

# PRIVATE SECURITY INDUSTRY

1.67

## WHITE BOOK BALANCE SCORE CARD

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Continue monitoring the application of the Law on Private Security, while continuously insisting that its implementing by-laws be harmonized with EU models of legislation to the extent possible, and at the same time taking into account local specificities. Rather than the fiscal regulation of the security industry, the goal of the law's adoption and application should be normative.	2009		√	
Determine the legal employment status of all persons engaging in private security activities, or employed in this industry. In the conditions for attending training and obtaining a license, the professional qualification requirement should be amended to allow persons with a primary school education to obtain a security officer license. Security clearance is another precondition for obtaining the license, prior to the commencement of the training programme, to avoid unnecessary administrative problems and unreasonable expenses related to persons who do not pass security clearance. Prescribe the express obligation of the Ministry of Interior (MoI) to inform the employer about any changes in the status of the license of individuals, especially bearing in mind the fact that a security officer's ID is issued upon request of the employer's company and is returned to the MoI in case of employment termination.	2017		√	
Support the Ministry of Interior (MoI) in its commitment to inspect all entities that are in the grey area so as to ensure that they comply with the adopted law to the fullest extent.	2016			√

## CURRENT SITUATION

After being the only country in the region and in Europe without a law regulating this sector of the economy, Serbia finally got its Law on Private Security at the end of 2013. Amendments to this Law were adopted in 2015, but its application was postponed until 1 January 2017. Amendments to this Law were adopted again in November 2018, introducing significant changes.

Despite the changes, the grey economy is plaguing this industry more than ever. Properly licensed companies compliant with the law, paying their taxes and contributions, have been faced with high licensing costs, and consequently their prices are non-competitive. Meanwhile, companies operating in the grey economy generate significant profits, enter the market with the lowest prices, intent on using their "privileged" position even after the expiration of the time limits that have been provided for full compliance with the Law on Private Security (1 January 2017) and after the latest changes from 2018.

Due to stringent requirements, the lengthy procedures for obtaining a license in accordance with the Law and a dra-

matic lack of workforce in the service sector, private security companies are in an unenviable position. Positive practice examples from the region (Bosnia and Herzegovina, Croatia, and Slovenia) showed that restrictions in terms of required qualifications did not lead to positive trends in the security industry. On the contrary, they made it difficult to work in the private security industry for all stakeholders. Having recognized the benefits (an increased employment rate, all private security companies doing business in accordance with the Law), the countries of the region decided to do away with the secondary education requirement as one of the criteria for obtaining a license.

In the practical application of the Law, there is plenty of room for streamlining, in terms of the manner in which the provision of certain security services is regulated. A concrete example of the non-compliance of the Serbian Private Security Law with positive practices in the EU is best seen in the case of the transport of money by special vehicles. The applicable law on Private Security in Serbia stipulates a minimum number of crew members and work methods that are unjustified and costly. On the other hand, the EU practice shows that, for instance, a special vehicle could be left unattended by the crew if the vehicle is provided with technical security

systems that will unambiguously determine any attempt of theft, removal of or attack on the vehicle while the vehicle is unattended, which allows for a much greater efficiency and productivity of the transport service, with lower costs and ultimately lower prices for end-users. Also, there is no reason not to allow a driver to be the only crew member on board a special vehicle for the transport of money - in the case of armoured vehicles or vehicles equipped with electrochemical protection.

## POSITIVE DEVELOPMENTS

The Ministry of Interior (MoI) has opened channels of communication with the industry, which is of the utmost importance. Finally, after more than a decade of attempts by stakeholders to influence the adoption of the Law, state authorities have realized the importance of bilateral communication, and formed an Expert Council for the improvement of private security, private investigator activities, and public-private partnerships in the security sector. Also, new opportunities have been opened for the engagement of persons performing these tasks and, in addition to the Employment Contract, the Law recognizes the Temporary Occasional Employment Contract. Amendments to the Law have also made it easier to obtain a license for certain categories of persons with appropriate qualifications, but the timeframes for obtaining a license are slightly shortened, which continues to be an insurmountable challenge in practice. With the adoption of by-laws this year, the powers of security officers are more clearly defined, which is a significant improvement in practice.

## REMAINING ISSUES

Certain problems that were evident even before the adoption of the aforementioned Law were confirmed in practice following its application. This has become the key topic of an initiative by the members of the Association for Private Security of the Serbian Chamber of Commerce for amending some of the articles of the Law. So far, the following problems have been identified:

- insufficiently clearly regulated supervision and control of the private security sector, as well as the terminological non-compliance of laws with international standards in the field of private security;
- partial non-conformity with other laws and secondary legislation related to work and employment relations; the administrative procedure for issuing private security licenses; providing security at public gatherings (i.e. sports events); handling firearms, etc.;
- the process of undergoing training and obtaining licences for individuals is too lengthy, taking three months on average. During this time, such persons cannot perform private security activities, while companies providing security services have difficulties engaging licenced employees;
- the mandatory training programme is extremely rigid, overly ambitious, and lacking modern practices, such as dual education, distance learning, etc.;
- the MoI is under no obligation to inform such companies, as the employers, whether their employees have obtained a licence, or whether their licences have been withdrawn due to failure to meet some of the requirements.

## FIC RECOMMENDATIONS

- Continue monitoring the application of the Law on Private Security, while continuously insisting that its implementing by-laws be harmonized with EU models of legislation to the extent possible, and at the same time taking into account local specificities. Rather than the fiscal regulation of the security industry, the goal of the law's adoption and application should be normative.
- Support the Ministry of Interior (MoI) in its commitment to inspect all entities that are in the grey area so as to ensure that they comply with the adopted law to the fullest extent.
- Determine the legal employment status of all persons engaging in private security activities, or employed in this industry in such a way that all forms of employment arrangements that are permitted by the Labor Law are treated equally as options available to the employer unless they are in conflict with the nature of the institute provided for by the Labor Law. In the conditions for attending training and obtaining a licence, the

professional qualification requirement should be amended to allow persons with a primary school education to obtain a security officer licence. Security clearance is another precondition for obtaining a licence, prior to the commencement of the training programme, to avoid unnecessary administrative problems and unreasonable expenses related to persons who do not pass security clearance. Prescribe the express obligation of the Mol to inform the employer about any changes in the status of an individual's licence, especially bearing in mind the fact that a security officer's ID is issued upon request of the employer's company and is returned to the Mol in case of employment termination.