

# LAW ON PUBLIC NOTARIES

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## WHITE BOOK BALANCE SCORE CARD

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Enable the disposition of clients' requests toward the cadastre in situations when the delivery of the document is carried out by a public notary ex officio.	2019			√
Reducing charges for services provided by public notaries, and their harmonization with the purchasing power of companies and natural persons.	2017			√
Further improvements in communication between the public notaries and the cadastre of real estate, including the possibility for notaries to initiate registration of leases on buildings (when applicable).	2020			√
Unification of the practice of notary publics to obligatory implementation of the opinions of the Chamber of Notary Publics.	2020			√
Preventing notaries from denying verification due to circumstances that they are not obliged by law to determine for a certain form of certification.	2021			√

## CURRENT SITUATION

The Law on Public Notaries (RS Official Gazette No 31/2011, 85/2012, 19/2013, 55/2014 – as amended, 93/2014 – as amended, 121/2014 and 106/2015) (hereinafter: “the Law”), in application since 1 September 2014, introduced public notaries as a legal profession within the Serbian legal system.

Public notaries provide the following services:

- Drafting and notarization of documents important for legal transactions performed by natural persons and corporate clients, such as the notarization of various types of contracts in the area of corporate law, torts and obligations, inheritance and family law, lien mortgage statements and other statements establishing, changing or terminating a legal relationship. Depending on the type of document, the form varies from signature notarization to the strictest forms of notarial records. Since 1 March 2017, the notarization of signatures, transcripts and writs has become a part of the services provided by public notaries.
- Transactions and procedures assigned to public notaries by courts. These are primarily probate proceedings, the assignment of which has significantly unburdened courts, out-of-court proceedings for determining boundaries, proceedings regulating the management and use of, or the division of a common asset or property.
- Deposit-related transactions. Parties may entrust a public notary not only with court deposits, but also with cash, securities, writs, documents, art objects, jewellery,

and other valuables, except those prohibited by law. When receiving a valuable to be kept in a safe, a public notary is required to issue a notarial deposit certificate.

- Notaries are the so-called “reporting entities,” meaning that they are obliged to send each relevant document which is the subject of the notarization to the relevant cadastre.

## POSITIVE DEVELOPMENTS

With the adoption of the Law on the Procedure of Registration in Real Estate and Public Utility Infrastructure Cadastres (RS Official Gazette No 41/18,31/19 and 15/2020) and the Law on Electronic Documents, Electronic Identification and Confidential Services in Electronic Transactions (RS Official Gazette No 94/2017 and 52/2021), public notaries became the so-called “reporting entities”, meaning that for the notarization of any document the content of which is subject to registration in the cadastre of real estate or cadastre of public utility infrastructure, public notaries are required to send a copy of that document to the cadastre within 24 hours of notarization, so that it can be registered, and to issue a confirmation thereof to the client. Additionally, a public notary is also required to deliver copies of tax returns to the cadastre, for the purpose of determining the amount of tax on transfer of absolute titles, and taxes on inheritance and gifts and copies of tax returns, for the purpose of determining a property transfer tax, and also a record that a taxpayer does not agree to have the tax return sent through the public notary's office. Subsequently, the cadastre officially forwards the tax returns

to the tax authorities and forwards the document which is the basis for change of ownership over real estate to the public utility bill collection company. A major step forward has also been made in the process of digitization and interconnection of the public administration and interconnection between the public administration and public notaries. After January 1, 2021 documents are sent to the cadastre in electronic form, through the so-called "electronic counter," which reduce the use of paper documents and instead of having to go to a counter three-four times, one visit to a public notary will suffice to complete the notarization, the registration of a document in the cadastre, the submission of the tax returns and the notification of the public utilities company.

In addition, as of December 31, 2020, notaries are also authorized to issue excerpts from the Real Estate Cadastre (or utility list), which relieves the real estate cadastre services in the part related to this service and enables citizens to obtain the necessary excerpts on the spot, without unnecessary waiting.

## REMAINING ISSUES

The prices of public notary services remain an acute problem in this area. The public notary fees are somewhat higher than those once paid for the same services at courts and municipalities, especially for the notarization of lien statements, whose price goes as high as several thousand euros.

It is necessary to continue the process of digitization and networking of public notaries with the state administration.

Namely, there are still no technical capabilities for notaries to carry out some of their legally established competences. For example, the cadastre of lines ("katastar vodova") has not been properly established, and it is not possible to electronically send a document notarized by a public notary to the cadastre. Also, new legal solutions have created a problem in practice, so when the delivery of a document is carried out by a public notary ex officio, the client on whose behalf the registration is made, in practice, is no longer in a position to dispose of the request or to withdraw it or modify, or to postpone the sending of a certified document (for example, the client does not have a possibility to use a release statement as a necessary document for the disposal of an unreleased mortgage). This problem has existed for a long time, but little has been done to solve it.

Important problem is the inconsistent practice and approach in the work of different public notices, meaning that one notary public refuses to verify a particular document, while the other one accepts the verification of the same document. Although the Chamber of Notary Publics issues the opinions on acting of the notaries in certain situations, such opinions are not obligatory for the notaries.

Another big problem is that some notaries often require the submission of documentation for the purpose of verification in order to determine circumstances that are not their obligation by the law to determine and contribute to the unpredictability of the legal environment, given that parties are exposed to additional requests from notaries.

## FIC RECOMMENDATIONS

- Enable the disposition of clients' requests toward the cadastre in situations when the delivery of the document is carried out by a public notary ex officio.
- Reducing charges for services provided by public notaries, and their harmonization with the purchasing power of companies and natural persons.
- Further improvements in communication between the public notaries and the cadastre of real estate, including the possibility for notaries to initiate registration of leases on buildings (when applicable)
- Unification of the practice of notary publics to obligatory implementation of the opinions of the Chamber of Notary Publics.
- Preventing notaries from denying verification due to circumstances that they are not obliged by law to determine for a certain form of certification.