (as said by Ljiljana Malusic from SNS), and that "everyone participating in some other list is working for the Albanians only, against the interests of the Republic of Serbia" (Dusica Stojkovic, MP from SNS).

10.

Electoral conditions, MHPP and ban on non-governmental organisations

This Tuesday the MPs exercised their right to demand notifications and explanations from the Government. Vladimir Djuric (SMS) asked the Minister of Interior about the vehicles moving without licence plates through Medvedja at the time of local elections on 8 September. In addition to that, he asked the competent ministers on the improvement of remaining electoral conditions such as the monitoring of the reporting on the elections, financing of election campaigns and misuse of public funds during the election campaign. Djordje Vukadinovic (New Serbia – Movement for Serbia's Salvation) asked the question related to construction of the mini hydro power plants in Stara planina and construction of six football stadiums around Serbia. Aleksandar Seselj (MP from SRS) disputed the work of non-governmental organisations asking the Prime Minister Ana Brnabic "How long will Serbia have wait to demonstrate its sovereignty, and just like Hungary and Russian Federation, clearly make a point for all non-governmental organisations, including George Soros organisation, that they cannot have a say in anything in Serbia."

12.

Legality of United Group business activity

During the Thursday procedure of notifications and explanations, Marijan Risticevic (NSS) asked again about the legality of business activities of SBB Cable Operator, as well as TV Channels N1, Nova S and Sport Club owned by the company United Group. The MP Risticevic made serious accusations on behalf of this company, as well as TV N1 Director Jugoslav Cosic, and as he said, he had been working on this question for six months. So in this year's sessions, 8 out of 9 times when he had requested the notifications and explanations he was referring exactly to this topic. Tatjana Macura (SMS) asked the competent ministers when the Government will propose the amendments to the Law on financial support to families with children in accordance with the mothers' requests.

17.

The deadline for students who enrolled in their studies before the introduction of Bologna process extended for two years

The Agenda of the Eighteenth Extraordinary Session included the amendments to the Law on Higher Education and the Proposal for the authentic interpretation of Article 2 of the Law on ratification of amendments of the finance contracts between Republic of Serbia and European Investment Bank. With the amendments to the Law on Higher Education, that were adopted by the end of September, the students who had enrolled in their studies before 10 September 2005, meaning before the introduction of the Bologna process, will have their deadline for the graduation from the university extended by the end of the 2020/2021 academic year.

17.

Dual model of education in higher education as well

Following the dual model introduction into the secondary education, in September, the MPs have adopted the Law on Dual Model of Studies in Higher Education as well. The key novelties introduced by this Law include the combination of the active curriculum with practical training and working for the employer, and students will work with two types of mentors, mentor with the employer and the academic mentor. Moreover, they will have the right to remuneration for their work in the amount of the minimum of 50% of the employee salary, and the scope of curriculum and the scope of learning through work will be a minimum of 450 class hours per year.

17.

Legal protection of topography of semiconductor products

Amendments to the Law on legal protection of topography of semiconductor products were made due to the alignment with the European Union regulations, the Law on Free Access to Information of Public Importance and Law on Personal Data Protection. In addition, this Law defines the scope of topography as the subject of the protection, as well as the requirements prohibiting the unauthorised copying. Moreover, the obligation of keeping the Topography Register is introduced, and the content of the documentation required for realisation of the topography rights has been specified.

19.

Third public hearing in 2019

This month the Agriculture, Forestry and Water Management Committee organised and held the public hearing on Status of waters in Serbia. It is the third public hearing this year, while in the previous two years only one per each year was organised. In addition to water quality, flood risk and effluent waters, a bigger part of the discussion was dedicated to the construction of mini hydro power plants in Serbia. Along with the MPs, the expert public was also present in the public hearing, as well as the activists who clearly took a common position against such a construction of MHPPs that is currently implemented. Sonja Pavlovic, an independent MP, invited her colleagues to support the amendments to the Law on Energy that would abolish MHPP as a sustainable energy sources. In October 2018 her proposal entered the procedure, but it was still not included in the Agenda.

19.

Final accounts of the 21st century budgets

At the end of this month, the parliamentary procedure had included 17 law proposals on the final budget accounts from 2002 to 2018. The final account is the annual overview establishing the level of total revenue and expenditure and the financial result of the budget (deficit or surplus in the budget) for each budget year. In other words, this document tells us how the citizens' money was distributed and how it was used during the previous year. The budget calendar, as prescribed by the Law on Budget System, clearly defines 15 July as the compulsory deadline for Government to deliver to the Assembly the law proposal on the final budget account. The fact that the 2018 Final Account in the end entered the Assembly procedure, although it was September, definitely represents the precondition for the Assembly oversight on how the Government manages the budget. However, it is questionable if adopting these acts had any purpose, since if this is not done in time, and especially after a decade of delay, the purpose of adopting the final accounts becomes absurd.

2019 Month in the Parliament R

1.

The Autumn Session agenda included the Commissioner for the Protection of Equality Report

Annual 2018 Report of the Commissioner for the Protection of Equality was considered in the plenary at the First Sitting of the Autumn Session. Ruling coalition MPs then commented on the Report of the Commissioner and praised the work of this institution, unlike when they had considered the reports of the other independent institutions in July sitting. Back then they talked about topics outside of the agenda, criticizing the work of independent institutions, even questioning the need of these institutions existence in Serbia.

1.

Miroslav Lazanski mandate ended

Miroslav Lazanski, SNS MP, has ended his mandate since he was appointed Serbian ambassador to Russia. Nevenka Kostadinova was given his seat. She was a candidate of the electoral list for National Council of Bulgarian Minority – "RESTORE THE PEOPLE'S DIGNITY" – STEFAN KOSTOV in the 2018 elections.

1.

Facial recognition software cameras and closing of the Rectorate

Installing video surveillance cameras with facial recognition software and closing of the Rectorate were in focus of the sitting when the MPs demanded notifications and explanations. Nemanja Radojević (SMS) asked Ministry of Interior and Minister Nebojsa Stefanovic how collection and processing of data from new cameras is regulated, what is the protection method for citizens' data and what are the exact locations of cameras "because citizens have to know on who, when and where is recording them".

Marijan Risticevic, ruling coalition MP, in his own words, had a counter-question to this. "What will competent ministry do to cover all streets with cameras, having in mind tragic events happening in our streets?" Moreover, he asked Ministry of Education on the measures to be undertaken in order to restore the disrupted autonomy of the Belgrade University "which had occurred by the occupation of the Rectorate from old-age students, and I think that the Rector is not a saint at all, and someone should say that."

2.

Amendments of the Law on VAT, Budget System and balance of this year budget

The Second Sitting opened on the second day of the Autumn Session, and the agenda included a set of financial laws amendments. The amendments to the Law on VAT enabled tax reliefs for construction of motorways of public interest. Budget System Law again extended the ban on public sector employment by the end of 2020, and the salaries in public sector increased 8-15% since November salary and the limit for the maximum amount of pensions increase has been abolished. All amendments were adopted by the end of the sitting, immediately after the debate in plenary.

8.

Atlagic insulted Karapandza again

Marko Atlagic (SNS) insulted Rasa Karapandza, finance professor of the European Business School in Germany, again, saying that he is "a scientist thief and a monster of science", and that he had been "unjustifiably, regularly, saying lies about President of Serbia, Government of Republic of Serbia and you (Sinisa Mali) for several years, and this person is a scientist freak also known as the Twitter professor, who is regularly smearing not only the Republic of Serbia, but also its authorities." Also, Atlagic recommended "that procedure should be launched to annul Rasa Karapandza PhD title". Thus MPs continue talking about topics outside of the agenda targeting the professors through campaigns against scientific community.

10.

Laws on control of state aid, audit and accounting adopted

In October, the Law on Control of State Aid was adopted for the purpose of aligning provisions from this area with the regulations of the European Union. From now on, the Commission for Control of State Aid will be regulated in a completely new way, as independent and autonomous organization responsible for its work to the Assembly. Commission competences have been extended, so it will adopt the bylaws for the application of this law as well. In addition to state aid, the special laws adopted this month would regulate the audit and accounting. The Law on Open-End Investment Funds with a Public Offering and the Law on Alternative Investment Funds were adopted, as well as the amendments of Deposit Insurance Law.

23.

5000 RSD for pensioners and ban on misleading products

Telecommunications and trade laws were included in the agenda of the Fourth Sitting of the Autumn Session. Amendments of the Law on Information Security provide for obligation of keeping records on information and communication systems operators and establishing a Unique System on Incidents Notification Reception, while through the amendments of the Law on General Product Safety the definition of a misleading product was introduced meaning that it can mislead the consumers and harm their health. Competent institutions shall undertake to limit the marketing of this products, notify the European Commission on the prevention of those products distribution and withdraw them from the market. The fines from RSD 50 thousand to 500 thousand will be introduced for distributors who market the dangerous product and import or export the misleading product. The amendments to the Law on import and export of dual use goods, as well the Decision on short time assistance of RSD 5,000 to pensioners were also adopted. This decision was in the focus of the MPs debate, and when the sum was criticized as humiliating the responses were "even RSD 500 would more than enough for our pensioners".

24.

Everything is fine with the Government, you should check the journalists

Marko Atlagic (SNS) used his right to demand explanations and notifications and ask the competent institutions what actions they will take regarding the "abominable lies about Minister of Interior, Mr Nebojsa Stefanovic". He reiterated that "brutal media assaults" are being made against the President which refer "to the connections between mafia, tycoons, criminal and politicking groups from country and abroad." After him, the floor was given to Marijan Risticevic, who talked again about the illegality of TV N1, Nova S and Sport club and asked Ministry of Interior what actions they will take against Jugoslav Cosic "who had organised demonstrations on 16th day of this month before the Government of Serbia, where he had gathered 150 people, to allegedly protest against a lack of media freedoms". Once again this Assembly procedure was used for targeting media and journalists and for defending the Government instead of controlling it.

28.

False whistle-blowers

The highlights of this sitting were related to everything but the agenda, so appearance of Bishop Grigorije in the Impression of the Week (Utisak nedelje), the opposition's tweets and celebration of 11th anniversary of Serbian Progressive Party were among the topics. Aleksandar Martinovic spoke about Aleksandar Obradovic, saying that "he is not a whistle-blower because he had never addressed any competent government authority, but approached the media with fake information so as to harm, not only Factory "Krusik" and our military industry, but also Serbia as a country, of course acting upon the order of his political mentors, primarily Dragan Djilas."

2019 Month in the Parliament NOVEMBER

12.

Amendments to the Law on Travel Documents

The agenda of the Fifth Sitting included amendments to the Law on Travel Documents, international agreements with the USA, Tunisia, Bulgaria and the bodies of the European Union, as well as the agreements between the governments of countries participating in Organization of the Black Sea Economic Cooperation. The Law on Travel Documents brings novelties about passports, prescribing the six-month period from the moment of passport expiry as the earliest moment to submit application for issuing of the new passport and the obligation to submit application for issuing new travel document if the data had changed, if the document is damaged, completely stamped or worn out, and if the photo on the travel document does not correspond to the current look. In addition, from now on, instead in the Official Gazette, the travel document will be declared invalid on the Ministry of Interior website.

12.

Mini Schengen and Krusik

Djordje Vukadinovis, an MP, used his time to demand notifications and explanations to ask the competent ministries and Security Intelligence Agency why they refused to issue the licence to Holding Corporation "Krusik" from Valjevo to export military equipment to Armenia last year. Vukadinovic posed a question on Mini Schengen to the President, Prime Minister and Minister of External Affairs, demanding that the content of the signed agreement should be revealed. Remaining questions concerned the heritage of the First World War, management of cooperatives and cooperatives' concept, solving post-war issues and building a monument to Dijana Budisavljevic.

13.

What would Putin say for whistle-blowers?

Just as last month, instead of debating on the proposed acts, the plenary sitting on the third day of the sitting was dominated by daily political topics. So the Serbian Radical Party MPs asked the Minister of Interior Nebojsa Stefanovic on the business activities of Krusik from Valjevo, who responded by accusing Aleksandar Obradovic, saying "what name would Putin use for a man who had collected information about the Russian ammunition factory for five years and copied it on hard disc?". Moreover, the ruling majority MPs used up their time for debate to talk about opposition leaders outside of the parliament, accusing them of anti-Serbian activities, attacks on Minister Stefanovic and President Aleksandar Vucic and "fabrications of firearm affairs".

20.

Debate on the 2020 Budget Proposal

This year, Budget Law Proposal was submitted to the Parliament on time, in legally prescribed deadline, and it was the sole item of the agenda, so sufficient time was provided to introduce the MPs with the proposal of the budget before the sitting had started and they also had twice as time for the debate. Prime Minister Ana Brnabic presented the budget proposal to the MPs, and the remaining days of the sitting the Minister of Finance, Sinica Mali was the one defending it mostly, backed up by the ruling majority MPs. Although the entire composition of the budget concerns the whole government, other ministers were not present during the debate. Most of the plenary debate was dominated by the praises of the ruling coalition, as their MPs emphasised in almost every speech that the budget is developmental not electoral. This was accompanied by some criticism on the account of the opposition present in the hall, but usually there was no response, and more comments followed on the account of the opposition leaders outside of the parliament.

28.

Set of financial laws adopted

After six days of consideration of the budget the Speaker of Assembly Maja Gojkovic opened another sitting. The agenda included a set of laws amending the laws in area of finance. Adopted amendments of the Legal Entity Profit Tax Law provides for tax breaks for banks which reduced the debt for beneficiaries with Swiss Francs loans. Tax relief is introduced for investment funds whose tax base will no longer include the income from alienation of property, and the measures for preventing double taxation of tax payers who perform their business activities both in Serbia and abroad were introduced as well. The MPs considered and adopted the amendments of the Law on tax on the use, possession and carrying of goods related to the use of motor vehicles, vessels, aircrafts and registered firearm.

28.

Parliamentary questions

On last Thursday in the month, the MPs have a right to pose questions to the Government or competent ministers in written or oral form, and those who are addressed with these questions are obliged to respond. In November, the MPs used this mechanism fourth time this year. The questions they asked referred to social and health rights of religious schools students, public sector employment, Law on the Conversion of Home Loans Indexed in Swiss Francs, MHPP Rakita and military industry "Krusik".

2019 Month in the Parliament DECEMBER

1.

Set of financial laws accompanying the budget adopted

After the 2020 budget had been adopted last month, at the beginning of December the MPs considered a set of 16 financial acts accompanying the budget each year. The amendments of the Law on Agency Employment were adopted, the monthly fee for public services increased for 35 RSD, and the acts regulating salaries in public sector, pensions and taxes were amended. Although the MPs mostly followed the topics of the debate, the ruling coalition spent the majority of their time comparing the financial policy of the current and previous governments, without going into detail on the acts being adopted. Aleksandar Vucic, the President of the state, received all the credits from the MPs, while "yellow thieves from former government" were entirely guilty for the shortcomings.

9.

Abolishing the officials' campaigning?

In December, the MPs also considered a set of law amendments relevant to the electoral process for the purpose of reducing the officials' campaigning – Law on Public Enterprises, Law on Prevention of Corruption and Anti-Corruption Agency Law. During the debate the ruling majority MPs mostly talked about the part of the opposition parties boycotting the parliamentary work. They insisted that they even failed to understand what was so wrong with the current legislative solutions, so SNS MP Vladimir Djukanovic said that he "failed to comprehend what is wrong if some official who has done well in his public enterprise, or in his ministry, had praised about it." The sitting was more than an hour late since the required presence quorum of 126 MPs had not been established.

9.

Legal improvements partially adopted

CRTA made a proposal for the MPs on a set of the amendments to the law proposals in order to determine even more precisely the prevention of the officials' campaigning. The MPs have adopted the amendments to these laws, as well as the amendment that no later than five days the Anti-corruption Agency shall undertake to adopt the decision on potential cases of public resources abuse and officials' campaigning, which was proposed by CRTA. However, the amendment prohibiting the officials to participate in the promotion of the results of public authorities work during the pre-election campaign was not adopted, so the MPs missed the opportunity to make their contribution to the abolishment of this practice.

16.

Annual financial statements for previous 17 years adopted

Laws on Annual Financial Statement of the Budget for previous 17 years entered the parliamentary procedure last September, and the MPs scrutinised them in cognate debate during one of the sittings in December. Annual financial statement provides information on how the citizens' money was distributed and spent in the previous year. Regular consideration of the annual statements is the prerequisite for budget planning of each coming year. Consideration and adoption of the 2018 Annual Financial Statement definitely represents a step towards the improvement of the oversight function of the Assembly. However, adopting the remaining 16 annual financial statements in bulk makes no sense, especially after the decades of delay.

23.

Public procurement regulated by new law

In addition to 17 annual financial statements, among 36 items of the Ninth Sitting agenda, the Law on Public Procurement was included as well. Furthermore, apart from the essential novelties such as implementation of the procedure, manner of awarding the contracts to the bidders and protection of bidder's rights, this Law brings new terminological and technical modifications of the rules that were applied nonetheless. Level of competitiveness was increased and principle of proportionality introduced, while the principle of environmental protection and energy efficiency assurance was deleted from the Law, though it was not applied in practice. The most important novelty is the idea to only electronically make the bids in the public procurement, via the specialised platform in the framework of the improved Public Procurement Portal.

24.

New Defence and National Security Strategy of Serbia

The topic of the Tenth Sitting referred to a set of acts in the field of security. In addition, the adopted amendments to the Law on Serbian Armed Forces refer to the human resources management in the defence system, admission into the professional military service, promotion, participation in multinational operations, and to the conditions for termination of service during the state of war and the state of emergency. Moreover, the Defence Strategy and National Security Strategy of Serbia were adopted. Both strategies corroborate the military neutrality of the country and Serbia's desire to become the full-fledged member of the European Union. Serbia will participate in defence mechanisms of the European Union, will keep the existing form of cooperation with the NATO but will continue to develop the relations with CSTO, alliance gathered around Russia. It was stated that Serbia will neither become the member of NATO nor of any other military alliance, but will develop the cooperation with those alliances in various fields. The strategies set out that all citizens would be trained in some way and involved in the defence of the country against various threats, from natural disasters to less likely armed aggression. Minister of Defence Aleksandar Vulin was present in the sitting.

26.

Parliamentary questions in December - Krusik and Montenegro

The same as last month, and for the fifth time this year, on the last Thursday in December the MPs asked questions to Prime Minister Ana Brnabic and other ministers. Under the Rules of Procedures, MPs from the smallest parliamentary groups ask the questions first. So this month this opportunity was used by 5 MPs, and the main topics were the "Krusik" affair and adoption of the Law on Freedom of Religion in Montenegro. Marijan Risticevic, an MP of People's Peasant Party ask the Government to react and "punish by law" Aleksandar Obradovic, a whistle-blower from Krusik, whom he accused of being a spy, and performing, as he had said, anti-government activities. Brnabic responded to this by saying "Honourable MP, I will only say that you are completely right". MP Djordje Vukadinovic asked why Serbia has not done more and reacted differently after the adoption of the Law on Freedom of Religion in Montenegro.

27.

Conflict of Dveri MPs and ruling coalition in the Parliament

On the last working day of 2019, the MPs from Dveri Bosko Obradovic and Ivan Kostic entered the hall carrying banners "Vucic and Milo – twin brothers" and "Serbia, why silent?" as a sign of protest due to (non)response of the MPs after the adoption of the Law on Freedom of Religion in Montenegro and arresting of the Democratic Front MPs. This was followed by an incident between SNS MP Aleksandar Martinovic, who got up and approached the rostrum, and Dveri MPs, and the remaining of the ruling coalition MPs joined the conflict. Such behaviour of the MPs impacts the citizens' trust in the parliament, as well as the integrity of the institution. We recall that for the improvement of the work of the Parliament it is necessary to adopt the Ethical Code, which would enable the sanctioning of the MPs improper behaviour. The situation calmed down soon, Dveri MPs left the hall, and the sitting continued.

27.

New members of REM appointed

With the conclusion of the last sitting, three new members of Regulatory Authority of Electronic Media were appointed. On the proposal of the competent parliamentary committee Judita Popovic was elected, who was proposed by LDP parliamentary group. The other two elected were Zoran Simjanovic, on the proposal of the Association of film, performing and dramatic artists and Association of composers, and Aleksandar Vitkovic, on the proposal of the national minority councils.

PARLIAMENT IN NUMBERS

Statistical review of the work of the 11th Convocation
is concluded with 31st of December 2019

LEGISLATIVE ACTIVITY

357 days of legislative activity

534 adopted laws

97.75% of adopted laws were proposed by the Government

The common practice of the parliamentary agenda dominated by the proposals submitted by the government, or in some cases the MPs from the ruling majority, continued throughout the summer. Hence, the noteworthy case in March, when two proposals of MPs not belonging to the ruling majority were included in the agenda of the plenary session, remains the exception that proves the rule.[1]

URGENT PROCEDURE

40% of all laws (including new laws, amendments to laws and ratifications of international agreements) were adopted by an urgent procedure

51.47% are adopted by an urgent procedure, If we exclude the laws on the ratification of international agreements, which are generally adopted by a regular procedure, and consider only new laws and amendments to laws,

PAY ATTENTION TO:

- boycott of the parliament by less than 50 opposition MPs;
- changes in "filibuster" activities during fall sessions - decreased number of "bravo" amendments (that used to be submitted by the ruling majority) and consolidating agenda items into a single debate;
- the most recent European Commission Report 2019 on Serbia highlights the state in the parliament, urging for immediate changes of negative practice and restitution of inter-party dialogue.

PARLIAMENT'S SUPERVISORY ROLE:

12 sessions of the "MPs Question Time" held during the 11th convocation, including: one in 2016 (October); one in 2017 (October); five in 2018 (March, April, September, October, and November); and five in 2019 (March, June, July, November and December). MPs Question time in February, April, May, September and October 2019 was not held. In addition, it is questionable how much time is effectively dedicated to discussing the topics.

14 public hearings organized during the 11th parliamentary convocation. **Only one public hearing held per year in 2017 and 2018 (both in November), six public hearings were held in 2019: two in June, one in September and three in November.**

In March 2019, the independent institutions submitted their annual reports for 2018 to the Parliament. After a five-year break, the annual reports of several independent institutions were discussed in the plenary and the conclusions of the parliament on the following reports were passed: in June 2019 (State Audit Institution, Fiscal Council and Commission for the Protection of Competition); in July 2019 (Ombudsman, Commissioner for Information of Public Importance and Personal Data Protection, and Anti-Corruption Agency); in October 2019 (the annual report of The Commissioner for Protection of Equality).

Parliamentary committees increasingly chaired by the ruling majority MPs:
out of 20 parliamentary committees, only 2 are chaired by non-majority MPs (European Integration Committee and Committee on Education, Science, Technological Development and the Information Society).

The State Budget for 2020 was adopted in November, without violating the Rules of Procedures. **The Laws on Budget Expenditure** were adopted in December 2019, after a seventeen-year long break.

1 Republic of Serbia on Vojvodina. Proposals were not adopted as they have not received support from the sufficient number of MPs.

RECOMMENDATIONS FOR IMPROVING THE WORK OF THE NATIONAL ASSEMBLY

In order to contribute to the initiation of the democratic functioning of the Parliament, CRTA has prepared 46 recommendations relating to the process of adopting laws, strengthening parliamentary control over the executive, increasing public involvement and improving cooperation with independent institutions. The recommendations have been presented to the public at a press conference held in Belgrade on July 18, 2019.

The recommendations have been conceived thanks to the systematic, long-standing monitoring of the work of the Parliament within the Open Parliament initiative, with the intention to make them as concrete as possible and applicable as soon as possible. The issues they deal with, such as the adoption of a large number of laws without an actual debate, rare and superficial use of parliamentary control mechanisms, have been noted in the European Commission report. The list of presented recommendations is not neither final nor exhaustive, but rather limited to priority recommendations that CRTA believes could be implemented at the earliest opportunity as soon as possible, with the existence of provided that there is political will, readiness for dialogue and mutual understanding of all relevant actors.

You can view CRTA's recommendations for the improvement of the work of the National Assembly here

TWO'S A COUPLE THREE'S A PARTY: PARTY-SWITCHING IN THE SERBIAN NATIONAL ASSEMBLY

Cases of change in party affiliation, or so-called "turncoatism", draw particular attention to the public in the context of the broader trend of collapse of the role and influence that the National Assembly is facing. Although the phenomenon of turncoatism is not a novelty in national practice, its scope and trends within the National Assembly remain insufficiently investigated. Considering that parliamentarism in Serbia is still young, especially in comparison to countries such as Great Britain that have cultivated the tradition of parliamentarism for more than five centuries, **swapping party jerseys does not come as a surprise.**

The phenomenon of turncoatism becomes especially problematic in cases where it leads to **re-tailoring of the electoral will of citizens,** thereby contributing to the collapse of citizens' confidence in the electoral process, in the Assembly as institution, and in the importance of civic participation in electoral and other processes.

This research seeks to shed light on the trend of turncoatism among elected representatives of citizens in the Assembly, its causes and consequences, as one of the negative practices among MPs, which is particularly emphasised in the context of increasing mistrust of citizens, both towards MPs and the National Assembly. The research focuses on the cases of turncoatism recorded during the term of office of members of parliament in the last ten years, or in the last four parliamentary convocations.

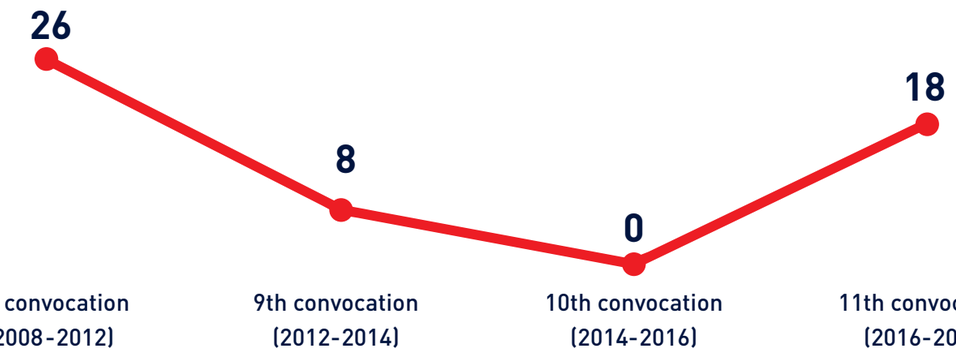
Key findings are presented below, and for more details see the overall study available here

To which parties did the MPs switch in the last ten years?

In order to determine **the extent to which the trend of party-coatism is present in the Assembly,** we analysed **the party affiliation of 744 MPs** who were mandated by parliamentary elections between 2008 and November 2019.

We recorded a total of 54 cases of turncoatism and 52 turncoats, i.e., MPs who, in the past ten years, left the political party or electoral list on which they were elected as MPs, changing the party affiliation during their term of office.

Chart 1: Trend in turncoatism in the National Assembly from 2008 to 2019



- The Assembly has changed four convocation in the last ten years.
- The highest number of turncoats were in 8th convocation.
- In the tenth convocation, there were no turncoats recorded.
- The trend of swapping party jerseys is again on the rise.

The biggest impact left by "group" party-switching

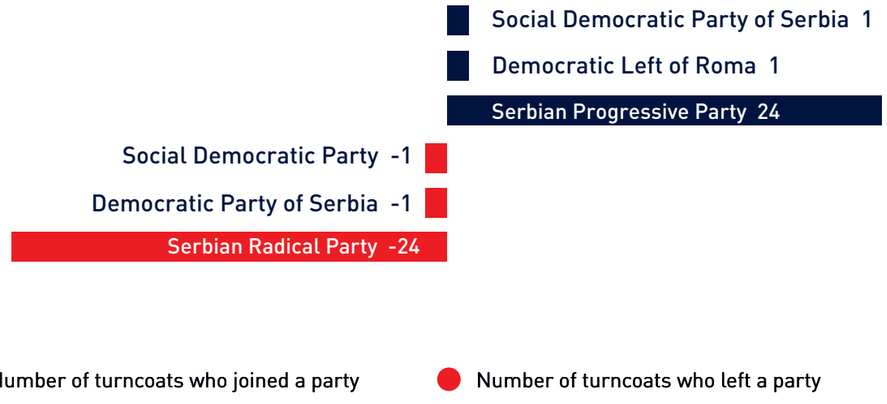
The most MPs have switched parties in the framework of two waves of "group" party-switches:

- Firstly, when a total of 24 MPs have left the ranks of the Serbian Radical Party and joined the newly formed Serbian progressive party.
- Secondly, the biggest upheaval in the current convocation was caused by the dispersal of the movement Enough is Enough, which was left with only three MPs in the National Asembly out of sixteen won in the elections

Consequently, during the current convocation **several political parties were formed,** including the Party of Modern Serbia, the Party of Freedom and Justice and the People's Party, whose members also formed new parliamentary groups in the Assembly.

The party-switching from 2008 to 2012

Chart 2: Overview of changes in party affiliation in the 8th convocation



- A total of 26 turncoats
- A total of 24 MPs have left the ranks of the Serbian Radical Party and joined Serbian progressive party.

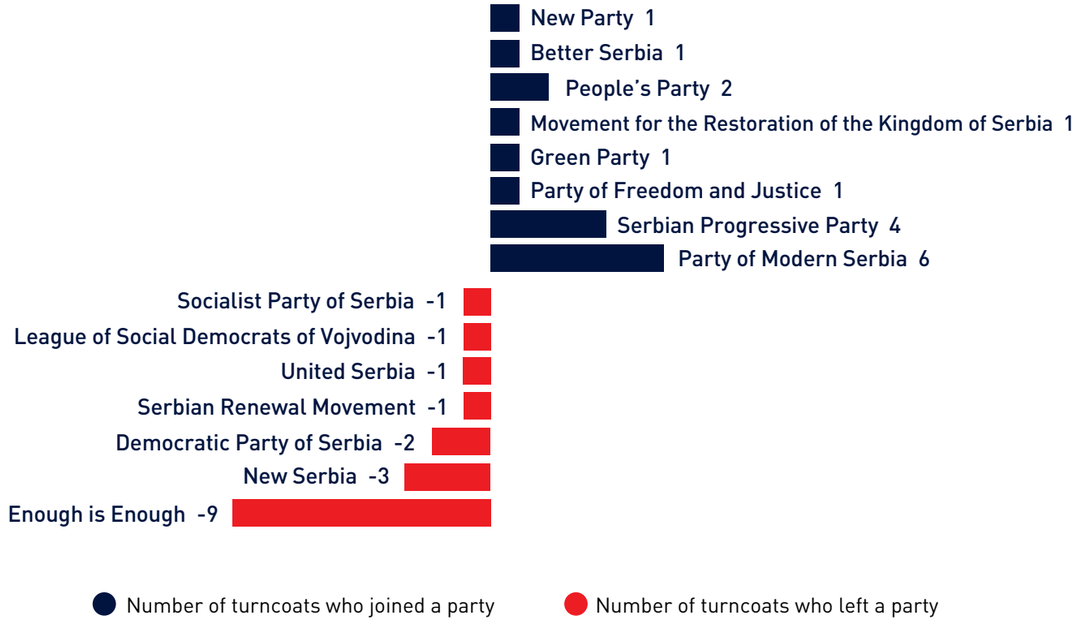
The party-switching from 2012 to 2014

Chart 3: Overview of changes in party affiliation in the 9th convocation

- A total of 8 turncoats
- The highest number of turncoats in this Assembly, a total of six, left the **Democratic Party** Among them are four MPs who moved from the Democratic Party to the newly formed Together for Serbia party; as well as two MPs who joined the Social Democratic Party. The turncoats during this convocation also include an MP who joined the Serbian Progressive Party, leaving the People's Party, as well as a non-partisan person elected to the Democratic Party list who joined the G17 / United Regions of Serbia.

The party-switching from 2016 to 2019

Chart 4: Overview of changes in party affiliation in the 10th convocation



- In the current 11th convocation, the trend of turncoatism is again on the rise with the recorded 18 turncoats
- The biggest upheaval in the current convocation was caused by the **dispersal of the movement Enough is Enough,** when 9 MPs left this party
- Six former members of this movement founded the Party of Modern Serbia
- **Three new parliamentary groups** were formed in the Assembly.

In the current convocation, a total of **ten turncoats** moved **from one party to another which is not in a ruling coalition** (six MPs from the movement Enough is Enough moved to the Party of Modern Serbia, one MP from this movement moved to the Party of Freedom and Justice and another one to the Green Party, an MP went from the Democratic Party of Serbia to the People's Party, whereas an MP left the League of Social Democrats of Vojvodina and first joined the New Party and then the Party of Freedom and Justice), while **five MPs moved from one ruling party to another** (one MP went from the New Serbia to the Serbian Progressive Party and one to the Better Serbia, one MP went from the United Serbia to the Serbian Progressive Party, and one from the Serbian Renewal Movement to the Movement for the Restoration of the Kingdom of Serbia). In addition, there were **two cases of MPs moving from opposition parties to the ruling majority parties** (from the movement Enough is Enough to the Serbian Progressive Party, from the Democratic Party of Serbia to the New Serbia), while one **MP went from the ruling Socialist Party of Serbia to the newly formed opposition People's Party.**

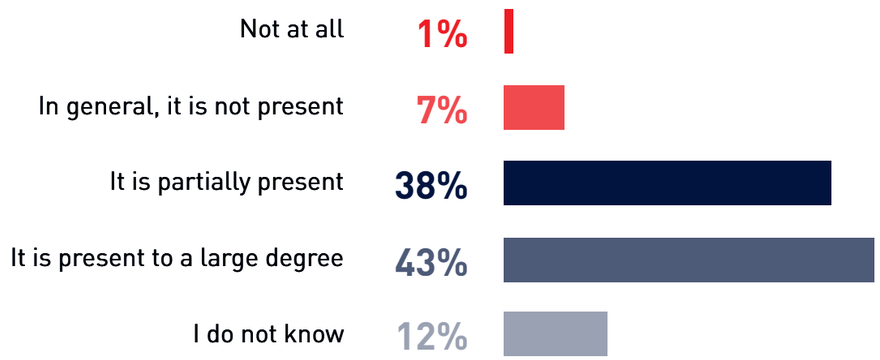
Party-switching in the Assembly as the Citizens see it: the Decline of Trust

Turncoatism is a common phenomenon in Serbia

Over 80% of citizens believe that the occurrence of turncoatism is widespread among the members of the Serbian Parliament.

To what extent is the party-switching present among MPs in the Serbian Assembly?

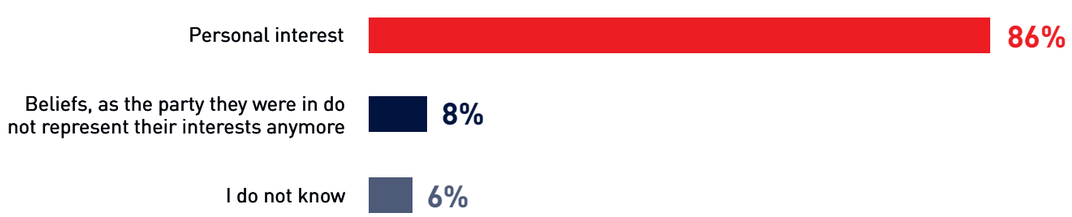
Chart 7: To what extent is the turncoatism present among MPs in the Serbian Assembly?



Interests or beliefs?

The reasons citizens state as most common are personal interest (86% of respondents), while only 8% believe that MPs change party affiliation because of beliefs.

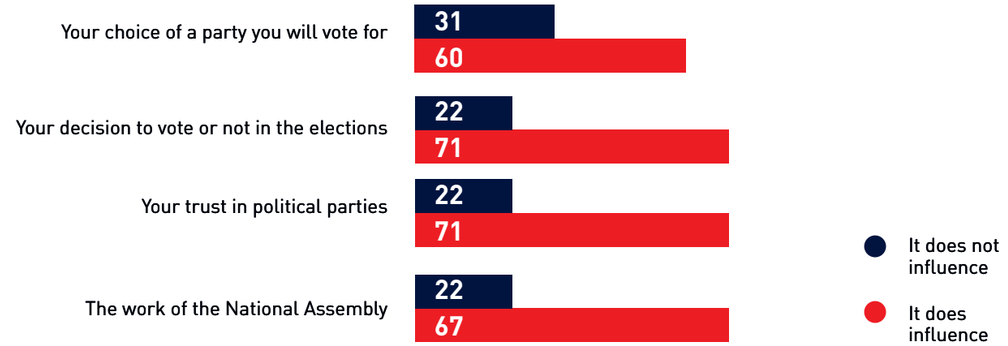
Chart 6: Reasons why MPs turn coats



Influence of turncoats from the citizens' perspective

More than 70% of respondents believe that turncoats in the Assembly affect citizens' confidence in political parties and their decision whether to vote in the elections. Nearly 45% think that this influence is crucial. On the other hand, very small number of citizens believe that turncoats do not affect at all the work of the Assembly, confidence in political parties and citizens' decision to vote in the elections.

Chart 8: Influence of turncoats from the citizens' perspective



FACTSHEET: ANNUAL FINANCIAL STATEMENT OF THE BUDGET

What is the Annual Financial Statement?

Annual Financial Statement of the Budget provides information on how the budget money has been spent. Annual Financial Statement represents the annual overview establishing total generated revenues and proceeds and executed expenditures and outflows, as well as the financial results (budget deficit or surplus) for each budget year.

Why is it relevant?

Annual Financial Statement should demonstrate how much money from the government purse had been spent, the manner and purpose of spending it. Money pours into the budget from the pockets of citizens who are the tax payers, so the information on the manner of spending their resources must be made available. If the annual financial statement of the budget is not considered regularly, the citizens remain deprived of the key information on the manner their money has been used through the budget.

Who and how adopts the annual financial statement?

The Final Statement is adopted by **National Assembly,** as the highest representative body, in the form of the Law on Annual Financial Statement of the Budget of the Republic of Serbia. The procedure of preparing Annual Financial Statement is very complex, and it inclu-

des all beneficiaries of the government budget who are drawing up their financial statements and submitting them to **the Treasury Administration** of the Ministry of Finance, within the deadlines determined in the budget calendar. Pursuant to all submitted financial statements, **Ministry of Finance** shall prepare the Draft Law on the Annual Financial Statement and submit it to **Government,** that shall establish the law proposal and submit it to the Assembly.

When the Law Proposal on Annual Financial Statement enters the parliamentary procedure, it is first scrutinised by the competent **parliamentary committees.** The competent committee considers the proposal of the law on annual financial statement together with the report of the State Audit Institution on the completed audit of the annual financial statement of the budget of the Republic, annual financial statements of the organisations for mandatory social insurance and consolidated financial statements of the Republic. The last stop is **the plenary sitting of the Assembly,** where it will be debated by the MPs who vote on the Proposal of Law on Annual Financial Statement of the Budget of the Republic of Serbia. .

When is the Annual Financial Statement adopted?

Deadline for preparation and adoption of the statement is planned by the calendar for submitting the annual financial statements:

In first half of the year, the beneficiaries of the budget shall deliver the annual financial statements to the competent institutions,

By 20 June, the Ministry of Finance shall prepare and deliver to the Government the **Draft Law on Annual Financial Statement of the Budget,** together with the decisions on the annual financial statements of the organisations for mandatory social insurance;

By 15 July the Government shall submit **the Proposal of Law on Annual Financial Statement** and the decisions on the annual financial statements of the organisations for mandatory social insurance to the Assembly..

The manner of adopting annual financial statements, the roles of various actors in the process, the content and deadlines for adopting statements are stipulated by the Constitution of the Republic of Serbia, Law on National Assembly and Law on Budget System.

Where are we now with annual financial statements?

Regular consideration of the annual financial statement represents the **necessary precondition for appropriate budget planning** of the Republic of Serbia.

This year, the Government submitted the annual financial statement for 2018 to the Assembly, though two months late.

For the past **19 years** Parliament in the plenary sitting **considered and adopted laws on annual financial** statements only twice – 2000 and 2001. The remaining 17 annual financial statements were included in the parliamentary procedure last September, and MPs considered them during the cognate debate at the Ninth Sitting of the Second Regular Session of the National Assembly in 2019.

For good-quality and comprehensive debate on the annual financial statement, the important segment is the Report on the audit of the annual financial statement for 2018 prepared by the State Audit Institution. At the beginning of October, the State Audit Institution published the Report on the audit of the last year annual statement, where the irregularities had been established considering both revenues and expenditures of the budget. Additionally, the report mentions that revenues and proceeds in the amount of no less than 28.4 billion RSD were not declared, the costs of procurement of non-financial assets in the amount of no less than 4.5 billion RSD were not declared, and expenditures and outflows in the amount of more than 820 million RSD were not included and 95 project activities which had not been realised were declared.

Consideration of the annual financial statement in the Assembly and its adoption definitely represents a step towards the improvement of the oversight function of the Assembly. However, it is not clear what is the point of adopting the remaining annual financial statements, if adoption was not done on time, not to mention the decades of delay.

SUMMARIES OF THE LAWS

LAW ON DUAL MODEL OF STUDIES IN HIGHER EDUCATION

This Law establishes the framework for dual model of studies in Serbia, in accordance with the need for facilitated employment of the youth and the improvement of the higher education system. The basis was already established by the Law on Higher Education, but this Law regulates it in detail. The goal of dual education is to bridge the gap between theoretical and practical knowledge and enable “personalisation of studies” by adapting the students to the labour market.

The Law regulates the link between the rights and obligations of the students, higher education institutions and the employers in the dual studies model, as well as accompanying financial, material and other matters.

NOTION OF THE DUAL STUDIES MODEL

This model includes implementation of higher education study programme that combines the active curriculum in higher education institution and practical training and work with the employer. The goal is the acquisition, improvement and building of the adequate knowledge, skills and capabilities of students and also assisting the further development.

LEARNING THROUGH WORK

Learning through work represents the integral part of the study programme within the dual model of studies. This is a student’s opportunity to apply theoretical knowledge by working with the employer and under the supervision of a mentor. Thus the students will have an opportunity to indirectly participate in the business environment. It is implemented according to the plan that is jointly determined by the higher education institution and the employer. Learning through work is carried out with one or several employers, third person or higher education institution on the expense of the employer organising the learning through work.

MENTORS

There are two types of mentors in the process of dual education. Mentor with the employer shall be a person making sure that learning through work is fulfilling the content prescribed by the study programme and making sure the student will gain skills prescribed by the study programme. The academic mentor, employed in the higher education institution monitors the learning through work, along with the mentor with the employer. Higher education institution examines the expertise of the mentor with the employer in accordance with the study programme.

STUDY PROGRAMMES

In order to implement the dual studies model, it must be accredited in accordance with the law. The employers participate in drawing up of the programme, and it can be deemed as an independent or as the study programme model. Already accredited study programmes can be also organised on the basis of the dual model, upon the request, without increasing the number of students. Higher education institutions that want to bring their programmes in line with the dual education programme will have to establish the network of employers. The employers participate in drawing up of the study programmes.

IMPLEMENTING PROGRAMMES

The scope of curriculum and the scope of learning through work must be a minimum of 450 class hours per year. Enrolment in the dual model of studies is carried out through competition, and it is possible to transfer from one type to the other type of studies. The students who have applied are assigned to the employers by matching students' desires with their selection of an employer. The employer must meet legally prescribed requirements in order to implement the learning through work. The study programme regulates the students' grades and the manner of carrying out the final paper.

STUDENTS RIGHTS

Higher education institutions provide support for students in their career development through career guidance and counselling centre. Career guidance particularly includes the specific features of the dual model and monitors both students and employers. The students have the right to occupational health and safety protection, pension and disability insurance, protection of intellectual property rights, they are protected against discrimination and the harassment is prohibited, in line with the provisions regulating the applicable areas. When choosing the employer, the higher education institutions must keep in mind the best interest of a student. If the study programme is in the minority language, the student has the right to have the learning through work organised in his/her language. Student may terminate the contract with the employer if he/she loses the student status, enrols in another programme, if they are granted a leave of absence when their rights and responsibilities are suspended, if the employer fails to fulfil the obligations and if their infringe the rights of students guaranteed by the law.

The employer is required to provide the instruments and personal protective equipment for student at work; compensation of transport costs from and to working place; food allowance; compensation insurance; and in extraordinary circumstances, accommodation in the students' dormitory and food costs. Student is entitled to monthly remuneration for work by the end of the month for the previous month, per hours spend at work. The net amount of this remuneration is a minimum of 50% of the salary of the employee working in same or similar tasks. It can be different depending on the different years of studies and can vary from 30 to 70% of the basic salary of the employee under mentioned circumstances. Over years, this amount must be minimum 50% of the employee salary. The amount may be reduced if the employer is covering the costs of tuition.

RELATIONSHIP BETWEEN HIGHER EDUCATION INSTITUTIONS, EMPLOYERS AND STUDENTS

Higher education institution and the employer conclude the contract on dual model of studies, and the employer and students are concluding the contract on learning through work. Contract on dual model is concluded in accordance with the duration of the study programme, and it is provided for how will the programme continue in the event of the contract termination. Every contract between the higher education institutions and employers is published on the website of these institutions and Serbian Chamber of Commerce website with the important information on the study programme (the Chamber of Commerce keeps the register on them). Contract on learning through work may be concluded between a student and several employers that his/her higher education institution has signed the contracts with. Employer may terminate the contract, among other reasons, due to the unforeseen changes that prevent or otherwise modify carrying out of tasks. Also, if the student is granted a leave of absence when his/her rights and responsibilities are suspended, the employer may terminate a contract with him/her. In the event of terminating the contract due to suspension of rights and responsibilities, the higher education institution shall organise learning through work upon the return from the leave of absence.

SUPERVISION AND FINAL PROVISIONS

Ministry competent for higher education supervises the implementation of this Law, while other ministries and authorities are competent for other types of control. Sanctions have been provided for higher education institutions and employers if they violate their obligations. National Higher Education Council will adopt acts required for the implementation of the Law. The Law shall enter into force on the eighth day from the day of its publication in the Official Gazette.

LAW AMENDING THE LAW ON COPYRIGHT AND RELATED RIGHTS

Proposal of the amendments to the Law on the amendments to the Law on Copyright and Related Rights (hereinafter: Proposal) provides for the establishment of an efficient national system of legal protection of copyright and related rights, including the alignment with the EU Directives.

COPYRIGHT

The Law proposal extends the notion of copyright in order to include the accompanying documentation for the computer programmes, specifying the notion of the database and the matter of its protection, as well as the supplementation of the provision regarding the co-authors rights to the computer programmes and related databases. The particularity of this Proposal is the right of the author of the computer programme to specifically prohibit or permit it to be copied as a result of its adjustment, translation, arrangement or modification.

The definition of broadcasting was amended, the meaning of satellite broadcasting was especially precisely defined with the elements it must meet, and it must be under the control and responsibility of broadcasting organisation. This provision introduces two specific cases when it is deemed that the satellite broadcasting of the signal in the Republic of Serbia otherwise exists.

The rights of re-broadcasting have been also amended by extending the related right and specifying its notion, and introducing the possibility of addressing the mediators if the agreement could not be reached.

The rights of authors of fine art works is extended to works of graphic and plastic arts, with mentioning the type of works. Repetition in the provision concerning the obligation to pay special remuneration for technical devices and carriers of content if they are intended for export has been deleted.

The right of the author to remuneration in the case of lending the original or the multiplied copies of the work has been amended from suitable to fair, and lending was restricted to institutions which are meant for the public. For using the works pursuant to the provisions of the Law, the obligation of taking into account the legitimate interests of both the author and the holder of the right was introduced, which had been omitted in the Law.

The Proposal recognises the specific characteristics of the computer programme in the context of copyright protection permitting its permanent or temporary copying without the permission of the author or payment of remuneration so it could be used in a usual way. The Proposal recognises the rights of the beneficiary to eliminate the mistakes in the programme in accordance with its purpose and perform other amendments of the programme and the copied results of these actions, and even observe, examine or test the programmes so as to establish the ideas and principles that any of its elements is based.

The rights of the legal beneficiary of the database that is a work of authorship or its part are specified and elaborated in more detail. The Proposal repeats the assumption that the exclusive property rights for work of authorship originating from the employment relationship, with the computer programme as the subject (the same goes for database) shall permanently belong to the Employer, albeit there is a possibility to set it up differently through the contract.

Duration of author's property rights shall be extended in the case of the property rights to musical works with lyrics, as follows: from the moment of death of the last surviving author of the composition or the lyrics, notwithstanding if they are marked as co-authors.

RELATED RIGHTS

Interpreter's rights are specified when they are licensed to the producer of a phonogram/videogram. Interpreters will have remuneration not only for broadcasting or communicating the recording from the sound carrier, but also on the sound and picture carrier. The Law Proposal introduces additional provisions relating to the following:

1. Right to terminate contract on the transfer or licensing of the property rights between the interpreter and phonogram producer – 50 years from the day of lawfully releasing the phonogram or legal publishing under the provided circumstances, including the situation with several interpreters. Interpreter cannot waive the right to terminate the contract.

2. Interpreter's right to annual additional award from the phonogram producer – for short-term remuneration of transferred or licensed exclusive property rights of the interpreter of the recorded interpretation, and the interpreter cannot waive it. This includes the remuneration 50 years after the release/publishing and provides for circumstances related to the exercise of the rights.

3. Amendments of the contract content for the benefit of the interpreter – after 50 years from the lawful release of the phonogram, and/or the publishing.

Law Proposal introduces the amendment in the obligation of the contractors (interpreters organisations and organisation of phonogram producers) reporting on the commencement of the negotiations on determining the organisation collecting the single remuneration from the beneficiaries, foreseeing that, in addition to the ministry competent for science matters, they must notify the public administration authority competent for intellectual rights on it (instead of previously explicitly determined Intellectual Property Office). In the event of failure to sign the contract no later than 3 months from the commencement of the negotiations, on the proposal of the competent ministry, the Government determines the organisation that shall collect the single remuneration. The amount of this remuneration is not expressed in percentage anymore, and the Proposal does not stipulate that this remuneration shall be collected together with the copyright remuneration for public performance of musical works.

Rights of phonogram and videogram producers have been extended so as not to exhaust their right to prohibit or allow the others to make the phonogram/videogram interactively available to the public by cable or wireless through every other form of public communication or making it available within the meaning of Article 30 of this Law.

The manners of the producer of a broadcast to prohibit or permit the recording or copying of the recording of their broadcast are specified in accordance with the requirements of information society.

The chapter concerning the database went through significant changes. First of all, the notion of the database producer was defined, as the holder of the related rights who has significantly invested in the database, and the rights of the producer have been extended and specified in relation to the content of rights (without regard to the suitability of database or elements of its content to be protected through other rights), the transfer of rights has been regulated, along with the conflict with other rights and relation to rights of the legal beneficiary.

The distinction was specified between the time period of property right of the interpreter depending on the publication which may or may not include the phonogram – 70 and/or 50 years. At the same time, the duration of the published phonogram producer rights was extended from 50 to 70 years from the first day of disclosing, and/or publication, depending which date was earlier.

In relation to the remuneration for disclosing the musical works, the division of the remuneration 50%-50% between the authors' organisations and organisations representing the interpreters and phonogram producers has been abandoned.

The Proposal specifies the requirements necessary to be met by the organisation for collective exercise of rights for obtaining the permit to perform its business activities, while the deadline for the competent authority to issue the permit, and/or decision on the rejection was extended from 30 to 60 days, and the deadline for those submitting the application from 15 to 30 days to manage the application. The reasons to revoke the permit of the organisation carrying out activities are established alternatively – severe or repeated law infringement, compared to previously cumulative established solution, and it was qualitatively extended to the violation of the provisions of the statute and the division plan, that is also more precisely regulated by the Law Proposal. Organisation management is conferred to the members instead of the founders and the channel of mandatory communication with the public was modified to be its electronic webpage.

Tariffs shall be determined taking into consideration their proportion in relation to gross domestic product of Serbia and the state whose tariff is taken into consideration, and the competent authority

shall give the consent on the proposals of an organisation or several of them (proposal's content and procedure of proposing is prescribed in the Proposal).

The organisation shall have a deadline to disburse the collected revenue to the holders of copyright, and/or related rights. The criteria have been also foreseen for the distribution of funds meant for other purposes to competent authorities, along with the deadlines. The obligation of the organisations was extended in relation to the content of the authorised auditor report, annual business statements, annual calculation of remuneration and special report on the funds allocated for cultural purposes and improvement of the status of the organisation members.

The obligation to maintain electronic records of broadcasting and re-broadcasting of works of authorship and subjects of related rights was shifted from radio and TV programme broadcasters to broadcasting organisations, and Regulatory Authority for Electronic Media shall carry out supervision over them as their conferred task.

The Proposal expands the scope of persons who can file a complaint due to the infringement of the copyright and related rights, and the claims have been also extended. The Law Proposal specifies certain notions in the context of the rights protection such as: circumstances taken into consideration when determining the amount of the compensation for damage; infringement actions; persons who may request removal of the technological measures pursuant to provisions of the restrictions of copyright.

It is provided for which provisional measures may be determined when the copyright or related rights may be infringed, who are the persons to propose it and under what circumstances. New articles are introduced that provide for the justification of provisional measures for instigating the court proceedings, and regulate the provision of evidence and delivery of information, and the Proposal is aligned with the Law on Enforcement and Security and refers to the subsequent application of other laws.

PENAL PROVISIONS

Article on penal provisions related to the sanctions for economic transgression is extended by introducing the penalties for broadcasters who have failed to keep the records of broadcasting, as well as organisations for collective exercise of rights in the event of inadequate distribution of remuneration. The number of activities which when failed to be fulfilled by the organisation for collective exercise of rights is deemed as an infringement was extended.

TRANSITIONAL AND FINAL PROVISIONS

Transitional and final provisions are adjusting the application of the provisions of the Law Proposal in relation to the rights of the interpreters whose interpretations are recorded to phonograms, the phonogram producers, and protection of property rights for music compositions with lyrics, interpreters whose interpretations are recorded to the carrier of sounds and pictures. These provisions regulate the collection of remuneration until new tariffs are adopted. Relieving artisan shops from obligation of paying remuneration on public communication shall be in force until the moment of Serbia's accession to the World Trade Organisation.

LAW AMENDING THE PATENT LAW

The Patent Law was adopted for the first time in 2011. The purpose of the Law was the regulation of the legal protection of inventions, and the inventions are protected by patent or petty patent. Amendments to the Law have been proposed so as to align its provisions with the international regulations and the key novelties this Law brings are the precise definitions of the relationship between the employer and employee in the context of making new inventions in the course of the employment relationship.

INHERITING PATENT RIGHTS IN THE EVENT OF THE DEATH OF A NATURAL PERSON OR THE DISSOLUTION OF A LEGAL PERSON WHEN REGISTERING THE PATENT

The novelty this Law introduces concerns the right of inheriting the patent when the person in the procedure of filing the application has deceased and/or the legal person has dissolved. In the previous legislative solution this possibility was not foreseen, but now the probate proceedings will be instigated so after that the successors in title may register the patent and benefit from the rights arising from it.

INVENTIONS MADE IN THE COURSE OF EMPLOYMENT

The provision regulating this relationship was supplemented by precisely defining the invention made in the course of employment that the employee makes in the course of their regular duties. The first step in specifying this provision is defining the invention made in the course of employment and the status of the employee in that context. This Law extends the rights of the employee to the invention since the invention shall mean all inventions made while using the employers' resources which are not necessarily related to performing duties and tasks in the course of employment, moreover, if the employer has provided the training to the employee and the invention is the result of the acquired knowledge. Also, the criteria for determining the remuneration to the employee have been supplemented for the use of the invention from the employment relationship, taking into consideration the employer's contribution in making of the invention as well as the contribution of each inventor if the invention was made by several employees.

Employee who comes up with an invention shall be required to submit a report to the employer with as much as precise description of the invention by emphasising the new technical solutions and the best application of the invention as well. The employer deliberates if the invention described in the report falls into the category of inventions made in the course of the employment and no later than six months notifies the employee. Compared to previous legislative solution this deadline was extended from two to six months. After that, the employer decides whether to file the patent application for the invention concerned, and notifies the employee on the final outcome. The obligation of mutual notification is a novelty as well as the communication between the employee and the employer in relation to the invention protection, and also the employer's obligation to ensure the entire technical support necessary in order to protect the invention.

When communicating with third persons, in relation to the invention, the employer and the employee are obliged to keep the trade secret. This is important in order to protect the invention even before the application for patent protection would be filed.

EFFECTS OF EUROPEAN PATENT AND PROCEDURE FOR ENTRY OF THE EUROPEAN PATENT INTO THE REGISTER OF PATENTS

This provision provides for the manner of entry of the European patent into the national register of patents, which means that when this happens instead of applying the European Patent Convention, the national legislation and/or the Patent Law shall apply. Moreover, the competent authority register will be aligned with the register of the European Patent Office.

The Law shall enter into force on the eighth day from the day of its publication in the Official Gazette of the Republic of Serbia.

LAW ON CONTROL OF STATE AID

New Law on State Aid Control is adopted for the purpose of aligning this area with the European Union acquis. The Law follows the recommendations of the European Commission from the Reports on Republic of Serbia progress and benchmarks that are required to be met by the Republic of Serbia in order to open Negotiating chapter - Competition policy. These recommendations mostly refer to ensuring independence and strengthening the capacities of the Commission for State Aid Control. Moreover, the Law regulates in more detail some concepts from this area and more precisely regulates the procedure before the Commission.

Second important reason for adoption of this Law is to align procedures before the Commission for State Aid Control with new Law on General Administrative Procedure.

STATE AID INSTRUMENTS

State aid definition is very similar to the one in the applicable law, but it has been made more precise regarding the instruments to be used for granting state aid. Those are:

1) Subsidy (grants) or subsidized interest rates on loans,

2) Fiscal relief (reductions or waivers from payment of taxes, contributions, customs and other fiscal duties),

3) Guarantees of the state, every legal entity that disposes and/or manages the public funds or other provider of state aid issued on more favourable terms than the market terms,

4) Waiver measures as regards profit and/or dividends of the government, local self-government or legal entity that disposes or manages the public funds,

5) Write-offs of debt to the government, local self-government or legal entity that disposes or manages the public funds,

6) Sale or use of public property under more favourable conditions than the market conditions,

7) Purchase or use of the property for the price higher than the market price by the government, local self-government or legal entity that disposes or manages the public funds, and

8) Other instruments in accordance with this law.

COMPLIED STATE AID

Cumulation of state aid is being introduced as the accumulation of granted state aid with a unique goal and purpose regardless of the type, granting instrument and state aid grantor. Government shall regulate the cumulation rules.

Cumulation will be executed by state aid grantor, by obtaining the written statement from the beneficiary before the state aid is granted if they had been granted the state aid before and on what grounds.

De *minimis* state aid is being introduced (small amount of aid) as an aid which shall not significantly affect the distortion of competition in the market and the trade between Republic of Serbia and European Union Member Countries. This aid is not reported to the Commission, but the grantor of de *minimis* aid is obliged to notify the Commission on the awarded de *minimis* aid.

The Government regulates the rules and requirements for granting de *minimis* state aid, upper limit of de *minimis* aid, cumulation, as well as obligations of grantors and beneficiaries of de *minimis* aid.

COMMISSION FOR STATE AID CONTROL

New law regulates the status of the Commission for State Aid Control in a completely new manner. Commission is established as an independent and autonomous organisations exercising public powers. Therefore, Commission and its bodies (Commission Council and President) have a status of legal person, which is different from the law that had applied, where the Commission is a body established by the Government.

Commission is responsible to National Assembly of Republic of Serbia for its work, as the Assembly elects the members of the Council and President of the Commission for five-year term of office, by the majority votes from the total number of MPs, under the public competition that is announced by the Speaker of the National Assembly.

Taking into consideration the new status of the Commission, the law regulates the working and legal status of the President, members of the Council and other employees in the Commission. The salary of the President of the Commission equals the salary of the President of the Supreme Court of Cassation, and member of the Council has the salary in the same amount as the judge of the Supreme Court of Cassation. The provisions regulating salaries, compensations and other emoluments of civil servants and other employees apply to the employees working in the services of the Commission.

In accordance with the change of status, the funds for Commission work are planned in the budget of the Republic under a new heading.

The list of Commission competences is extended, so now it shall adopt the bylaws for the implementation of this law, and it will keep the register of awarded state aid and de minimis aid which is to be introduced..

PROCEEDINGS BEFORE THE COMMISSION

Similar to the applicable law, the Commission's key role is performing ex ante and ex post control of state aid, and the new Law regulates in detail the proceedings before the Commission. New law regulates the manner of notifying the state aid, Commission actions in the proceedings of state aid control, as well as the possibility of Commission to make a direct inspection with the state aid

beneficiary where there is reasonable presumption that the state aid has not been complied.

The Law on General Administrative Proceedings shall apply to all proceedings otherwise not regulated by this Law.

The obligation of the Commission to publish decisions on compliance of state aid on its webpage was established, as well as the conclusions on launching proceedings *ex officio*.

ANALYSIS AND REPORTING

Commission adopts Annual Report on granted state aid for the previous year on the basis of the data collected from the state aid grantors and the Annual Report on the list of state aid schemes and delivers it to the Government.

If there is reasonable presumption that state aid measures might significantly limit or distort the competition, the Commission may carry out the sectoral analysis. Commission may carry out the analysis of certain type of aid on the request of the Government as well.

ADMINISTRATIVE MEASURES IMPOSED BY THE COMMISSION AND JUDICIARY CONTROL

In the procedure of ex post control, the Commission may determine the measures with an aim to remedy the non-compliance and a measure imposing the recovery of state aid. Moreover, the Commission may impose to the beneficiary or the market participant a measure of periodical penalty in the amount of RSD 5,000.00 to 200,000.00 for each day of the behaviour which contradicts the order of the Commission.

The decision of the Commission may be appealed before the Administrative Court no later than 30 days from the day of the delivery of the decision to the party, though the lodging of the appeal shall not postpone the enforcement of the appealed decision.

TRANSITIONAL PROVISIONS

The bylaws for implementation of this Law will be adopted no later than one year from the beginning of the law application, and until the bylaws are adopted the regulations adopted on the basis of the applicable law shall apply, unless it contradicts the provisions of this Law.

The register of state aid and de minimis aid will be established no later than one year from the beginning of the application of this Law. Until the register is established, the grantors of state aid and de minimis aid shall undertake to keep the records, store and deliver the data on the awarded aid to the Commission in accordance with the regulations adopted on the basis of the applicable Law on State Aid Control.

President and members of the Council will be elected no later than two months from the day of this Law entry into force.

The Law enters into force on the eight day from the day of its publication, and shall apply from 1 January 2020, except for the provisions concerning the position and election of the Commission President and Council and work of the Commission that shall apply from the day of this Law entry into force.

LAW AMENDING THE LAW ON INFORMATION SECURITY

Law on Information Security was adopted in 2016 regulating for the first time the area of security in information and communications systems. This Law was adopted before the adoption of the EU Directive concerning measures for a high common level of security of network and information systems across the European Union, but the Law mostly corresponded with this Directive. However, the amendments of the Law were made so as to align the remaining provisions with the EU Directive and improve the existing ones. In the course of the Law application, the need for interventions and amendments of the norms was observed as in practice shortcomings were noticed.

Mentioned amendments to the Law will contribute to improved communication of all entities in the area of information security, and the key novelty is the establishment of the records for information and communications systems (hereinafter: ICT systems) of special importance. In addition to these amendments, the manner Competent Authority receives notifications concerning incidents will improve by introducing the Unique Notification System that contributes to the efficiency of the entire communication and prompt remedying of issues occurred.

In addition to mentioned amendments, for the purpose of improved work efficiency of Serbian National CERT, its capacities will be strengthened by expanding the number of professional staff and infrastructure too. Strengthening of capacities contributes to the establishment of timely and efficient support in the event of the incident. Second form of extension refers to expanding the scope of work of National CERT as it will draw up analyses on the basis of the statistical data delivered by ICT systems for the purpose of protection of information systems.

PROVISIONS OF THE LAW ALIGNED WITH THE EU DIRECTIVE

The amendment was made in the area of information and communication systems of special importance. These amendments regulate the communication of digital infrastructure and information society services. There is an itemised list of particular areas where ICT systems of special importance are used and the purpose of their use.

It has also been noted that it is necessary for Competent Authority to consult the ICT systems of special importance operators that had delivered the notice on incident before publishing the notice on the incident.

Regarding the alignment with the EU Directive, the provisions on the National CERT are amended regarding its competences and capacities. The competences of National CERT are extended regarding the scope of activities it had been in charge before. Moreover, due to necessity of uninterrupted availability of all services and ensuring of work continuity, its capacities are being expanded in relation to employees and infrastructure at its disposal.

PROVISIONS OF THE LAW TO BE AMENDED ON THE BASIS OF THE SHORTCOMINGS DETECTED IN PRACTICE

In order to perform the cooperation and compliance in carrying out tasks for the improvement of information security, National Bank of Serbia will be included in the work of Body for the Coordination of Information Security Affairs.

One of the key novelties is the introduction of the Register of ICT systems operators of special

importance. It shall mean that Competent Authority is obliged to establish and keep the records and the content of the records is itemised in the very Proposal of the Law.

In order to solve some previous issues, the law amendments defines precisely the manner of notifying on incidents threatening the information security. Notification is carried out through Competent Authority portal or National CERT in the Unique System on Incidents Notification Reception. In addition to mentioned bodies for receiving the notifications on incidents, the National Bank of Serbia and Body for the Coordination of Information Security Affairs are exceptionally mentioned as they are obliged to forward the information to the Competent Authority. In the event of a significant impact on information security breach that can seriously threaten the national security, information on such incident will be forwarded to Security Intelligence Agency. In order to perform a distinction what a significant impact on information security breach shall mean, the specific notions have been defined in the very law.

The legislator provides for that the ICT systems operators are obliged to deliver statistical data on incidents to National CERT if they have a significant impact and threaten information security. Deadline for delivering information on the previous year is 28 February of the current year.

For the purpose of establishing the continuing cooperation of all CERTs in Serbia, the cooperation at all levels has been defined (National CERT, public authority CERT and independent CERTs ICT systems operators). This provision provides for meetings at least three times a year but also if necessary in the event of a significant impact and threat to information security in Republic of Serbia.

Note

Notions and abbreviations mentioned in these law amendments have been defined in the introductory part where the meaning of specific definitions is explained. ICT shall mean an abbreviation for information and communications system representing the technological-organisational entity. CERT shall mean Computer emergency response team, and/or Centre for Security of ICT Systems within public authorities. Incident shall mean any event with a real negative impact on the security of network and information systems. The Unique System on Incidents Notification Reception is an information system recording the information on incidents occurred in ICT systems of special importance if they might have a significant impact on information security breach.

LAW AMENDING BUDGET SYSTEM LAW

Proposal amending the Budget System Law provides for public sector salaries increase simultaneously extending the ban on public sector employment for another year. Pensions will no longer be adjusted pursuant to this Law, but exclusively under the Law on Retirement and Disability Insurance.

The Law enters into force on the following day from the day of its publication in the Official Gazette.

BAN ON PUBLIC SECTOR EMPLOYMENT EXTENDED UNTIL THE END OF 2020

The law proposal extends the ban for public resources beneficiaries to employ new persons for the purpose of filling job vacancies without the Government consent for another year. The ban shall be into force until 31 December 2020.

SALARIES RISE IN PUBLIC SECTOR STARTING FROM NOVEMBER SALARY

Starting from 2019 November salary, the public sector salaries will increase such as follows:

- for 15% - medical nurses, health care technician, and/or any other person who graduated from appropriate higher, and/or high school of health care profession;

- for 10 % - researchers and assistant staff in scientific-research activities, as well as medical doctors, dentist doctors/dental medicine doctors, masters of pharmacy and masters of pharmacy – medical biochemists who graduated from integrated academic studies of health profession as well as the employees in cultural establishments.

- salaries will increase for 9% in Ministry of Interior, Security Intelligence Agency, Ministry of Defence, Constitutional Court, courts, prosecutors' offices and penal and correction institutions, higher education establishments, elementary and secondary education institutions and preschool institutions, and social care establishments;

- salaries will be higher for 8% with other beneficiaries of the Republic of Serbia budget resources, beneficiaries of local government budget resources, organisations of mandatory social insurance, except funds for social insurance of military beneficiaries, as well as for non-medical staff in health care institutions.

PENSIONS TO BE ADJUSTED EXCLUSIVELY UNDER PROVISIONS OF THE LAW ON RETIREMENT AND DISABILITY INSURANCE

Budget System Law will no longer prescribe the maximum limit of pensions increase, but the pensions will be adjusted exclusively regulated by the Law on Retirement and Disability Insurance. Namely, amendments to the 2018 Law on Retirement and Disability Insurance postponed the application of the rules on adjusting pensions provided for by this Law until "financial viability of the retirement system has been achieved", and it has been provided that until then it shall be determined in the manner prescribed by the provisions regulating the budget and budget system. By adopting the proposed amendments, the full application of the Law on Retirement and Disability Insurance will be restored again.

DEFINING COMPETENCES OF THE COMMITTEE ON FINANCE, STATE BUDGET AND CONTROL OF PUBLIC SPENDING MORE PRECISELY ON THE OCCASION OF CONSIDERING FISCAL STRATEGY

The Government obligation to deliver Fiscal Strategy for consideration National Assembly has been more precisely defined by prescribing that the Government shall deliver the Fiscal Strategy to the Committee on Finance, State Budget and Control of Public Spending of the National Assembly. Committee will be in charge for commenting and making recommendations regarding the Fiscal Strategy.

EXTENDING DEADLINE FOR BEGINNING OF APPLICATION OF SOME PROVISIONS OF THE LAW

- Deadline for application of the provisions of the Budget System Law referring to programmatic budget of health care and pharmacy establishments extended until 2021;

- Foreseen deadline for application of International Public Sector Accounting Standards IPSAS) extended until 2023.

- Deadline for introducing gender responsible budgeting for all beneficiaries of budget resources in all levels of government extended until 2021.

- Tax expensed will be reported in the general part of the Law on Republic of Serbia Budget, starting from the 2021 budget.

- Undertaking responsibilities for agriculture and rural development incentives from IPARD 2 Pr gramme will apply from the 2020 Budget of the Republic of Serbia.

LAW AMENDING THE LAW ON VALUE ADDED TAX

Law proposal amending the Law on Value Added Tax carries out the alignment of national regulations with the EU provisions primarily those of Council Directive 2006/112/EC on the common system of value added tax, primarily in the area of regulating tax treatment of value vouchers and closer regulation of the place of trade for trading in some goods and services. In addition, important novelties refer to tax treatment of trading and import of goods and services performed in the scope of the realisation of infrastructure projects of constructing motorways of public interest that will be exempted from VAT now. Law proposal, in addition to this, extended the obligation of registering foreigners as VAT payers.

Date of planned commencement of the majority of Law provisions application is 1 January 2020.

REGULATION OF VALUE VOUCHERS TAX TREATMENT

The Law proposal regulates the tax treatment of trade in goods and services which occurred on the basis of transfer of single-purpose and multi-purpose value vouchers. It was precisely defined that single-purpose vouchers shall mean those vouchers for which the place of delivery of goods/services the value vouchers refer to and the VAT amount for trade in those goods/services calculated and paid will arise at the moment of issuance of the value voucher, while the remaining vouchers represent the multi-purpose vouchers.

From the point of view of taxation for two types of vouchers the key difference is that the obligation to calculate VAT for single-purpose vouchers is at the moment of trade, while with multi-purpose vouchers the obligation of VAT calculation will be applied at the moment of their realisation.

EXTENDING FOREIGNERS OBLIGATIONS TO REGISTER IN THE VAT SYSTEM

Unlike the applicable legislative solution that provides for an obligation of a foreign entity registering as VAT payer while performing trade in goods and services for which VAT calculation is mandatory, new solution provides for extension of this obligation to the foreign entities even during a trade in goods and services which are exempt from VAT with a right to deduction of prior tax.

REGULATING TAX TREATMENT OF TRADE AND IMPORT IN THE FRAMEWORK OF THE REALISATION OF INFRASTRUCTURE PROJECTS OF CONSTRUCTING MOTORWAYS OF PUBLIC IMPORTANCE

The Law amendment will allow tax reliefs with a right to deduction of prior tax in trade of goods and services performed in the framework of the realisation of infrastructure projects of constructing motorways that under the special law were established as motorways of public importance.

Additionally, VAT will not be paid for import of goods performed in the scope of those projects realisation.

REDUCING TOTAL VALUE OF GOODS TAKEN ABROAD BY A FOREIGN PASSENGER WHO IS ENTITLED TO RECEIVE THE VAT REFUND

The Law proposal provides for that passengers without residence or domicile in Serbia, when they leave the country, are entitled to a refund of VAT for goods they take in their personal luggage (for non-commercial purposes) provided that the total value of the goods, inclusive of VAT, does exceed RSD 6,000.00. Right to VAT refund was possible for foreign passengers until now only if the value of goods they are taking from Serbia exceeds EUR 100. Additionally, the deadline for delivering proof that the passenger has taken the goods to a foreign country has been extended from six to twelve months.

ISSUANCE OF INVOICES AS THE MOMENT OF OCCURRENCE OF A TAX LIABILITY WITH SPECIFIC SERVICES TRADE

Tax liability, except on the day of trade and the day of collection, can occur on the day of the invoice issuance for trade in services directly associated with the transfer, assignment and provision of usage of copyrights and related rights, patents, licences, trademarks and other intellectual property rights, irrelevant of who is the person providing those services, and the trade in services of technical support while using software, hardware and other equipment for a definite period of time.

NEW RULES ON DIVIDING PRIOR TAX AND DETERMINING PROPORTIONATE PERCENTAGE OF A TAX DEDUCTION

Law amendments brought precise methods for determining proportionate percentage of a tax deduction, so the trade of goods and services, except for trade in equipment and facilities for performing the business activity, will not include the investment in facilities for performing business activities that the fee is charged, temporary trade of real estate performed by a VAT payer who does not usually perform trade in real estate and has traded real estate maximum twice during one calendar year.

Additionally, the Law proposal provides for that VAT payer is not obliged to divide the prior tax if the determined proportionate percentage of a tax deduction is at least 98 %.

DEFINING PRECISE RULES REFERRING TO THE POSSIBILITY OF CORRECTING MISCALCULATED HIGHER AMOUNT OF VAT

The possibility of correcting the invoice was provided for in the event that VAT payer stated the amount of VAT in the invoice, without being obliged. In such case, as when VAT payer stated higher amount of VAT than the one owed, VAT payer will be entitled to correct the VAT amount, provided that the new invoice is issued and replaces the previously issued invoice with the note on that, and also provided that VAT payer possesses a document from a person given an invoice where it is written that VAT stated in the previous invoice was not used as prior tax.

CLOSELY REGULATING PLACE OF TRADING ON A SHIP, AN AIRCRAFT OR A TRAIN

Law amendments provide for exception to the rule that the place of trading shall be a place of the goods at the moment of delivery, if the goods are delivered without dispatch, and/or transport.

Namely, in the event of trade in services being performed on a ship, and/or aircraft or a train during the transport of passengers, the place of trade shall mean the ship, aircraft and train place of departure and more precisely the place of departure shall mean the place that is by the schedule planned as the first point of boarding of the passengers.

PRECISELY DEFINING THE MANNER OF DETERMINING THE PLACE OF TRADE FOR TELECOMMUNICATION SERVICES, TV AND RADIO BROADCASTING AND ELECTRONICALLY PROVIDED SERVICES

For trade in telecommunications, TV and radio broadcasting and electronically provided services, the place of head office, permanent establishment, domicile or residence of the services beneficiary shall be a place determined on the basis of the criteria and assumptions for determining the place of head office, permanent establishment, domicile or residence of the services beneficiary.

LAW AMENDING THE LAW ON NATIONAL QUALIFICATIONS FRAMEWORK OF THE REPUBLIC OF SERBIA

The Law on National Qualifications Framework of the Republic of Serbia was adopted in 2018. This Law shall regulate the management of qualifications, descriptions of knowledge, skills, abilities and attitudes for qualifications levels, bodies and organisations in charge of application and development of this Law, quality assurance and referencing to the European Qualifications Framework. Following the adoption of the Law, the Qualifications Agency was established. In the meantime, since the Agency just started to include in its competences the procedure for recognising foreign school and university certificates, which was regulated by the Law on Higher Education that was amended in 2019, it is necessary to align some provisions with the new amendments. In addition, the Law is aligned with the provisions of the Law on Public Agencies.

AGENCY COMPETENCES

The Agency competences are extended in the view of providing information to persons applying to the Agency for professional recognition of foreign university certificates, and these persons may be able to learn needed requirements and which authority they may refer to for performing professional work that is regulated by special provisions.

In addition to extending its competences, the Agency may form special expert committees and teams for performing tasks of external evaluation of the quality of publicly recognised activity organisers (hereinafter: PRAO) as well as to inspect the plan and programme of the adult education activities meeting the requirements in accordance with all standards. Also, the time limit has been prescribed for persons who may be appointed to special teams and committees of the Agency.

MANAGEMENT BOARD AND DIRECTOR

The amendments concerning the management board refer to duration and number of mandates of members of the board. Compared to previous legislative solution, where the mandate duration was four years and re-election was possible only once, it is proposed now that the mandate should last for five years with a possibility of being re-elected two times. Possibility of director's re-election is extended and aligned with the management board. In addition to these amendments, the requirements for appointing members of the management board are amended. Their competences will include the determination of fees for public services as well as the amount of remuneration for the members of special committees.

DECISIONS ON RECOGNITION

In order to enable more efficient recognition of certificates, the legislator proposes that a person applying for recognition of foreign school certificate in their application may submit the certificated copy of the document and the translation instead of the original certificate. In addition, decision on professional recognition of official document shall have the validity of the official document..

PROCEDURE FOR PROFESSIONAL RECOGNITION

First amendment referring to the procedure concerns the shorter period for adopting the decision on recognition from 90 to 60 days. For diplomas from the faculties which are among top 500 universities in the Shanghai Ranking, this procedure is not carried out and the decision is adopted no later than 8 days from the day of the application for recognition.

This Law amends the addendum that provided descriptions on the levels of qualifications aligned with the European Qualifications Framework. The descriptions of specific knowledge, skills and abilities are amended in accordance with that.

The procedures of professional recognition that were initiated before this Law entry into force, will be completed under the provisions of this Law. This Law entry into force shall repeal Articles 150 para. 7 of the Law on Higher Education and Articles 62 and 63 of the Law on Adult Education.

LAW AMENDING THE LAW ON TRAVEL DOCUMENTS

Law on Travel Documents (hereinafter: the Law) regulates citizens of Republic of Serbia travel documents for travelling abroad, the type of travel documents and the manner of issuing travel documents.

This Law was adopted in 2007, and for the last time amended in 2014. Basic reason for new amendments is the need to define specific norms more precisely, to adjust, meaning to align this Law with some other laws that were amended in the meantime. The main goal of the amendments is to achieve integrity and uniqueness of the legal system of the Republic of Serbia, as well as to attempt amending some legislative solutions in such a way so as to contribute to better functioning of the Ministry of Interior and to provide better protection and more efficient exercise of citizens' rights.

PROCEDURE OF ISSUING TRAVEL DOCUMENTS

The proposed amendments of the Law prescribe the precise time frame for submitting application for issuing of new passports. The most important amendment is that six-month period until the day of passport expiry is the earliest moment the application for a new document may be submitted. This is important since it enables citizens to replace their travel document on time, especially taking into consideration the requirements of some countries on the compulsory three-month or six-month validity of the travel document. In addition, this shall prevent submitting applications for

new passport without imperative need. However, the exception from this general regime has been provided for, so the citizens will be able to get a new passport on their own request although the validity of already issued passport is longer than the prescribed general six-month period, with a higher fee for the passport template prescribed in the part referring to costs of technical design and engagement of human and material capacities of Ministry of Interior.

ISSUING NEW TRAVEL DOCUMENT ALTHOUGH THE EXISTING HAS NOT EXPIRED

Person in possession of the travel document which has not expired yet shall be obliged to apply for a new travel document if:

1) The data from the travel document had changed;

2) The travel document is damaged, completely stamped or worn out, so it cannot be used for its purpose;

3) The photo on the travel document does not correspond to the current look.

It is new that under the previous law the issuing of new travel document was the sole right of the document owner, and now the Law introduces the obligation to apply for a new travel document if any of the previously mentioned cases apply.

INVALID TRAVEL DOCUMENT

Another novelty is the simplification of the procedure for citizens when they need to declare their travel document invalid. Instead of announcing the travel document invalid in the Official Gazette of the Republic of Serbia which was the case until now, the travel document is proclaimed invalid on the official webpage of the Ministry of Interior. This shall relieve the citizens of the costs they had until now, since announcing the document invalid in the Official Gazette of the Republic of Serbia was paid by the citizens.

RECORDS AND USE OF DATA

In addition to this, the provision was introduced prescribing that a unique electronic records is being kept on the issued travel documents, rejected applications for issuing travel documents, confiscated travel documents and invalid travel documents. Also, for the purpose of aligning with the provisions of the Law on Records and Data Processing in the area of internal affairs, which was adopted in 2018, that systemically regulates matters of records, data processing and their exchange at the national and international level, the provisions regulating this matter have been deleted from this Law..

LAW AMENDING THE LAW ON SERBIAN ARMED FORCES

Proposal of the law amending the Law on Serbian Armed Forces mostly concern the measure of human resources management in the defence system, and/or rights and obligations of professional military personnel. Proposal of law amendments deals with admission to the professional military service, advancement, participation in multinational operations, as well as conditions for termination of service during the state of war and the state of emergency. Moreover, amendments also concern the organisation of the prosecution and disciplinary court martial.

ADMISSION TO SERVICE FACILITATED

Proposed amendments of several articles of the Law on Serbian Armed Forces would facilitate the admission to the professional military service. Amending criteria for admission would in various ways extend the scope of people that could be admitted to service.

So, for example, the amendments of the provisions concerning the admission to professional military service refers to increasing the upper age limit for admission to service from 35 to 40 years of age. Also, the proposal provides for more flexible provision so instead of the conscription with arms, one of the requirements for admission is that a person had completed “adequate military training with arms”.

To recall, in May 2018, a set of laws governing the area of defence was amended, and it included the Law on conscription, compulsory labour and requisition. This law amendments provide for the training of citizens for the purpose of defence (including other categories of citizens in addition to those who have completed the conscription) and it had enabled realisation of two-week training for reserve forces in March that year.

The legislator proposes amendments providing for that professional solider, and/or non-commissioned officer (NCO) with a work contract for a limited period of time can be admitted to military service as NCO without competition. From now on, professional soldiers and/or NCOs can be admitted and employed for a limited time (up to 3 years), with a possibility of contract renewal. Moreover, for the persons admitted and employed for an indefinite time, the promotion shall include the time spent in the rank before this contract was concluded. However, the provisions on promotion shall not apply to professional soldiers and NCOs who have an employment contract for a limited time.

New provisions are added that will enable high school students to automatically become NCOs in the rank of sergeant after their graduation, if they meet the general requirements. Military High School students will be also introduced into the rank of sergeants with the amendments of the law and are to become NCOs if after their education they complete the appropriate military training.

In addition to this, the paragraph is added that would enable professional military personal with over 30 years of service to be entitled to an annual holiday leave of 35 working days. This amendment is proposed for the purpose of aligning with the Law on Civil Servants, which was amended in spring 2018.

REINTRODUCTION OF RANKS AS A SOLUTION FOR PROMOTION ISSUES

The reintroduction of ranks is proposed by a provision defining ranks in the Serbian Armed Forces – for non-commissioned officers: sergeant first class, and for officers: first class captain and navy captain. These ranks were cancelled in 2007, when the new Law on Serbian Armed Forces was adopted, for the purpose of aligning with international standards. The explanation for this is the need to reduce the number of officers in the rank of major, as well as the attempt to solve the issue of overstaying in one rank.

Amending the criteria for promotion is also proposed in respect of the time period required to stay in specific rank in order to be promoted to higher rank. Although the number of years one has to spend in ranks of lieutenant and captain is reduced, by adding new rank (first class captain), the officer will in total have to spend two more years in that rank in order to be promoted to the rank of major.

LEAVING SERVICES IS HINDERED

Leaving service after participation in multinational operations is hindered. First amendment refers to the obligation of Serbian Armed Forces representatives to stay in service after their return for a minimum as three times longer than they had spent in multinational operation. Also, if they fail to meet this requirement, they will be fined, and the fine was determined according to the criteria established by the Minister of Defence.

The amendment is proposed for the title of the chapter regulating the termination of service in the state of war and the state of emergency. Also, the definition shall be changed so as to prevent the termination of service during the state of war and the state of emergency, except in extraordinary cases.

Regarding the exemptions, the amendments are proposed for the age of professional soldiers who terminate their service during the state of war and the state of emergency. It has increased for the officers (from 60 to 65), but it has decreased for professional soldiers (from 55 to 53). However, concerning the professional soldiers, the age limit can be extended for specific formation positions, by the decision of the Minister of Defence, and on the proposal of the Chief of the General Staff.

TRANSFERRING DISCIPLINARY COURTS MARTIAL TO THE MINISTRY OF DEFENCE

Amendments proposal entails that disciplinary courts martial are formed under the Ministry of Defence, so as to be removed from the chain of command to ensure their impartiality. Until now, these bodies were established under the Serbian Armed Forces, and their main role was to decide on responsibility of professional soldiers regarding violation of discipline and violation of duty.

It is similar regarding military disciplinary prosecutors – they are proposed to be formed in the framework of Ministry of Defence, and establish Higher Military Disciplinary Prosecutor with the seat in Belgrade. Military disciplinary prosecutor represents the prosecution before the military disciplinary court.

Higher Military Disciplinary Court, as well as Higher Military Disciplinary Prosecutor, were established so far under the Ministry of Defence, i.e. they were subordinated to Ministry of Defence Secretariat.

THE REPUBLIC OF SERBIA NATIONAL DEFENCE STRATEGY

Defence Strategy is the highest strategic document of the Republic of Serbia in the area of defence. It defines Serbia's defence interests, analysing the safety environment and identifying the greatest threats for the defined interests, designating the authorities that will fight against these threats.

The Strategy is not legally binding, yet it brings political responsibility to those who adopted it to be governed by its principles. It is further elaborated through the laws, public policies and minor strategic acts (which are mostly secret), such as the Doctrine of the Serbian Army, Strategic Defence Overview, Long-Term and Mid-Term Defence System Plan Development and the Defence Plan. As a public document, it is meant for both the citizens of Serbia and the international community as a guideline of the Serbian authorities and institutions future actions in the subject area. There is no deadline for its implementation or replacement, but it is reviewed if the safety environment goes through significant changes.

The previous Strategy, which is still in force, was adopted in 2009. To the greatest extent, the

Proposal of the new Strategy maintained the structure of the previous one. Methodological modifications are most visible in the defence policy as the state actions are consistently further elaborated regarding the established defence interests. Compared to the 2009 Strategy, the new Strategy text does not contain special parts on the resources, financing and defence planning.

UNPREDICTABLE SAFETY ENVIRONMENT

Global and regional safety environment became complex and unpredictable, with intertwined integration processes, while contemporary transnational threats such as terrorism, organised crime and cybercrime and global warming are gaining more importance than traditional military threats. International relations are still characterised by the great powers interventionism and the battle for energy resources. The consequences of the conflicts in the Middle East, Asia and Africa are being recognised, while the conflict in Ukraine is being ignored, as well as its consequences visible in the aggravation of the relations between the West and Russia, and the illegal participation of Serbian volunteers in that conflict. It is a novelty that dissemination of fake news and disinformation are recognised as the danger to the safety of the region, and increased threats to the status of Serbian people, both in Kosovo, separated through unilateral secession, and Bosnia and Herzegovina.

NEW/OLD INTERNATIONAL ACTORS IN THE REGION

Judging by the text of the Strategy, the constellation of the international organisations and their influence in the region changed. The European Union is getting more importance, as it mentioned 35 times compared to only one time in the 2009 Defence Strategy. It is mentioned mostly in the context of aligning the domestic standards and regulations with the European ones, and as Serbia's partner in multilateral military and civilian missions, among other, and as the stability factor in the region as well. In defence and safety matters of common interests Serbia will regularly consult the EU.

In addition to NATO and OSCE, that had maintained their significance for peace and safety in Europe, the Collective Security Treaty Organisation (CSTO) was mentioned for the first time, which gathers six former Soviet republics, including Russia, and Serbia was granted the observation status in 2013. The Strategy is announcing the deepening and the expansion of the cooperation with CSTO, while the existing relations with NATO within the Partnership for Peace are observed as the optimal framework without the need for deeper approximation. Also, it was emphasised that the cooperation with NATO is in interest of Serbia, while the cooperation with CSTO is a choice.

KOSOVO REMAINS A DOMINANT THREAT

List of challenges, risks and threats significant for the defence is not tremendously changed. Types of danger were listed by the severity of potential consequences, and not by the degree of likelihood of their potential realisation. So the armed aggression is still in the first place, although it is not that likely. Unilateral secession of south province Kosovo and Metohija dominates the Strategy text being a threat as such, and a source of other threats such as separatists' efforts, armed rebellion, terrorism and organised crime and extremism. The provisional Pristina institutions' requests for joining the international organisations and the reduction of the international presence in Kosovo are considered as threatening, as well as the lack of implementation of agreed obligations, including the transformation of the specific status of Kosovo Security Forces into a classical army. Other problems are related to natural and technological disasters, radiological contamination from the 1990s war activities and the communication infrastructure of the defence system.

MILITARY NEUTRALITY AND EUROPEAN INTEGRATION ARE NOT MUTUALLY EXCLUSIVE

Main defence interests are still the protection of sovereignty and territorial integrity, protection of Serbia and its citizens' safety, maintenance of peace and safety in the region and the world, and the cooperation with the third countries and international organisations in the area of defence. The novelty is that this list now includes military neutrality and European integration.

Since 2007, the military neutrality had been a topic, when the National Assembly, as the reaction to the role of the NATO in Kosovo, by means of the resolution rejected the membership of Serbia in any of (then) existing military alliances until the people on the referendum would decide otherwise. This option was completely left out from the previous 2009 Strategy, while now it is exclusively invoking the Resolution of the Assembly thus creating the continuity for the state politics. It has been emphasised that military neutrality is not an obstacle in cooperation with either NATO or CSTO or the membership in the European Union, as since 2009 the EU has an provision on the mutual defence obliging the member countries to assist in the event of the armed aggression on another member state, although some of these countries are also military neutral.

TOTAL DEFENCE OF SERBIA IS ABOUT TO START

As it does not have allies that would help it in the case of a need, military neutral Serbia must rely on its own capacities only. It will therefore train and engage the entire population to defend the country from various threats, especially in the aim of deterring the armed attack. For that purpose the patriotism will be promoted as well as the readiness of citizens to defend the country, starting from the elementary and secondary school, and the adults will be trained as well. Concept of total defence was mentioned in the previous Defence Strategy, but it primarily concerned the reforms and Army professionalization.

In expectation of these strategies, some measures were already taken pursuant to the Law on conscription, compulsory labour and requisition that was amended in May 2018, under the urgent procedure without the public debate. Since October 2018, the obligatory 15-day trainings divided into two calendar years have been already introduced for men older than 30 years who did not do their military service period, as well as for both genders who served military service period armed. The concept of country's defence curriculum has been tested in some schools.

REPUBLIC SRPSKA AMONG PRIORITY DEFENCE GOALS

In accordance with the perception of threats for Serbian people in the region, among the priorities of Serbia defence policy is the preservation of the Dayton Republika Srpska within Bosnia and Herzegovina. This is even more emphasised in the Proposal than in the last year Defence Strategy Draft. It is not really clear why developing special relations with Serbian entity across Drina is more emphasised among the defence priorities than foreign policy goals of the Republic of Serbia, and this is viewed as an interest of protecting peaceful and stable regional environment..

THE STRATEGY IMPLEMENTATION WILL BE MONITORED

The implementation of the previous Strategy was never assessed. The adoption of the Action Plan has been planned now on the basis of the Ministry of Defence proposal, monitoring its application and reporting to the Government annually, while the Government shall submit the report to the National Assembly Defence and Internal Affairs Committee and National Security Council. Application of specific solutions has already started even before the adoption of the Strategy, as well as hierarchically more important National Security Strategy in the National Assembly.

NATIONAL SECURITY STRATEGY

The National Security Strategy is the most important strategic act of the Republic of Serbia. It defines the highest national interests in the given context, recognising the obstacles for the realisations of those interests and establishing the methods for removing the obstacles. In other words, the national security strategy tells us what ensures the survival of the state and the quality of life of its citizens, what threatens it, who should protect it and how.

The Strategy is not legally binding but a public political act that tentatively directs the adoption of future laws, minor strategies, plans and programmes, and public policies. It is meant for both the citizens of Serbia and the international community as a guideline of the Serbian authorities and institutions future actions.

CHANGED SECURITY ENVIRONMENT REQUIRES A NEW STRATEGY

The great powers are regularly changing their national security strategies and small countries like Serbia only if there is a significant change in the circumstances and when it's necessary. First and so far the only such act Serbia adopted was in 2009. In the meantime, the state has got significantly closer to the European Union membership so it should be aligned with the EU strategies too, it has concluded the Brussels Agreement on the normalisation of the relations with Pristina, found itself on the route of the mass migrations towards Europe, and it also felt the impact of the turmoil in the Arabic world, the cooling of relations between the West and Russia following the Ukrainian crisis, and the effects of the development of high technologies and the global warming.

MEMBERSHIP IN THE EUROPEAN UNION AMONG THE HIGHEST NATIONAL INTERESTS

Compared to 2009, the national interests remained almost unchanged. It is understandable since they are usually long-term and similar in every country trying to protect sovereignty and population in the entire territory, endeavouring to ensure the high quality of life for the citizens, protecting the specific national identity in the country and abroad, and in general, enabling citizens to live in a healthy and peaceful environment. The novelty on the list of Serbia's vital interest is the European integration that will culminate with the membership to the European Union, which ten years ago was not yet such a clear path, but today it is considered pivotal for the realisation of other established interests. Full readiness for membership involves the incorporation of the European values in the Serbian society and the national legislation alignment with the high European standards.

KOSOVO REMAINS THE ROOT OF THE MOST SIGNIFICANT CHALLENGES, RISKS AND THREATS TO NATIONAL SECURITY

When it comes to the assessment what threatens Serbia the most, Kosovo is still number one and threats are numerous – starting from the violation of territorial integrity, separatism, armed rebellion, and then also extremism, terrorism and organised crime. Compared to the previous strategy, new security challenges include mass illegal migrations from Africa and the Middle East, with the country's demographic issues getting more drastic. It is not only the uneven demographic and economic development but a critical brain drain, low fertility rate and long-term danger of the biological survival of the Serbian population. As before, armed aggression is not that likely, but the country is threatened by foreign spies, climate change, lack of energy resources, cybercrime and drug abuse. Compared to the previous strategy, the uncompleted demarcation with the neighbours still repre-

sents the serious issue for Serbia, however, the status and the problematic situation of internally displaced persons and corruption are no longer considered as significant threats. Compared to the 2018 Draft Strategy, more attention has been paid to ecological problems and policies, while the cyber challenges are still insufficiently addressed.

LOUDLY AND CLEARLY FOR MILITARY NEUTRALITY

The key novelty is the proclamation of Serbia's military neutrality. It is very important this is included in the highest strategic act as a longstanding and consistent commitment. Since 2007, the military neutrality was a topic when the National Assembly, as the reaction to the NATO role in Kosovo, by means of the resolution rejected the membership of Serbia in any of (then) existing military alliances until the people on the referendum would decide otherwise. This option was completely left out from the previous 2009 Strategy, but in the meantime, it gained importance after the aggravation of the relations between the European Union and NATO, on one hand, and Russia on the other hand, as the result of the Ukrainian crisis.

The Strategy confirms that Serbia will not become a member of NATO and that the relations with this organisation within the Partnership for Peace are optimal. Moreover, Serbia will improve its cooperation with the Collective Security Treaty Organisation (CSTO) organised around Russia. It will be internationally active through participation in the missions of the United Nations, EU and OSCE.

TOTAL DEFENCE OF SERBIA: EVERYONE IS DEFENDING EVERYTHING

As it does not have allies that would help it in case of a need, military neutral Serbia must rely only on its capacities. It will therefore train and engage the entire population to defend the country from various threats, especially in the aim of deterring the armed attack. For that purpose the patriotism will be promoted as well as the readiness to defend the country, starting from the elementary and secondary school, and the adults will be trained as well. What it means is to some extent explained in the Defence Strategy that shall be adopted simultaneously with the National Security Strategy.

In expectation of these strategies, some measures were already taken pursuant to the Law on conscription, compulsory labour and requisition that was amended in May 2018, under the urgent procedure without public debate. Since October 2018, the obligatory 15-day trainings divided into two calendar years have been already introduced for men older than 30 years who did not do their military service period, as well as for women and both genders who served military service period armed. In some schools, the concept of country's defence curriculum has been tested.

TAKING CARE OF ALL CITIZENS OF SERBIA AND ENTIRE SERBIAN DIASPORA

Protection of Serbian people and its ethnical identity regardless of their residence, both in country and abroad, has a special place in the Strategy Proposal. It shall mean that Serbia will improve its relations with diaspora, especially with Republika Srpska. The identity of national minorities living in Serbia is also being protected, but at the same time, there is apprehension due to their potential separatist's desires. We can expect new programmes for domestic population growth.

PRESIDENT OF REPUBLIC IS IN CHARGE

The Strategy outlines the structure of the national security system and the national interests will be protected through coordinated actions of its elements against recognised challenges, risks and threats. However, these elements have been scattered among various laws, and their roles must

be integrated into one place. In the new strategy the structure is simplified, so the management part consisting of the highest authorities of the executive and the legislative within the system is separated from the executive part which includes the security authorities – the police, army and security forces, but also fire-fighters, civilian protection, municipal militia, the customs, public and private security, and if necessary other natural and legal persons, and/or all citizens.

The amended strategy has even more emphasised the role of the President of the Republic who is now not only commanding the Army but also directing the entire system instead of the Government. It remained unclear why the principles of impartiality and political neutrality are absent from the functioning of the system since they require everyone to be treated equally without interference from personal and other particular interests.

MONITORING OF STRATEGY IMPLEMENTATION

The implementation of the previous Strategy was never assessed. The adoption of the Action Plan has been planned now, and the Government, competent Committees of the National Assembly and National Security Council will monitor its application annually. Application of specific solutions has already started even before the official adoption of the Strategy in the National Assembly.

LAW ON PUBLIC PROCUREMENT

New Law on Public Procurement uses the EU Directive and other European Union acts in the area of public procurement as the foundation. The basic aim of adopting the new law is to completely align the national regulations with the directives and the provisions of other regulations on public procurement and their full implementation in practice.

Adoption of a new law was provided for by the Strategy for Development of Public Procurement in the Republic of Serbia 2014-2018 as one of the strategic goals of public procurement reform in the Republic of Serbia. New Strategy for Development of Public Procurement 2019- 2023 provides for fulfilling the majority of planned activities precisely through the application of the new Law on Public Procurement.

Compared to the law that is applied now, in addition to essential novelties in implementation of procedures and the manner of awarding the contract to bidders and protection of rights, the new law also brings terminological and technical changes of the rules that were applied so far.

The most important novelties made by the proposal of the new law include:

NOTION OF CONTRACTING AUTHORITY

The Law brings novelties related to notion of contracting authority and its position in the procedure by introducing the notion of contracting authority and sectoral contracting entity. Contracting authority definition remained almost unchanged as in the applicable law, and sectoral contracting entity shall now mean:

- Particular type of contracting authority that carries out sectoral activities,

- Companies or firms that carry out sectoral activity over which the contracting authority might have, directly or indirectly, prevailing impact on the basis of ownership, financial participation or the rules regulating it,

- Other entities that carry out sectoral activity pursuant to exclusive or special rights.

PRINCIPLES

In relation to already existing principles, the law reinforces the level of competitiveness, by obliging the contracting authorities to enable in the public procurement procedure as much as possible competitiveness since they shall not limit competition with the intention of unduly placing in favour or disadvantage certain economic operators.

Although it was restricted to sole compliance with the applicable provisions of this law, the transparency was increased through publishing more documents and information related to procedures implementation. New law provides for publishing more information by the contracting authorities on the Public Procurement Portal and detailed informing of the Public Procurement Office on the implemented procedures.

Principle of proportionality is introduced as the contracting authority shall undertake all measures to implement the public procurement so the method is proportionate to the public procurement subject and shall commensurate with the objectives to be achieved.

Principle of environmental protection and ensuring of energy efficiency is stipulated by the Law, although in practice it was not applied in expected manner or even at all. Instead of the principle, the obligation of compliance with the rules of environmental protection is introduced and compliance with provisions of international law related to environment in a manner similar to existing obligation of compliance with social and labour rights, as well as collective labour agreements.

PREVENTION OF CORRUPTION

Provisions regulating the prevention of corruption were somewhat reduced. Contracting authority shall now be obliged to undertake all necessary measures so as to prevent the corruption in public procurement planning, public procurement procedure or during the performance of the contract on public procurement, with the aim of timely disclosure of the corruption, removing or mitigating the adverse consequences and penalties for those participating in corruption, in accordance with the law.

The contracting authority shall undertake to closely regulate the manner of conduct, rules, obligations and liability of persons and organisational units in procurement procedure, however, a novelty compared to currently applicable Law is that drawing up of general act which would include instructions for preparation and drawing up of internal act of the contracting authority related to prevention of corruption is not provided for. It is not precisely defined who is responsible for absence of an act closely regulating the prevention of corruption and duty of reporting the violation of competition, and the institution of civil supervisor is completely excluded although it had enviable results in practical application.

Definition of conflict of interest will include term “personal interest”. The provisions on planning and implementation of measures on prevention of corruption, as well as the manner of reporting suspicion of corruption related to public procurement is excluded from past application.

CHOICES OF PROCEDURES

The competitive procedure with negotiation and innovation partnership are introduced as completely new procedures. The low-value public procurement procedure which was one of main characteristics of Serbian public procurement system is being excluded. Public procurement of such value will be implemented first of all through open procedure which is still the primary rule, other types of procedures in accordance with the legally prescribed exception requirement which must be met so this procedure would be applied, but also through the procedures to which the rules on public procurement apply since the limit for the application of this law has been significantly increased (million RSD as the minimum for goods and services).

Open and restricted procedure are now regular procedures for awarding contracting authorities’ contracts. Special rules for procedures of awarding contracts of sectoral contracting entities are provided for, which in addition to open and restrictive procedure will be implemented in the negotiating procedure with publishing of an invitation or competitive dialogue, but could be executed in other procedures of public procurement if the legally prescribed conditions are met.

Definitions and bases for application of already existing procedures which were preserved in the new law are amended to some extent. The best examples are negotiating procedure without publishing of an invitation and negotiating procedure with publishing of an invitation. Bases for application are restricted and the definitions are adjusted to new terms in use through the alignment with the directives.

TIME LIMIT

Time limits for implementing the procedures are amended and to some extent are related to new estimated values for implementation of public procurements and European thresholds. As European thresholds are significantly higher than thresholds / estimated values applied in our practice, the time limits are amended depending on the types of provided procedures. Considering that open procedure is an exclusive rule to be applied, we underline here the amended minimum time limits for submission of bids in open procedure:

-35 days from the day of publishing invitation, where the estimated value of public procurement is either equal or exceeds the amount of European thresholds;

- 25 days from the day of publishing invitation, where the estimated value of public procurement does not exceed the amount of European thresholds;

- 15 days from the day of publishing invitation, for procurement of works where the estimated value does not exceed the amount RSD 30,000,000.00;

- 10 days from the day of publishing invitation, for procurement of goods and services where the estimated value does not exceed the amount RSD 10,000,000.00.

The law introduces some novelties related to the manner of calculating the time limit, primarily related to detailed explanation of the rules for calculating the time limits according to the needs of contracting authorities (specified time limits in days, months and years, and deadlines specified in working days).

The law introduces a possibility that in special cases the contracting authority may shorten the time limit for submission of bids, only if it is possible to submit the bids electronically. Provisions on electronic submission are not new, however in new law these are more precise and modified according to realistic possibilities of the Republic of Serbia to launch and establish the system of electronic public procurement procedures.

THRESHOLDS AND APPLICATION LIMITS

The Law introduces new thresholds for application of public procurement procedures. The term “threshold” is new since so far the term “value” had been used and the values were determined in accordance with the provisions of the Law on Budget of the Republic of Serbia for the incoming calendar year.

It is a novelty that the provisions of the Law on Public Procurement are not applied to:

- Procurement of goods, services and implementing the design competition, with estimated value that does not exceed RSD 1,000,000 and procurement of works with estimated value that does not exceed RSD 3,000,000.

LOTS

Law gives somewhat different definition of lots in public procurement procedures. The manner of separating the procedures is amended as well as the regulation of estimated value per lots. From provisions explanations one may conclude that through a new manner of determining the estimated value of the public procurement and division of procurement into lots, the legislator intends to secure the access to the market for small and medium sized enterprises, in the case of diving the procurement into lots, by determining the subject and scope of specific lot taking into consideration the possibility of small and medium sized enterprises in the procedure of the public procurement, when justifiable. However, the legislator now provides for the right of the contracting authority to limit the number of lots that could be awarded to one bidder.

REQUIREMENTS FOR PARTICIPATION

Law brings requirements amendments for bidders' participation in the procedure. Former requirements for participation in the procedure are now the criteria for qualitative selection of participants, and the following is provided for:

- Ability to perform professional activity,

- Financial and economic capacity of economic entity,

- Technical and professional capacity,

- And the possibility of contracting authorities to require meeting of the quality assurance standards and environmental management standards.

Contracting authorities receive instructions when they may use these criteria, and the bidders will have to meet specific demands regarding the evidence and the manner of confirming the evidence.

The rules of evaluation are introduced by providing for bases for exclusion (meeting required criteria for choosing the economic entity, meeting objective rules and criteria specified for decreasing the number of capable candidate, if applicable).

ELECTRONIC PUBLIC PROCUREMENT AND ELECTRONIC SYSTEM OF ACQUIRING DATA

One of the main intentions of the law is to shift the public procurement system completely towards the electronic procedures. The most important novelty is the idea to submit bids in public procurement procedures exclusively electronically, through specialised platform in the framework of improved Public Procurement Portal. Portal will enable the use of other electronic services, such as electronic catalogue, dynamic procurement system and submitting of request for the protection of rights electronically.

The important novelty is the introduction of e-Certis system which collects data on types and forms of evidence as well as competent authorities issuing evidence in Member States of the European Union.

CRITERIA FOR CONTRACT AWARDING

Compared to the currently applicable law, the criteria for contract award are different to those applied so far. The Law provides for the selection of the bidder according to:

- Price,

- Costs after application of cost effectiveness or,

- Evaluating of price-quality ratio.

Costs after application of cost effectiveness concern the cost of life cycle, while the price-quality ratio is considered through relation between costs and quality which are evaluated on the basis of criteria, including quality, economic and/or social aspects, related to the subject of the public procurement contract.

UNCOMMONLY LAW PRICE

Uncommonly law price is amended and becomes uncommonly low bid that is now aligned with criteria for contract award. It shall concern the content of the price or cost that significantly deviates compared to the market and causes suspicion of the possibility of public procurement performance in accordance with the requirements of the contracting authority provided for in procurement documents.

AMENDMENTS OF THE CONCLUDED CONTRACTS

Law provides for new possibilities in relation to the contract amendments. General rules are provided for related to performance and amendments of the contract and special new provision emphasises that amendment of the contract is relevant if the consequence of the amendment is the materially modified character of the contract compared to the previously concluded contract.

It is possible to make amendments if the nature of the previously concluded contract would be significantly changed, where the contract amendment is always important when any of the legal requirements is met. New provisions provide for the possibility to make amendments on the basis of the contractual provisions, concerning the additional goods, services and works, due to unforeseen circumstances, change of the contracting party, increase of the procurement scope or replacement of the subcontractor.

PROTECTION OF RIGHTS

The Law provides several provisions with the aim of more efficient legal protection during the procedure. Special principles of protection of rights, legality, efficiency, accessibility, the adversary principle and literacy are introduced. Costs of protection of rights procedure have been increased to some extent.

The Law introduces significant terminological modifications of already existing institutions, as well as definitions and introductions of new institutions.

LAW AMENDING THE ANTI-CORRUPTION AGENCY LAW

Anti-Corruption Agency Law (hereinafter: Law) regulates the legal status, competencies, organisation and operations of the Agency for combating corruption (hereinafter: Agency), rules concerning prevention of conflicts of interest in discharge of public office and property disclosure reports of persons holding public office, proceedings and decisions in the event of the violation of this Law, introduction of integrity plans, as well as other issues of relevance for the work of the Agency. The basic reasons for new amendments are the reinforcement of responsibility of political entities who participate in the elections within the meaning of use and disposal of public resources, separating official and political function, as well as prescribing offence for public officials who use public resources in the election campaign against the law. The non-governmental organisations who deal with electoral process participated in drafting text of the proposed amendments.

BASIC PROVISIONS

Proposed amendments to the Law introduce the definition of the public resource in the basic provisions. Public resource shall mean immovable and movable asset and any other asset that is publicly owned, and/or in any other form used by the bodies of Republic of Serbia, autonomous province, local self-government unit, public undertakings, companies, establishments and other organisations founded by or having a member that is Republic of Serbia, autonomous province and local self-government unit.

PROHIBITION OF PUBLIC RESOURCES ABUSE

Applicable law provides for prohibition of abusing public resources by the officials. It is new that the amendments now precisely define what the abuse of public resources shall mean.

Namely, the official may not use public resources for the promotion of any political party, and/or political entity, which shall in particular mean the use of public resources for the purpose of public presentation of the participants in the elections and their elections programmes, inviting voters to vote for them in the elections, and/or to boycott the elections, and use of public resources for other forms of political activities, such as working with voters and membership, organising and holding rallies and promotion, production and distribution of advertising material, brochures, leaflets and publications, political advertising, public opinion polls, media, marketing and consulting services and trainings for political party activities.

Also, it is new that officials are prohibited to use public gatherings where they participate and meetings they attend in the capacity of the official, to promote their political parties, and/or political entities, which shall in particular mean using those public gatherings and meetings for public presentation of the participants in the elections and their elections programmes, inviting voters to vote for them in specific elections, and/or to boycott the elections.

PENALTIES

It is a novelty that stricter minimum fine has been imposed to officials who abuse the public resources and it was increased from RSD 50,000 to RSD 100,000. The maximum fine remains RSD 150,000..

LAW AMENDING THE LAW ON PREVENTION OF CORRUPTION

The Law on Prevention of Corruption (hereinafter: Law) regulates the legal status, competencies, organisation and operations of the Agency for combating corruption (hereinafter: Agency), rules concerning prevention of conflicts of interest in discharge of public office, accumulation of mandates, property and income disclosure reports of persons holding public office, proceedings and decisions in the event of the violation of this Law, as well as other issues of relevance for the prevention of the corruption. The Law was adopted in 2019, but it will be applied from 1 September 2020. The basic reasons for amendments of this Law that is yet to be applied are the reinforcement of responsibility of political entities who participate in the elections within the meaning of use and disposal of public resources, separating official and political function, as well as prescribing offence for public officials who use public resources in the election campaign against the law. The non-governmental organisations who deal with electoral process participated in drafting the text of the proposed amendments.

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Proposed amendments to the Law introduce the definition of the public resource in the basic provisions. Public resource shall mean immovable and movable asset and any other asset that is publicly owned, and/or in any other form used by the bodies of Republic of Serbia, autonomous province, local self-government unit, public undertakings, companies, establishments and other organisations founded by having a member that is Republic of Serbia, autonomous province and local self-government unit.

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LAW AMENDING THE LAW ON PUBLIC UNDERTAKINGS

Law on Public Undertakings was adopted in 2016 and it was not amended since. Proposal amending the Law on Public Undertakings entered the procedure before the National Assembly of the Republic of Serbia on 14 November 2019. Civil society organisations proposed amendments regarding some articles which to be defined could make for the improvement of the electoral conditions. Some provisions related to the responsibility of persons in the public undertaking needed to be amended, so this Law resolves that shortcoming.

EXTENDING THE RESPONSIBILITY OF THE DIRECTOR

Amendments introduced to this law primarily concern the precise definition of the basis to dismiss the director using the public resources. It shall mean a director using the resources of public undertaking for promotion of political parties, and/or political entities, entailing especially using public undertaking's official premises, vehicles and equipment without remuneration. In addition, the director would be discharged if he/she was aware and failed to act in order to prevent an employee or someone hired on other grounds abusing undertaking's public resources for political or party purposes.

PENALTIES

Moreover, penalty provisions are amended to enable fines for responsible persons in the event of violation of mentioned provisions.

LAW AMENDING THE LEGAL ENTITY PROFIT TAX LAW

Proposal of the Law amending the Legal Entity Profit Tax Law (also Corporate Profit Tax Law) aligns this Law with the Law on the Conversion of Home Loans Indexed in Swiss Francs, so as to enable banks to use tax reliefs on the basis of the reduction of debt for the beneficiaries with Swiss Francs loans. In addition, the proposal of the Law provides for a tax relief for investment funds whose tax base will no longer include the income from the alienation of property. Finally, the recognition of tax credit has been proposed on the basis of the performed services that were taxed abroad, for the purpose of preventing double taxation of tax payers who perform their business activities both in Serbia and abroad.

Taking into consideration that proposed amendments introduce tax incentives for banks as well as exemption from income taxation accrued by the investment funds through alienation of certain type of property, the law proposer notes that it has been estimated that the solutions proposed by this law will have an effect on the reduction of budget revenue from legal entity profit tax.

1. Allowing use of tax relief for banks on the basis of the reduction of debt for beneficiaries with Swiss Francs loans

Expenses related to the reduction of debt borne by the bank, determined in accordance with the Law on Conversion of Housing Loans indexed in Swiss Francs Law, are recognized as tax expenses of the bank, so the bank should be recognized the right to a tax credit of 2% of the remaining debt of the loan beneficiary whose loan in Swiss Francs was converted to EUR and reduced in accordance

to this Law. The proposed amendments of the Legal Entity Profit Tax Law align the provisions of two laws and defines more precisely the manner of banks using these facilities.

2. Tax relief for investment funds

The income that the investment fund derives from the alienation of property (immovable property, shares, securities and other) will not be included in the tax base. This measure was proposed for the purpose of encouraging investors to invest in investment funds that provide support to small and medium sized enterprises business activities.

3. Recognising tax credit on the basis of the performed services that were taxed abroad

For the purpose of avoiding double taxation of the tax payers who perform their business activity both in Serbia and abroad, a proposal was made to recognise tax credit for a tax payer on the basis of the service performed in the other country, where, in that country the withholding tax was charged and paid. Namely, by the applicable legislative solution the tax credit is recognised for income earned from interest, copyrights, payments on the basis of rent of real estate and movable assets and dividends for which withholding tax was charged and paid in the other country, while the adoption of proposed amendments will enable recognition of tax credit for the services that were taxed in a foreign country as well.

4. Obligation of annual reporting on controlled transactions for resident taxpayers - the ultimate parent legal entity of an international group of related legal entities

Legal entities formed or having their head office of actual management and control in the territory of Serbia, and which are considered the ultimate parent legal entity of an international group of related legal entities, are obliged to submit to the competent tax authority an annual report on the controlled transactions performed within the group.

This shall enable the application of the Action Plan on Base Erosion and Profit Shifting – BEPS Action Plan, since at the beginning of 2018 Serbia became a member of BEPS Inclusive Board and undertook the responsibility to align regulations with minimum standards of BEPS Action Plan.

LAW ON AGENCY EMPLOYMENT

Much-awaited Law on Agency Employment was finally welcomed by the National Assembly of the Republic of Serbia, in somewhat changed form compared to the previous proposal that was discussed in the public debate several months before. The basic reason for the adoption of the Law is in fact the harmonisation of our legislation with the international standards and acquis communautaire, meaning the establishment of the legal framework for the work of employment agencies, which one way or another do exist in the Republic of Serbia labour market, without clearly established legal framework. The novelties in the Law guarantee the employees the rights from the employment relationship that the employer must not abuse (the employers cannot hire workers under the inferior conditions compared to those applicable to "their" employees). The position of the Social and Economic Council, as the authority that should give opinions to all laws related to the position and rights of workers, was not noted, and/or was not adopted.

AGENCIES FOR TEMPORARY EMPLOYMENT

The Law Proposal defines the Agency for Temporary Employment, meaning which list of requirements must be met in order for a specific company or an entrepreneur to be able to carry out acti-

vities of temporary lease of the employees. Clear criteria have been defined, as well as necessary steps to be fulfilled in the aim of meeting the legal preconditions for performing this type of business activity. Ministry competent for labour affairs shall take into consideration each of submitted requests for establishment of agencies and on the basis of the requirements met, shall issue the business licence. However, this licence is issued for a limited 5-year period of time, in order to ensure the continuity of professionalism, thus checking that professional and technical requirements for the work of such type of Agency are met, and after this period it is necessary to carry out the identical procedure as on the occasion of licence approval. The guiding principle was to ensure strict observance of the established criteria and professional ethics as well, which is obvious from the fact that during the period of licence validity it is possible to revoke the licence, and terminate the Agency and its work.

LEASED EMPLOYEE VS COMPARABLE EMPLOYEE

The Law makes a difference between the leased employee and the comparable employee. The leased employee shall be a natural person in the employment relationship with the Agency, who is leased to the interested Employer. In fact, comparable employee is perceived as “the mirror model” of an employee, which serves as a clear guideline to both leased employee and the Agency, and the interested Employer as well. Comparable employee indicates a role model to be copied for the leased employee. Namely, introducing comparable employee category sends a clear message for the previously utilised shortcomings of the law, which had enabled “exploitation” of the leased employees by giving them significantly inferior rights and benefits, which will not be possible in the future. Notion of the comparable employee is very broadly defined, especially bearing in mind the phrase “of the same level of a professional degree and/or a degree of qualification”. By expanding the possibility of interpretation of the comparability criteria, the law makes it difficult for those Employers who do not have clearly defined positions, meaning the comparable employees that could be used as the mirror models. The most important novelty, as regards the right of employees, is that they have to have the rights arising from the employment relationship guaranteed.

TERMS OF EMPLOYMENT OF THE LEASED EMPLOYEE

Lack of clear criteria for engaging the leased employee had enabled interested employers to have their own more “expensive” employees in their companies, for same or similar jobs, along with the “cheaper” employees who were also engaged. This type of unequal employees’ treatment had caused various degrees of unacceptability on both sides. Various aspects of engagement, followed by different remunerations, represented favourable situation for comprehensive dissatisfaction, and we had poor productivity of all sides as its consequence. The idea of this Law, guided by practical experience and examples, resulted in a situation that the employee leased to the Employer can be a counterpart to currently “real” employee in absolutely every way. The Law proposal on agency employment provides for that the worker who is leased to the Employer will conclude the employment contract with the temporary employment agency – for definite or indefinite time. Therefore, the agency workers will have all the rights from the employment relationship unlike, for example, the engagement on the basis of the temporary and occasional work contract which, among other things, does not ensure the workers with the right to annual holiday and sick leave. The Law specifies provisions concerning the salaries, compensation of costs and other pecuniary benefits that the leased employee is entitled to, so the interested employers will have a possibility to save through this type of engagement.

DURATION OF THE LEASE

Duration of the lease period with the beneficiary employer is defined in the same way as the duration of the employment relationship for definite period of time, subject to the same restrictions. In order to protect the legal status of the leased employee, and eliminate the possibility of the abuse with the beneficiary Employer and the Agency, the Law defines that the duration of the definite time period employment shall be equal to the factual number of hours. Namely, if the leased employee, within the legal deadline of 24 months engagement, performs tasks for the beneficiary Employer through several different engagement arrangements, via one or several agencies, and/or through the employment relationship with the beneficiary Employer, after the expiration of 24-month-period, he/she shall be considered an employee for the indefinite time period with the beneficiary Employer.

RESTRICTIONS WITH THE LEASE OF EMPLOYEES

Mostly discussed provision of the Law Proposal in the public debate concerned the restriction regarding the total number of leased employees in the employment relationship with the beneficiary Employer. In the original proposals before the public, the initial restriction of 10% of total number of employees with the beneficiary Employer on the day of signing the contract on the lease was supplemented with the possibility of exception and even the extension of this number to 30% of the total number of employees on the basis of the special approval by the ministry competent for the labour affairs. The abovementioned possibility of granting the right of exception, which was especially interesting for employers who have been hiring a large number of employees, and/or for the group of employers who, so far, practically were the biggest beneficiaries of the leasing services of the agencies, in some way represented the “opportunity” for them to continue with this trend of using the leasing services. The Law before the MPs at this moment does not contain this exception. It is considered a shortcoming od this Law that it does not provide any type of limitation of the number of leased workers, if those workers have the indefinite employment contract with the Agency. It shall mean, that in practice, the employers may perform almost their entire business activity with the “rented” workers.

The Law stipulates that the employees may be leased to the public authorities as well, except for the jobs of civils servants and officers in the units of local self-government and autonomous province. The Law Proposal stipulates that the provisions of this Law shall enter into force on the eighth day from the day of its publication in the Official Gazette, while its application would be postponed until 1 March 2020. The application of the provisions concerning the procedure of issuing the business licence to the agencies for temporary lease of employees is planned from 1 January 2020, so all interested agencies would have an opportunity to obtain business licence, before the remaining provisions of the Law would start to apply.