

**L A W**  
**ON PLEDGE OF MOVABLE ASSETS AND RIGHTS REGISTERED IN THE PLEDGE REGISTER**

**I. GENERAL PROVISIONS**

**Subject Matter of the Law**

**Article 1**

This Law governs pledge, without transfer of possession, of movable assets and rights for the purpose of securing the secured creditor's receivables; the pledge agreement; the rights and liabilities of the contractual parties; pledge right registration; settlement of payment obligations to the secured creditor and pledge termination.

Pledge of movable assets and rights shall arise at the moment of their registration in the Pledge Register established in accordance with this Law.

Unless otherwise specified by this Law, all legal relations shall be governed by provisions applicable to contractual obligations, property relations and other regulations.

**Pledge Agreement**

**Article 2**

The pledge agreement obliges the pledger to secure the secured creditor's receivables by registering the secured creditor's right to the pledger's assets in the Register of Pledges (hereinafter: Pledge Register).

The pledger can be a debtor or a third party.

The pledge agreement shall govern all rights and liabilities of the pledger and creditor.

**Content and Form of the Agreement**

**Article 3**

The pledge agreement shall contain, specifically: the date of stipulation, the first and last name, the corporate or firm name, fixed domicile or residence, or registered office of the creditor, pledger, and debtor, if the debtor and pledger are not one and the same person, description of the pledged asset, and data on the secured claim.

The pledge agreement shall be stipulated in writing.

### **Acquisition of the Right of Pledge**

#### **Article 4**

Unless otherwise prescribed by the law, the creditor shall acquire the right of pledge by registration in the Pledge Register.

If the pledger has no ownership of the pledged asset, or if the pledge has no validity for other reasons, the registration in the Pledge Register shall have no legal effect.

Creditors who have acquired the right of pledge through transfer into possession or in other ways established by law, may request that their right of pledge be registered with the Pledge Register, to secure their status of preferential creditor, pursuant to this Law.

### **Pledge Registration**

#### **Article 5**

The registration of the right of pledge in the Pledge Register may be requested either by the creditor or the pledger.

If the registration is requested by the creditor, a statement by the pledger is required, in which he explicitly agrees that the creditor may register the pledge right in the Pledge Register.

### **Legal Effect of the Right of Pledge**

#### **Article 6**

The creditor whose right of pledge is registered in the Pledge Register has priority to other creditors in satisfying the secured claim, if his claims have not been settled by due date.

The right referred to in paragraph 1 of this Article shall also be effective in relation to third persons who have procured the pledged asset from the pledger, as well as to persons who have acquired the pledged asset subsequently.

### **Secured Claim**

#### **Article 7**

A pledge right can secure financial claims expressed either in domestic or foreign currency amounts.

The right of pledge can secure a certain amount of the main claim, accrued interest and costs of collection of claims.

A pledge right can also secure future and conditional receivables.

In the case referred to in paragraph 3 of this Article, the maximum amount of the main claim up to which the pledge right shall secure conditional or future receivables shall be registered in the Pledge Register.

## **Legal Effect in Case of Bankruptcy**

### **Article 8**

In the event of bankruptcy proceedings instituted against the pledger's property, the settlement to be effected from the value of the pledged assets shall be subject to the rules of the Law governing the matter of bankruptcy.

## **II. THE PLEDGED ASSET**

### **Movable assets**

#### **Article 9**

The pledged asset may be an individually specified asset that the pledger can freely dispose of.

Movable assets categorized by kind may also be pledged, if their quantity and manner in which they can be differentiated from other assets of the same kind is specified in the pledge agreement.

A portfolio of movable assets, situated at a fixed location, may also be the object of a pledge, including inventories that, in the meaning of this law, consist of movable assets intended for sale or leasing, as well as raw materials and materials used in a commercial activity.

In the case referred to in paragraph 3 herein, the right of pledge shall be extended to all movable assets that become a part of this portfolio after the pledge is instituted, if they are owned by the pledger.

## **Pledging of funds on a special bank account**

### **Article 9a**

Claims paid to the pledger's special bank account pursuant to the agreement they arise from, may also be the object of a pledge (the pledging of funds on a special bank account).

In the case referred to in paragraph 1 hereof, the pledger's claim under the respective agreement shall be the object of a pledge, and data on the pledger's special bank account to which the claim shall be remitted shall be registered in the Pledge Register.

### **Right of claim and other rights**

#### **Article 10**

The secured creditor's claims towards the debtor can also be the pledged asset, even in the event when the pledge creditor is the pledger's debtor, with the exception of those claims whose transfer is prohibited by law and those that are unalienable from an individual or may not be transferred to others.

A pledge over claims shall be created by entering into a pledge contract through registration in the Pledge Register, regardless of whether the debtor received prior notification of the pledging.

Shares and other property rights that the holder may freely dispose of may also be the object of a pledge.

Unless prescribed otherwise, the provisions that govern pledged assets shall also apply to pledged claims and other rights.

### **Effect of a pledge of claims**

#### **Article 11**

Until receiving written notification of the establishment of the right of pledge, a debtor of the pledged claim may continue to fulfill his obligation towards the pledger.

The debtor can be notified about the pledged claim referred to in paragraph 1 of the present Article either by the pledger or the pledge creditor.

From the date of notification of the existence of the right of pledge, the debtor of the pledged claim may settle the claim of the secured creditor and not the pledge creditor as well, unless he has been instructed otherwise by the secured creditor.

An excerpt from the Register to the effect that the creditor has the right of pledge over a claim is evidence for the debtor of the pledged claim that he is to pay the claim to the pledge creditor.

## **Co-ownership share**

### **Article 12**

A co-ownership share of a movable asset or a portfolio of movable assets may be the pledged asset.

An ideal share of the ownership may be pledged as security.

## **Future assets and rights**

### **Article 13**

Assets or rights that the secured creditor shall acquire in the future may also be the pledged asset.

The right of pledge referred to in paragraph 1 of this Article shall arise when the pledger acquires the right of ownership of the asset, or the right of claim or other ownership rights.

The creditor is entitled to seek the registration of the pledge right to a future asset in the Pledge Register.

## **Other applicable regulations**

### **Article 14**

The provisions of this Law shall not apply to pledge of vessels and aircrafts, for which registers have been instituted in accordance with special regulations.

The provisions of this Law shall not apply to the pledge of securities, for which a Register has been instituted in accordance with special regulations, in which the rights of third persons to securities are registered.

The provisions of this Law shall apply to the pledge of intellectual property rights, and the pledge upon these rights shall be registered in the Register of the institution competent for intellectual property, specifically: trademark register, patent register, small patents register, register of models, register of samples, register of geographic designation of origin and register of topographies.

### III. CONTRACTUAL PARTIES

#### **The pledge creditor**

##### **Article 15**

Within the meaning of this Law, the pledge creditor is a creditor who has acquired the right of pledge by registration in the Pledge Register.

#### **Designation of the authorized person**

##### **Article 16**

One or more secured creditors may authorize a third person to take legal action to protect and settle a secured claim (hereinafter: authorized person) by means of a pledge contract or special power of attorney.

The authorized person shall have the rights of a secured creditor in regards to the pledger.

The authorized person must have a special power of attorney for waiving a pledge right.

Data on the authorized person shall be entered in the Pledge Register instead of the creditor's data.

When there are several secured creditors, one of them may be designated by them to act as the authorized person.

#### **The Pledger**

##### **Article 17**

Within the meaning of this Law, the pledger is an obligor who has right of ownership over a movable asset or the capacity of holder of a right that he is free to dispose of.

The pledger may be a third party providing security for another's debt.

## IV. LEGAL EFFECTS OF THE PLEDGE AGREEMENT

### 1. OBLIGATIONS OF THE PLEDGER

#### **The obligation to keep and preserve the pledged asset**

##### **Article 18**

Upon stipulation of the pledge agreement, the pledger shall be obliged to keep the pledged asset right with the care of a good host and with due diligence.

The pledger shall be obliged to preserve the pledged asset right in a running condition and make the required repairs.

#### **Insurance of the pledged asset**

##### **Article 19**

The pledge agreement may foresee the obligation of the pledger to insure the pledged asset.

### 2. RIGHTS OF THE PLEDGER

#### **Possession and use**

##### **Article 20**

Even after the registration of the pledge right in the Pledge Register, the pledger has the right of possession of the pledged asset.

Should the pledger fail to settle his obligations to the secured creditor by due date, he shall lose the right of possession.

The pledger is entitled to use the pledged asset in accordance with its intended purpose.

#### **Right to fruits**

##### **Article 21**

If the pledged asset bears fruits, the pledger shall be entitled to reap these.

The pledge agreement may stipulate that the secured creditor, instead of the pledge creditor, shall be entitled to reap the fruits generated by the pledged asset.

## **Lease**

### **Article 22**

The pledger shall have the right to lease the pledged asset and enter into other agreements whereby the pledged asset is transferred to third parties for use and reaping of fruits, unless otherwise stipulated by the agreement.

## **Disposal of the pledged asset**

### **Article 23**

The pledger may dispose of the pledged asset and transfer the right of ownership to a third party.

The pledger shall be obliged to file an application for registration of the right of pledge in the Pledge Register at the new owner's expense without delay.

The new owner shall also have the obligation referred to in paragraph 2 of this Article. The pledger and the new owner of the pledged asset shall be jointly liable to the secured creditor for any damages that may arise as a result of their failure to register the right of pledge at the new owner's expense in the Pledge Register.

The purchaser shall acquire the right of ownership encumbered with the registered right of pledge.

If the pledger sells the pledged asset in the course of conducting his regular commercial activity, the buyer shall acquire the right of ownership without encumbrance.

## **Prohibition of disposal**

### **Article 24**

The pledge agreement may withdraw the right of the pledger to dispose of the pledged asset.

## **Re-pledge**

### **Article 25**

The pledger may re-pledge the pledged asset unless otherwise stipulated by the agreement.



## **Limitation of the right of use**

### **Article 26**

The pledge agreement may limit the use of the pledged asset and stipulate the way in which the pledger may use it thereafter.

The pledge agreement may prohibit particular ways of using the pledged asset.

## **V. SPECIFIC CONTRACTUAL PROVISIONS ON SETTLEMENT**

### **General rule**

#### **Article 27**

If the pledger has the capacity of a business entity (entity professionally engaged in a commercial activity), the pledge agreement may stipulate that the pledge creditor is entitled to sell the pledged asset at an out-of-court public sale if his claim is not settled upon maturity.

If the pledged asset has a market or stock exchange price, the pledge agreement may stipulate that the pledge creditor is entitled to sell it at that price, or to retain it at that price.

A company, sole trader and other natural person engaged in a commercial activity as an occupation shall have the capacity of a business entity.

The rules stipulated in paragraphs 1-3 of this Article shall be applicable to other legal entities in private or public law.

If the pledged asset does not have a market or stock exchange price, the pledge creditor may sell it as a reasonable and prudent person would, with due consideration to the interests of the debtor and pledger, when these are different persons.

### **Special rule for natural persons**

#### **Article 28**

If the pledger is a natural person stipulating the pledge contract outside the scope of commercial activity, the pledge contract may not allow the secured creditor to retain the pledged asset or dispose of it for a predefined price, in case their claim is not settled upon maturity.

The pledge agreement may stipulate that the possession of the pledged asset shall be transferred to the secured creditor, unless their claim is settled upon maturity.

At the date of maturity of the claim, the secured creditor and pledger may agree that the pledge asset be sold at a determined price or kept by the creditor for that price.

The pledge creditor shall be obliged to pay to the pledger any surplus value in excess of the amount of the claim without delay.

## VI. RANKING OF RIGHTS OF PLEDGE

### **Priority right of settlement**

#### **Article 29**

The pledge creditor shall have priority to other pledger's creditors in satisfying the secured claim from the selling price obtained for the pledged asset, unless otherwise prescribed by this Law.

### **Priority ranking**

#### **Article 30**

If the same pledged asset is pledged to secure more than one creditor through registration in the Pledge Register, the priority of their claims to be recovered from the value of that asset shall be determined according to the time (date, hour and minute) of receipt of the request for registration of the pledge by the Serbian Business Registers Agency (hereinafter: SBRA).

### **Priority ranking of different types of pledge rights**

#### **Article 31**

The priority ranking of a pledge right arising from the transfer of a pledged asset into the possession of the creditor and a pledge right registered with the Pledge Register shall be determined according to the time (date, hour and minute) of receipt of the request for registration of the pledge right by the Pledge Register.

If the pledge right arising from the transfer into possession of a pledged asset is not registered with the Pledge Register, it shall not enjoy priority ranking relative to a registered pledge right.

## **Article 32**

*(deleted)*

### **Statutory right of pledge arising from commercial agreements**

## **Article 33**

Statutory right of pledge of a carrier, commission agent, forwarding agent and warehouse operator, arising from forwarding or transportation of pledged assets in accordance with the law governing obligations shall have priority over right of pledge registered in the Pledge Register.

Statutory right of pledge of a worker for claims of remuneration, reimbursement for materials used and other claims in connection with his work, arising from a service contract in accordance with the law governing obligations, shall have priority over rights of pledge registered in the Pledge Register.

### **Statutory pledge right of the Republic of Serbia, Autonomous Province and Local Government Unit**

## **Article 34**

The priority ranking in securing the claims of the public revenue or other claims of the Republic of Serbia, autonomous province and local government units shall be established in the manner prescribed in Article 30 of this Law.

## **VII. DEBT SETTLEMENT**

### **General rules**

## **Article 35**

If the debtor fails to settle his debt upon maturity, the pledge creditor shall acquire the right to possession by virtue of the law.

At the moment of maturity, the pledge creditor shall acquire the right to satisfy his principal claim, accrued interest and costs associated with collection of claim from the value of the pledged asset.

The pledge creditor shall be obliged to pay any excess funds obtained by sale at a price higher than the amount of claim to the pledger without delay.

If the pledge creditor fails within eight days to pay to the pledger the excess funds obtained by sale at a price higher than the amount of claim, he shall pay the pledger the prescribed default interest.

### **Initiation of the recovery process and registration in the Pledge Register**

#### **Article 36**

The pledge creditor shall be required to send a notification to the Pledge Register of its intention to recover its matured claim from the value of the pledged asset, so that the notification is published and the annotation of settlement registered.

The procedure of out-of-court settlement procedure shall start upon expiry of 30 days from date of publication of the notification by the Pledge Register.

Concurrently, the secured creditor shall be required to send the notification referred to in para. 1 of this Article to the debtor and pledger if the debtor and pledger are not one and the same person, as well as to the third party holding the pledged asset.

#### **Article 37**

*(Deleted)*

### **Obligation to cooperate**

#### **Article 38**

The pledger shall be obliged to cooperate with the secured creditor in the procedure of settling the secured creditor's claim from the pledged asset, from the moment of receipt of the secured creditor's notice.

The pledger shall provide the secured creditor with information required for the conduct of the settlement procedure.

The pledger's obligations referred to in paragraphs 1. and 2. of this Article shall also apply to the debtor when these are different persons.

Should the pledger or debtor, when these are different persons, violate any of the obligations stipulated in this Article, he shall be obliged to indemnify the pledge creditor against any damages.

## **Obligations of the Pledger**

### **Article 39**

From the date of publication of the notification referred to in Art. 36(1) of this Law, the pledger shall be obliged to suffer the settlement of the pledge creditor's claim from the value of the pledged asset.

The pledger shall deliver the pledged asset or document required for transfer of possession thereof to the secured creditor at his request.

Until the transfer of possession to the secured creditor, the pledger shall refrain from actions which may reduce the value of the pledged asset.

The pledger shall take other necessary action to enable the pledge creditor to satisfy his claim.

Should the pledger violate any of the obligations stipulated in this Article, he shall indemnify the pledge creditor against any damages.

### **Secured creditor's right to possession**

#### **Article 40**

Upon expiry of the time limit referred to in Art. 36(2) of this Law, the secured creditor shall be entitled to take possession of the pledged asset.

### **Special procedure for taking possession of the pledged asset in the case of out-of-court settlement**

#### **Article 41**

Should the pledger fail to voluntarily fulfil its obligation of transferring possession of the pledged asset to the secured creditor, the latter may file a petition with the court to order seizure of the pledged asset from the pledger or the person in possession thereof, and the transfer thereof to the creditor.

A certified excerpt from the Pledge Register containing a registered annotation of settlement and a copy of the pledge agreement shall be submitted in support of the petition referred to in paragraph 1 of this Article.

The excerpt from the Pledge Register shall, within the meaning of this Law, be equal to an executive document.

The court shall issue a decision with respect to the petition referred to in paragraph 1 of this Article within three days from the date of filing the petition.

The procedure of seizure of the pledged asset shall be enforced within three days from the date of issuing the order whereby the petition referred to in paragraph 1 of this Article is granted.

If the pledged asset is, by its nature, not suitable for transfer of possession, or if it is in the secured creditor's interest, the court shall, at the secured creditor's proposal, nominate an administrator who shall be in charge of the pledged asset until the moment of settlement of secured claim.

The pledger may file a complaint against the order for seizure of the pledged asset from the pledger or person in possession thereof, within three days of the date of receiving the order, stating that the secured creditor's claim or right of pledge is non-existent, or that the debt has been settled, and shall enclose written evidence of this.

The complaint referred to in paragraph 6 of this Article shall not delay execution.

The complaint referred to in paragraph 6 of this Article shall be resolved by the court, in line with the law governing the enforcement procedure.

The law governing the enforcement procedure shall govern the procedure of transfer of possession of the pledged asset, unless otherwise stipulated by this Law.

### **Prohibition of legal disposal**

#### **Article 42**

From the date of publication of the notification referred to in Article 36(1) of this Law, the pledger may not legally dispose of the pledged asset without the creditor's permission.

If the pledger sells the pledged asset in the course of conducting his regular commercial activities, prohibition of disposal shall not have any legal effect on a bona fides purchaser and he shall acquire right of ownership without encumbrance.

## VIII. METHOD OF SETTLEMENT

### **Judicial sale of the pledged asset**

#### **Article 43**

From the date of publication of the notification referred to in Article 36(1) of this Law, the secured creditor may request the court to order the sale of the pledged asset pursuant to the law regulating the enforcement and security procedure.

Should the costs of a public sale be excessively high in comparison with the value of the pledged asset, the court may decide that the pledge creditor shall sell it at the price determined by expert appraisal, or retain it at that price if he so wishes.

An excerpt from the Register, with a registered annotation of the settlement shall be submitted along with the application for enforcement.

### **Out-of-court sale**

#### **Article 44**

The pledge creditor may undertake an out-of-court sale of the pledged asset upon expiry of the term under Article 36(2) of this Law, if such a sale was validly stipulated in the pledge contract.

An excerpt from the Pledge Register containing a registered annotation of the settlement authorizes the creditor to stipulate a contract for the sale of the pledged asset in an out-of-court settlement procedure on behalf of and for the account of the owner of the pledged asset.

The debtor may validly settle the debt at any time before the sale of the pledged asset.

Within the same period, the pledger may, although is not under an obligation to, settle the debtor's liability.

#### **Article 45**

*(Deleted)*

### **Sale by public auction**

#### **Article 46**

The pledge creditor may undertake out-of-court sale by public auction if this method of sale is stipulated by the pledge agreement.

Exceptionally, when the pledger is a natural person entering into the pledge agreement outside the course of conducting commercial activity, the pledge creditor may undertake out-of-court sale by public auction if the secured creditor and pledger have agreed on this at the moment of maturity of the secured creditor's claim.

The pledge creditor may entrust the conduct of public auction to a professional engaged regularly in such commercial activity.

### **Sale at market or stock exchange price**

#### **Article 47**

The pledge creditor may sell the pledged asset at the market or stock exchange price if this method of sale is stipulated in the pledge agreement.

Exceptionally, when the pledger is a natural person entering into the pledge agreement outside the course of conducting commercial activity, this is possible if the pledge creditor and pledger have agreed on this at the moment of maturity of the secured creditor's claim.

The market price shall be the price at which same or similar assets are regularly sold under the usual circumstances in the time and place of sale of the pledged asset.

If in the time and place of sale of the pledged asset, the asset does not have a market price, the price in the nearest market shall be relevant.

The stock exchange price shall be the price at which same or similar assets are sold on the nearest stock exchange.

If the pledged asset does not have a market or stock exchange price, the pledge creditor may sell it as a reasonable and prudent person would, with due consideration to the interests of the debtor and pledger.

The pledge creditor may engage a person who lends money on security as an occupation, or a person who sells such assets as an occupation to sell the pledged asset in the name and for the account of the secured creditor.

The pledge creditor and person entrusted with the sale of the pledged asset shall be jointly liable to the pledger should they cause him any damages in selling.



## **Notice of Out-of-Court Sale**

### **Article 48**

The notification of the venue and time of the out-of-court sale shall be posted on the website of the Pledge Register at least 15 days before the date of the out-of-court sale.

### **Pledger's lawsuit**

#### **Article 49**

The pledger may contest the secured creditor's right to satisfy his claim in out-of-court action, if, within 30 days from the date of registration of settlement initiation in the Pledge Register, he files a lawsuit with the court and submits evidence that the secured creditor's claim or right of pledge is non-existent, that the debt is not mature or has been settled.

The lawsuit shall not prevent the execution of settlement procedure, except in the event that the pledger submits a public document or a private document certified in the manner prescribed by the law, to the effect that the secured creditor's claim or right of pledge is non-existent, that the debt is not mature or has been settled.

In setting deadlines and scheduling hearings pursuant to the pledger's lawsuit, the court shall always take into special consideration the need for urgent resolution of such disputes.

### **Acquiring right of ownership by public sale and other methods of sale**

#### **Article 50**

A bona fides purchaser of the pledged asset at an out-of-court public sale shall acquire the right of ownership without encumbrance.

The right of ownership acquired by a bona fides purchaser may not be contested on the grounds of any omissions in the sale procedure.

The rules stipulated in paragraphs 1 and 2 of this Article shall also apply for sales in the settlement procedure, if a person has bought the pledged asset at the market or stock exchange price or a price at which a reasonable and prudent person would sell it with due consideration to the interests of the debtor and pledger.

## IX. CESSATION OF RIGHT OF PLEDGE

### **Payment and other methods of cessation of debt**

#### **Article 51**

If the secured creditor's claim ceases by payment of debt or otherwise, the right of pledge shall cease and be deleted from the Pledge Register on request of the secured creditor, debtor or pledger, when these are different persons.

However, the pledge creditor may be satisfied from the value of the pledged asset even after his claim has become a time-barred debt.

### **Perishing of assets**

#### **Article 52**

The right of pledge shall cease and be deleted from the Pledge Register when the pledged asset has perished.

If the pledged asset was insured, the right of pledge shall be established, by virtue of the law, on the amount of the insurance claim (or insurance settlement).

### **Sale**

#### **Article 53**

The right of pledge shall cease on the grounds of public sale and other method of sale of the pledged asset, concluded for the purpose of settling the secured creditor's claim.

Upon coming into effect of the court decision on settlement, the court shall issue an order to delete the right of pledge from the Pledge Register.

In the event of out-of-court sale, the pledge creditor shall issue a document on the grounds of which the pledger can request deletion of the right of pledge.

The purchaser who acquired the pledged asset at an out-of-court sale shall also have the right to request the secured creditor to issue such document.

## **Other cases**

### **Article 54**

A request for the strike-off of a pledge from the Pledge Register may also be filed in case the secured creditor waives their right of pledge in writing, when the debtor and the creditor are one and the same person, as well as in cases when the secured creditor has acquired ownership of the pledged asset.

## **Secured creditor's consent or court decision**

### **Article 55**

If the debtor or pledger, when these are different persons, requests deletion of the right of pledge, he shall submit to the Pledge Register a written statement of the secured creditor that he consents to the deletion, a court decision or other document confirming that the pledge right has expired.

## **X. PLEDGE REGISTER**

### **General provisions**

#### **Article 56**

The Pledge Register shall be a public register of rights of pledge to the assets and rights of natural or legal entities and other data registered in the Pledge Register in accordance with this Law.

The right to retain ownership under a contract for the sale of movable assets with retention of ownership for the purpose of securing the seller's claim until the price is fully paid, may also be registered with the Pledge Register.

The retention of ownership referred to in para. 2 of this Article has effect with respect to the buyer's creditors only if it has been registered with the Pledge Register prior to the buyer's bankruptcy or prior to the sequestration of the asset.

The Pledge Register shall be a unique electronic database whose basis is the central database wherein all data registered in the Pledge Register are stored.

Local units of the Pledge Register shall be established on the territory of the Republic of Serbia. The central database shall be available through local units of the Pledge Register, for registration or search.

## **Competence to maintain the Pledge Register**

### **Art. 57 and 57a**

*(Ceased to be valid)*

## **Availability of the Pledge Register**

### **Article 58**

The Pledge Register shall be available to all persons regardless of the location and territory where they gain access to the Pledge Register. All persons may apply to any unit of the Pledge Register, without limitation, for registration or search.

The Pledge Register shall be available at all times within the Register's working hours.

### **General Public**

### **Article 59**

Data from the Pledge Register shall be public.

Anybody shall have the right to request access to data in the Pledge Register.

Anybody shall have the right, in accordance with the regulations, to request a certified excerpt of the data from the Pledge Register.

Anybody shall have the right to request an excerpt certifying that the register does not contain data on the pledge of a particular asset or right.

The documentation on the basis of which the data was registered shall be available in accordance with regulations governing protection of personal data and confidentiality.

## **Fee**

### **Article 60\***

*(Ceased to be valid)*

## **Effects on third parties of data entry into the Pledge Register**

### **Article 61**

Third parties shall be deemed to have been acquainted with the existence of the right of pledge on the grounds of its registration in the Pledge Register. Nobody may plead ignorance of the data from the Pledge Register.

Data registration in the Pledge Register shall not be evidence of ownership or other rights of the pledger with respect to pledged movable assets, or of validity of the secured debt or pledge.

## **Data contained in the Pledge Register**

### **Article 62**

The Pledge Register shall contain:

- 1) data on the pledger and debtor, when these are different persons, as well as data on the secured creditor or the authorized person referred to in Article 16(1) of this Law;
- 2) data specifying in detail the pledged movable asset or right;
- 3) data on the basic and maximum amount of the secured claim, and, for future or conditional claims, data on the amount referred to in Article 7(4) of this Law;
- 4) data on the existence of any dispute in connection with the right of pledge or in connection with the pledged asset;
- 5) information that the recovery process has started through the activation of the pledge right.

If the party to a pledge is a domestic natural person, the data in para. 1, item 1 hereof shall entail the first name, last name, personal number and place of residence of that person, and if it is a foreign natural person, data in para. 1, item 1 hereof shall entail the first name, last name, passport number and issuing state.

If the party to a pledge is a domestic legal person, the data in para. 1, item 1 hereof shall entail the business name and registration number, and if it is a foreign legal person, the data in para. 1, item 1 hereof shall entail its business name, registration number in the foreign register, the name of that register, and country in which its registered office is located.

Any amendments to the data referred to in paragraph 1 of this Article shall be registered in the Pledge Register.

### **Changes of and additions to the registered right of pledge**

#### **Article 63**

Changes of and additions to essential elements of the registered right of pledge shall have the character of new entry.

In excerpts from the Pledge Register, amendments entered shall be designated as separate entries.

### **Registration and strike-off of annotations**

#### **Article 64**

The Register shall perform registrations of annotations of settlement, referred to in Art. 36(1) of this Law, as well as annotations of actions brought for the strike-off of a pledge or other disputes in connection with registered pledges.

For the strike-off of the annotation of settlement referred to in Article 36, item 1 of this Law, an annex to the pledge contract shall be submitted, or other appropriate document proving beyond any doubt that the creditor has waived its claims and that the parties are consensual to extending the maturity date of the secured claim.

The annotation of settlement referred to in Article 36, item 1 of this Law shall be deleted at own motion upon expiry of 18 months from the date of registration.

If the pledge contract constituting the grounds for registration of the pledge is notarized, the document submitted for the strike-off of the registered annotation on the start of the settlement proceedings referred to in para. 2 of this Article, must be notarized as well.

For the strike-off of an annotation of a dispute, a final court decision or settlement reached terminating the dispute shall be submitted.

## **Article 65**

Documents in paper format on the basis of which data were registered or deleted by the Pledge Register shall be kept for five years from the date of finality of the decision on the basis of which the pledge was deleted.

Documents under para. 1 of this Article shall be converted into electronic format and kept in accordance with regulations governing the keeping of archives and documentary materials.

### **Art. 65a -65dj\*\***

*(Ceased to be valid)*

## **XI. TRANSITIONAL AND FINAL PROVISIONS**

### **Article 66**

Until the adoption of specific regulations governing in more detail the registration of right of pledge in intellectual property registers referred to in Article 14, paragraph 3 of this Law, the right of pledge to intellectual property rights shall be registered in the Pledge Register in accordance with this Law.

If the decision of the competent court establishes a pledge to a movable asset or claim without transfer of possession, in line with the law governing the enforcement procedure or other applicable law, by 1 January 2004, priority right to settlement shall be calculated as of the day of issuance of court decision, if the creditor files an application for registration of the pledge in the Pledge Register by 15 January 2004.

If the creditor files an application for registration in the Pledge Register of the pledge without transfer of possession referred to in paragraph 1 of this Article after 15 January 2004, priority right to settlement shall be calculated as of the day of its registration in the Pledge Register.

The creditor shall enclose the decision of the public body establishing a pledge without transfer of possession with the application referred to in paragraphs 1 and 2 of this Article.

### **Article 68**

If the pledge without transfer of possession was established on the grounds of law or it was constituted by decision of a public body in accordance with the law, by 1 January 2004, priority right to settlement shall be calculated as of the day of its establishment on the grounds of law or as of the day of issuance of the decision by the public body, if the creditor files the application for registration of the pledge in the Pledge Register by 15 January 2004.

If the creditor files an application for registration in the Pledge Register of the pledge without transfer of possession referred to in paragraph 1 of this Article after 15 January 2004, priority right to settlement shall be calculated as of the day of its registration in the Pledge Register.

The creditor shall enclose the decision of the public body establishing a pledge without transfer of possession with the application referred to in paragraphs 1 and 2 of this Article.

#### **Article 69**

By way of exception from the provision of Article 34 of this Law, the Republic of Serbia shall have priority right to settlement over funds in the tax payer's accounts with banks or other financial organisations until 1 January 2005, regardless of registration of the right of pledge in the Pledge Register.

#### **Article 70**

This Law shall enter into force on the eighth day from the date of its publication in the Official Gazette of the Republic of Serbia, and shall be applicable from 1 January 2004.

### ***Independent Articles of the Law on Amendments to the Law on Pledge of Movable Assets Registered in the Pledge Register***

*(RS Official Gazette, No. 61/2005)*

#### **Article 10[c1]**

The Pledge Register shall commence operations on 15 August 2005.

#### **Article 11[c1]**

If the application for registration of the right of pledge in the Pledge Register is filed within 90 days from the commencement of operations of the Pledge Register, priority right to settlement shall be calculated as follows:

1) as of the day of issuance of court decision, if pledge without transfer of possession of a movable asset or right is established by the decision of the competent court by the day of entry of this Law into force;



2) as of the day of establishment of pledge without transfer of possession or the day of issuance of act by a public body, if pledge without transfer of possession of a movable asset or right is established on the grounds of law or by an act of a public body by the day of the entry of this law into force;

3) as of the day of contract notarization by the court or other body licensed to authenticate signatures, if the pledge without transfer of possession of a movable asset or right is established on the grounds of contract by the day of entry of this law into force.

#### **Article 12[c1]**

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

#### ***Independent Articles of the Law on Amendments to the Law on Pledge of Movable Assets Registered in the Pledge Register***

*(RS Official Gazette, No. 31/2019)*

Term of enactment of by-laws

#### **Article 30[c2]**

The minister responsible for economic affairs shall ensure that by-laws regulating in detail the content of the Pledge Register and supporting registration documents are aligned with this Law within six months of the effective date thereof.

Transitional and Final Provisions

#### **Article 31[c2]**

Creditors that have acquired a pledge right by transfer of possession of the asset or in other ways envisaged by the law, shall enjoy the right of priority in the recovery process relative to pledges registered in the Pledge Register at a later time, provided that the contract is stipulated in writing and duly notarized before the start date of applicability of this Law.

#### **Article 32[c2]**

The provisions under Article 3 and Article 25(3)(4) of this Law, shall apply as of 1 January 2021.

### **Article 33[c2]**

This Law shall enter into force on the eighth day as of the date of publication in the Official Gazette of the Republic of Serbia.