

Disclaimer: This is a non-official in-house translation of the Law on the Central Records of Beneficial Owners (Official Gazette of the RS, № 41/18), provided by the Serbian Business Registers Agency for information purposes only. In case of any discrepancy between this translation and the original version of the Law in the Serbian language, the original version shall prevail.

(Official Gazette of the RS, Nos. 41/18 and 91/2019)

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on the Central Records of Beneficial Owners

Scope of the Law

Article 1

This Law shall govern the establishment, content, grounds for recording and the manner of keeping a Central Records of Beneficial Owners of legal entities and other entities registered in the Republic of Serbia in accordance with the law (hereinafter referred to as: the Central Records), as well as other issues relevant for the recording of beneficial owners.

Application of the Law

Article 2

This Law shall apply to the following legal entities and other entities registered in the Republic of Serbia in accordance with the law (hereinafter referred to as: Registered Entities):

- 1) companies other than public joint stock companies;
- 2) cooperatives;
- 3) branch offices of foreign companies;
- 4) business associations and associations other than political parties, trade unions, sports organisations and associations, churches and religious communities;
- 5) foundations and endowments;
- 6) institutions;
- 7) representative offices of foreign companies, associations, foundations and endowments.

This Law shall not apply to companies and establishments of which the Republic of Serbia, an autonomous province or a local self-government unit is the only member or founder.

Meaning of Terms

Article 3

Some terms used in this Law shall have the following meaning:

1) the Central Records is a public, integrated, central, electronic database of information about natural persons who are beneficial owners of a Registered Entity;

2) recording is the act of entering, changing or deleting information specified under this Law and other regulations as the subject-matter of the recording in the Central Records;

3) the beneficial owner of the Registered Entity is:

(1) a natural person, who is indirectly or directly the holder of 25% or more of the ownership interest, shares, voting rights or other rights, based on which he/she participates in the management of the Registered Entity, or participates in the capital of the Registered Entity with 25% or more of the ownership interest;

(2) a natural person, who indirectly or directly exerts prevailing influence over the conduct of business and decision-making;

(3) a natural person, who indirectly secures or is securing funds for the Registered Entity and thereby significantly influences the decision-making of the management body of the Registered Entity when deciding on financing and business operations;

(4) a natural person who is the founder, trustee, protector, beneficiary - if designated, as well as a person holding a dominant position in managing a trust, or in other entity under foreign law;

(5) a natural person who is registered as the representative of cooperatives, associations, foundations, endowments and establishments, if the person authorised for representation has failed to designate other natural person as the beneficial owner.

Exceptionally, if it is not possible to identify the natural person referred to in paragraph 1, item 3), sub-items (1) through (4) of this Article in the manner prescribed, the beneficial owner of a Registered Entity shall be a natural person who is registered as the representative, or registered as a member of a body of that entity.

Other terms used in this Law, which are not defined under paragraph 1 of this Article, shall have the meaning defined under separate laws.

The Central Records

Article 4

The Central Records shall be maintained by the Serbian Business Registers Agency (hereinafter referred to as: the Agency) in electronic form, through a Registrar.

Content of the Central Records

Article 5

The Central Records, depending on the legal form or the form of organisation, shall contain the following information about the Registered Entity:

- 1) business name, or name;
- 2) address of the seat;
- 3) date of entry, change or deletion of information;
- 4) registration code assigned by the Statistical Office of the Republic of Serbia;
- 5) tax identification number (TIN);
- 6) status of the Registered Entity (e.g. active, in bankruptcy, in liquidation, in forced liquidation, struck off);
- 7) legal form, or form of organisation;
- 8) code of the core business activity or the area for achieving goals;
- 9) information about the representative;
- 10) natural person who is registered as a member of a body;
- 11) registered capital;
- 12) information about members or founders and the percentage of their ownership interest, or the number and the percentage of their shares;
- 13) abbreviated business name;
- 14) business name in a foreign language;
- 15) abbreviated business name in a foreign language;
- 16) postal address;
- 17) email address;
- 18) numbers of bank accounts;
- 19) contact details, if they are registered.

The Central Records shall contain the following information about the beneficial owner of a Registered Entity:

- 1) for domestic nationals - personal name, unique master citizen number and country of residence;
- 2) for foreign nationals – personal name, passport number and country of issue and/or personal number for a foreign national and/or number of identity card of a foreign national and country of issue in compliance with the regulations governing the requirements for entry, movement and stay of foreign nationals in the territory of the Republic of Serbia, day, month, year and place of birth, country of residence and citizenship;
- 3) for refugees or exiles - personal name, number of a personal identification document, day, month, year and place of birth and country of residence;
- 4) grounds for acquiring the capacity of the beneficial owner of a Registered Entity referred to in Article 3, paragraph 1, item 3), sub-items (1) through (5) and paragraph 2 of this Law.

In addition to the information referred to in para. 1 and 2 of this Article, the Central Records shall also contain the information entry dates.

The Minister responsible for economic affairs shall prescribe more closely the content of the Central Records for the purpose of carrying out the recording of beneficial owners of a Registered Entity.

The Grounds for Recording

Article 6

The grounds for recording in the Central Records shall be:

- 1) establishment of a Registered Entity;
- 2) change in the ownership structure and members of bodies of the Registered Entity, as well as other changes based on which the compliance of requirements for acquiring the capacity of the beneficial owner of the Registered Entity referred to in Article 3 of this Law can be assessed.

Manner of Maintaining the Central Records

Article 7

Recording of information in the Central Records shall be carried out by:

- 1) the Registrar, on the basis of information about a Registered Entity referred to in Article 5, paragraph 1 of this Law taken over from the competent state authorities;
- 2) a person who is authorised to represent a Registered Entity (hereinafter referred to as: the Authorised Person), particularly the information referred to in Article 5, paragraph 2 of this Law.

The Registrar shall be obliged to take over the information not later than within two working days from the date of the occurrence of the change of the information, or from the receipt of the notification of the change, received from the competent state authority.

The Authorised Person shall be obliged to submit information in the Central Records not later than within 15 days from the date of the occurrence of the grounds for submitting of information referred to in Article 6 of this Law.

The Agency shall be obliged to enable easy access to the Central Records for the Authorised Person for the purpose of filing information through the website (portal) of the Agency.

Authorised Person shall submit information and rectify the submitted information using a qualified certificate for electronic signing.

Accessing the website (portal) and the manner of its usage shall be determined by the Agency.

Excerpts and Certificates from the Central Records

Article 8

At the request of an interested party, the Agency shall issue, not later than within two working days from the date of receipt of the request:

- 1) an excerpt from the Central Records containing information about the beneficial owners of a Registered Entity;
- 2) a certificate from the Central Records on historical information about the beneficial owners of a Registered Entity;
- 3) a certificate from the Central Records confirming that a natural person is or was indicated as the beneficial owner of a Registered Entity.

The request referred to in paragraph 1 of this Article shall be filed electronically, through the website (portal) of the Agency or in writing on the prescribed form, and if the form is not prescribed, it shall be submitted in the form of a request.

The request shall be accompanied by proof of payment of the fee for issuing an excerpt or certificate.

The Agency shall determine the amount and the method of payment of the fee referred to in paragraph 3 of this Article, in compliance with the law governing the legal status of the Agency.

Publication and Effects of the Records

Article 9

Simultaneously with the recording, the data shall be published on the Agency's website (portal).

Data on the beneficial owner of a Registered Entity shall produce legal effect towards third parties on the day following the publication of these data on the Agency's website (portal).

Keeping the Data

Article 10

The Agency shall be obliged to keep the data from the Central Records permanently.

The Registered entity is obliged to have and to keep appropriate, accurate and up-to-date data and documents on the basis of which the beneficial owner of the Registered entity is determined for ten years from the date of recording of the data on the beneficial owner.

The registered entity shall, at the request of the competent state authority and the National Bank of Serbia, make available and submit the data and documents referred to in paragraph 2 of this Article.

The Minister responsible for business affairs shall prescribe more closely the manner and conditions for electronic exchange of data among the Agency, state bodies and the National Bank of Serbia, for the purpose of recording the beneficial owners of the Registered Entity.

Legal remedy for beneficial owners

Article 11

A natural person who is recorded as the beneficial owner of a Registered Entity may file an action against the Registered Entity with the competent court according to the registered office of the Registered Entity for the purpose of determining that that person is not the beneficial owner.

The court, upon the finality of the court decision determining that the claimant is not the beneficial owner of the Registered Entity, shall deliver the court decision to the Agency for the purpose of deleting that person from the Central Records.

Supervision over Recording, Accuracy and Updating of the Recorded Data and Keeping of the Data and Documents

Article 12

The Agency shall check whether the Registered Entity has recorded the data on the beneficial owner in the Central Records within the period referred to in Article 7, paragraph 3 of this Law from the day of occurrence of the grounds for recording referred to in Article 6, item 1) of this Law.

The Agency shall be authorized to file a request for initiating misdemeanour proceedings against the Registered Entity if it determines that the Registered Entity has failed to record data on the beneficial owner in the Central Records within the period referred to in paragraph 1 of this Article.

The competent state bodies referred to in Article 10, paragraph 3 of this Law, in the exercise of supervision and control within the scope of activities that they perform over the work and business of the Registered Entity, shall check whether the Registered Entity has recorded the data on the beneficial owner in the Central Registry within the period referred to in Article 7 Paragraph 3 of this Law from the date of occurrence of the grounds for recording referred to in Article 6, item 2) of this Law, whether it has recorded the accurate data, and whether the Registered Entity has and keeps the relevant accurate and up-to-date data and documents on the basis of which it has recorded the beneficial owner.

The authorities referred to in paragraph 3 of this Article shall be authorized to file a request for initiating misdemeanour proceedings against a Registered Entity if, in the course of supervision, they determine that:

- 1) The Registered entity failed to record the data on the beneficial owner in the Central Records within the period referred to in Article 7, paragraph 3 of this Law from the day of occurrence of the grounds for recording referred to in Article 6, item 2) of this Law;
- 2) The Registered entity did not record the accurate data;
- 3) The Registered entity does not have, or does not keep, adequate, accurate and up-to-date data and documents on the basis of which it has registered the beneficial owner of the Registered entity.

The National Bank of Serbia, in carrying out supervision and control within the scope of activities it performs over the work and business of the Registered Entity, shall check whether the Registered Entity has recorded the data on the beneficial owner in the Central Records within the period referred to in Article 7, paragraph 3 of this Law from the date of occurrence of the grounds for recording referred to in Article 6, item 2) of this Law, whether it has recorded the accurate data, as well as whether the Registered Entity has and keeps the relevant accurate and up-to-date data and documents on the grounds of which it has registered the beneficial owner.

When the Registered Entity is a financial institution, as well as a legal entity which performs exchange operations, over which the National Bank of Serbia exercises supervision within the performance of its statutory functions, the supervision referred to in paragraph 5 of this Article, as well as taking measures, including the imposition of fines against these Registered Entities, shall be performed by the National Bank of Serbia in accordance with the law governing the business of those Registered Entities, or the regulations governing the performance of exchange operations and the control of the performance of exchange operations.

The National Bank of Serbia shall be entitled to file a petition for misdemeanour proceedings against a Registered Entity engaged in exchange operations in the cases referred to in paragraph 4 of this Article.

Supervision over the Implementation of the Law

Article 12a

Supervision over the work of the Agency in relation to the Central Records shall be performed by the Ministry responsible for economic affairs.

Criminal Act

Article 13

Whoever, with the intention of concealing the beneficial owner of the Registered Entity, does not enter into the Central Records the data on the beneficial owner of the Registered Entity, enters false information about the beneficial owner of the Registered Entity as true, changes or deletes the true information about the beneficial owner of the Registered Entity, shall be punished by imprisonment of three months to five years.

Misdemeanours

Article 14

A Registered Entity - Legal Entity shall be fined between 500,000 and 2,000,000 dinars:

- 1) if it fails to record the data on the beneficial owner of the Registered Entity in the Central Records within the period prescribed in Article 7, Paragraph 3 of this Law from the day of occurrence of the grounds for recording referred to in Article 6, Item 1) of this Law;
- 2) if it fails to record the data on the beneficial owner of the Registered Entity in the Central Records within the period prescribed in Article 7, paragraph 3 of this Law from the day of occurrence of the grounds for recording referred to in Article 6, item 2) of this Law;
- 3) if it has not recorded accurate data in the Central Records;
- 4) if it does not have, or does not keep, adequate, accurate and up-to-date data and documents on the basis of which it has recorded the beneficial owner of the Registered Entity (Article 10, Paragraph 2);
- 5) if it fails to record the data on the beneficial owner of the Registered Entity in the Central Records by 31 January 2020.

For a misdemeanour referred to in paragraph 1 of this Article, the responsible person in the Registered Entity nom legal person shall be fined from 50,000 to 150,000 dinars.

TRANSITIONAL AND FINAL PROVISIONS

Article 15

Existing Registered Entities shall be obliged to identify the beneficial owner of the Registered Entity referred to in Article 3 of this Law, as well as to provide the information and documents referred to in Article 10, paragraph 2 of this Law, within the period of 30 days from the date of entry into force of this Law.

At the request of the competent state authority and the National Bank of Serbia, a Registered Entity shall be obliged to make available and provide the information and documents referred to in paragraph 1 of this Article.

Article 16

The implementing by-laws shall be enacted within the period of three months of the effective date of this Law.

Article 17

The Agency shall establish the Central Records not later than 31 December 2018.

The Authorised Person shall be obliged to submit the data referred to in Article 5, paragraph 2 of this Law for a Registered Entity established until 31 December 2018 not later than 31 January 2019.

Entry Into Force

Article 18

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 of and a Supplement to the Law on the Central Records of Beneficial Owners

(Official Gazette of the RS, No. 91/2019)

Article 4

Existing Registered Entities that did not record the data on the beneficial owner by the day this Law enters into force shall be obliged to record data on the beneficial owner in the Central Records by 31 January 2020 at the latest.

The Agency shall check whether the Registered Entities have recorded the data on the beneficial owner in the Central Records within the period referred to in paragraph 1 of this Article.

The Agency shall be authorised to file a request for initiating a misdemeanour proceedings against a Registered Entity that has not recorded the data on the beneficial owner in the Central Records within the period referred to in paragraph 1 of this Article.

Article 5

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.