

PRIVATE SECURITY INDUSTRY

CURRENT SITUATION

In 2017 Private Security industry got a legal frame with adoption of Law on private security which was a subject of various discussions and amendments of the Law, eventually adopted in November 2018. New legislation of 2017 standardized and regulated market, which furthermore brought substantial value to society by providing minimum requirements and obligations on security providers. Despite positive developments in the field of legal framework, security industry is still affected by multiple challenges related to fair competition and legal compliance. Licensing process is a source of revenues for the state. However, the security market faces big challenges of noncompliance and not sufficient control measures, resulting in high number of security companies operating in the grey zone putting government in a position to strengthen the focus on facilitating level playing field for both local and foreign service providers. This will have a direct impact on improving tax collections but also providing more stable and safer business environment to the general population.

COVID-19

Due to the COVID-19 situation, some of the challenges are even harder to overcome such as those with manpower. Process of training and obtaining licences for private security jobs lasts from 2 to 3 months, and given the current COVID-19 situation it is being prolonged due to H&S measurements since it is difficult to organize training, Ministry of Interior too has less exam terms. As an effect of increase in unemployment will grow. Having new security guards licensing process responding to market requirements will positively stimulate employment by security sector.

IMPROVEMENTS

The Ministry of Interior has opened channels of communication with the industry which is of the utmost importance. State authorities promote bilateral communication in addition to forming an Expert Council for the improvement of private security, private investigator activities and public-private partnerships in the security sector. Also, new opportunities have emerged for the engagement of persons performing these tasks: 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 dead-

lines for obtaining a license are slightly shortened, which continues to be an insurmountable challenge in practice. By adopting by-laws this year, the authorities of the 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. These become the key topic of the initiative by the members of the Association for Private Security of the Serbian Chamber of Commerce for amending some of the articles of the said Law. So far, the following issues have been identified as the most important:

- Lack of strong obligatory provisions for users of private security services to have Risk Assessment;
- 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 legal and secondary legislation related to work and employment relations; administrative procedure for issuing private security licenses; providing security to public gatherings (i.e. sports events); handling firearms, etc.;
- The process of training and obtaining licenses for individuals is too lengthy, three months, on average, too rigid and lacking modern practice. During this time, such persons cannot perform private security operations, while companies providing security services have difficulties in engaging licensed employees;
- Service of transportation of money must be subject of more precise regulations through special bylaws;
- The Ministry of Interior is under no obligation to inform companies, as employers, whether their employees have obtained the license, or whether their licenses have been withdrawn due to failure to meet some of the requirements;
- COVID-19 situation gave the companies more challenges in terms of employing people with licences.

Apart from general application of security Law regulations, there are three major challenges are in front of the private security companies:

- Risk Assessment requirements- According to the Law, risk assessment is the first step that needs to be completed to use services of private security companies for most of the Clients. It represents the basis for concluding a contract and defines the elements especially regarding the scope and type of service. If the Risk Assessment has not been done, according to the Law, the sanction for the same is borne by the Private Security although without Client’s consent and engagement it is impossible to provide such an assessment.
- Manpower - procedures for obtaining a license in accordance with the Law takes 3 months on average, together with dramatic lack of workforce in the service sector, private security companies are in an unenviable situation. Positive practice examples from the region (Bosnia and Herzegovina, Croatia, and Slovenia) showed that the restrictions in terms of the 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 of its stakeholders. Recognizing the benefits (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.

- Transport of cash and valuables – transport of cash and other valuables due to its nature is amongst most exposed security operations. However local legislation is very high level, which leaves room for different interpretations and these results in lower security standards in Serbia than corresponding standards in the EU. It is very important to mention that exposures in this industry have a direct impact on stability of economy, impact on the banking sector stability and general safety of the public. Amongst others most common legal challenge is lack of precise regulations and standards towards the electrochemical and electronic protection of means of transport. To the contrary current legislation replaces above standards with more security crew members instead. This effectively makes this process more risky and less cost effective for the ultimate customer. It is in the interest of the economy to make cost of the cash logistics low, so that Serbia can benefit from the higher competitive economy and drive faster growth. Transport of money is an operation that needs to have obligatory insurance with precise types of policies that would be a general requirement for all the security companies. This issue needs strong regulations to protect general public and private business from unexpected and uninsured losses.

FIC RECOMMENDATIONS

- Continued monitoring of the Law on Private Security application , while continuously insisting that its implementing by-laws be harmonized with EU models of legislation to the extent possible, while at the same time taking into account local specificities. By-laws are specially needed for transportation of money services regarding insurance and special treatment in traffic regulation. (1)
- Make a clear obligation for the user of private security services to have Risk Assessment act in accordance with the law under the threat of the same sanctions as for private security companies. (1)
- Support the Ministry of Interior (MoI) in its commitment to inspect all entities that are in the grey area to ensure that they comply with the adopted law to the fullest extent. (2)
- 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 engagement that are permitted by the Labor Law will be treated equally as employer opportunities 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 license, the professional qualification

requirement should be amended to allow persons with primary school 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 the security clearance. Prescribe the explicit obligation of the Mol to inform the employer about any changes in the status of the license of individuals, especially bearing in mind the fact that a security officers' IDs are issued upon request of the employer's company and returned to the Mol in case of the employment termination. (1)

- Due to the COVID-19 situation allow candidates who completed the training to work with supervision of licenced officers until they do not obtain licence. (2)
- Implement new regulations concerning service of transport of cash and valuables and increasing protection of people and assets such as Change of traffic law giving CIT vehicles access to pedestrian areas and yellow lines, mandatory electrochemical protection in CIT vehicles especially during payment transfer , introduce body worn cameras and make the number of CIT crew member subject to electrochemical protection specification. (3)