

# LEGAL FRAMEWORK

What has undoubtedly marked the year 2020 is the pandemic of contagious disease COVID-19 caused by the virus SARS-CoV-2. Each state has undertaken measures to combat the negative effects of the COVID-19 virus, both on human health and the economic system. In addition to declaring State of Emergency in the Republic of Serbia, measures were adopted which were designed to help citizens and business entities in these difficult and unforeseen circumstances.

As the most important novelties introduced into the legal system of the Republic of Serbia, we may point out the following:

- **Decision on declaring the state of emergency** – On March 16, 2020 a State of Emergency has been declared in the Republic of Serbia. By passing this decision and declaring a State of Emergency in the Republic of Serbia it was necessary to pass a series of other decisions, rulebooks, orders and measures in order to regulate the new situation more closely. The State of Emergency has been lifted on May 6, 2020.
- **Decision on declaring COVID-19 disease caused by virus SARS-CoV-2 a contagious disease** – This Decision regulates more precisely the measures of isolation, treatment and testing of persons infected by virus COVID-19.
- **Decree on fiscal benefits and direct benefits to economic entities in the private sector and financial assistance to citizens in order to mitigate the economic consequences caused by the disease COVID-19** – This Decree regulates fiscal benefits and direct benefits from the budget of the Republic of Serbia to economic entities in the private sector in order

to mitigate the economic consequences of COVID-19 disease, VAT treatment of trade in goods and services free of charge for health purposes, and payment of one-time financial assistance to all adult citizens of the Republic of Serbia from the budget. Legal entities that did not reduce the number of employees by more than 10% had the right to fiscal benefits and direct benefits from the budget, while all adult citizens who registered in a timely manner were paid a one-time financial assistance in the amount of 100 EUR.

- **Decision on temporary measures for banks to mitigate the consequences of the COVID-19 pandemic in order to preserve the stability of the financial system** - This Decision regulates the measures and activities that the bank is obliged to undertake in order to facilitate the position of debtors (natural persons, agriculturists, entrepreneurs and companies), to offer a delay in repayment of obligations (moratorium) which cannot be shorter than 90 days, or from the duration of the State of Emergency imposed due to the pandemic.
- **Law on the Centralized Records of Beneficial Owners** – The deadline for recording data on the beneficial owner of registered entities has been extended to January 31, 2020.
- **The Law on Amendments to the Company Law** – The latest amendments to the Company Law introduces two new legal institutes within limited liability companies: the reserved own share and financial instrument – the right to acquire a share. These financial instruments are primarily aimed at encouraging new start-up companies, especially in the IT sector.