

# PRIVATE SECURITY INDUSTRY

1.07

## WHITE BOOK BALANCE SCORE CARD

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Constant monitoring of the implementation of the Law on Private Security, and continuous insistence that its by-laws are harmonised to the greatest extent possible with the models of EU legislation, at the same time considering local specificities. By-laws are especially needed for the transport of money in terms of insurance and special treatment in traffic regulations.	2009			√
Clearly define the obligation for users of private security services in connection with the Risk Assessment in accordance with the law under the threat of the same liability and the same sanctions as for private security companies.	2020			√
It is necessary to amend Article 20 of the Law with a provision obligating the legal entity that intends to use or is using the services of a private security company to prepare a Risk Assessment and make it available for the development of a Security Plan. In this case, the penalty provision that defines misdemeanours would also need to be aligned accordingly.	2024			√
Support the Ministry of Interior in order to compel all entities in the grey zone to implement the adopted Law in full through inspection supervision.	2016		√	
The checklist of inspection requirements to be created and published at Ministry of Interior website, to provide transparency and equality to all inspected parties.	2024			√
In the conditions for attending training and obtaining a licence, change the condition of professional education, that allow persons with elementary school to obtain a licence to perform the duties of a security officer. It is advisable to change, shorten and adapt the training process to modern learning styles through dual education and e-learning.	2017			√
Amendment of Article 63, paragraph 1, to allow individuals who have obtained a work license to simultaneously receive identification for their identification at the workplace.	2024			√
Introduce the internship employment under the supervision during the licencing process. Define that the security check is performed before the start of the training, that is, the same requirement for attending the training in order to obtain a licence in accordance with the Law to avoid unnecessary administrative problems and costs related to candidates who do not pass the security check.	2024			√
Prescribe a clear obligation of the Ministry of Interior to notify the employer of any change in the status of the licence of natural persons. This is especially bearing in mind that the identity card of the security officer is issued at the request of the employer's company and that it is returned to the MUP in the event of termination of the employee's employment.	2023			√
The definition of the control centre should be more precise, and in particular, the obligation to have a team should be harmonised, that is, the terminology should be harmonised so that the obligation to have a patrol and not a team should be harmonised.	2023			√

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Implement new regulations related to the money transport service and improve the protection of people and property through changes in traffic regulations, allowing money transport vehicles access to pedestrian zones and yellow lanes, introduce mandatory electrochemical protection in money transport vehicles, especially during money transfers, introduce mobile cameras that would be worn by each money transport officer, and the number of money transport crew members should be defined according to the specification of electrochemical protection.	2020			√
We propose an amendment to Article 36 of the current Law, which defines the conditions that special vehicles for the transportation of cash and valuables must meet, to stipulate those licenses be issued for all vehicles used by private security companies for these purposes. The license would be issued by the competent authorities of the Ministry of Internal Affairs after inspecting each individual vehicle to confirm that it meets the legally adopted prerequisites defined in Article 36 (excluding paragraph 1).	2024			√
Exclude from the penalty provisions of the Law the possibility of prohibition of the performance of activities due to some of the misdemeanours, since such a measure is extremely rare and is not provided even for serious violations of the law for acts that are of public importance. This measure is certainly unproportioned to the offences committed.	2023			√
In accordance with the initiative at the state level regarding the reduction of firearms, abolishing the legal obligation for employees of private security companies to carry firearms in certain positions should be considered. The premise would be that, for example, adequate electrochemical protection in the transport of money can completely replace weapons, while physical security should be completely freed from the obligation to carry weapons, regardless of the type of protected object. The maximum reduction of weapons has proven to be a topic of public interest, and this kind of initiative deserves absolute support. Furthermore, existing law is not recognising enough application of new technologies in specialised CIT vehicles and companies cannot have interest to invest in this kind of vehicles. For example, new technologies in CIT vehicles are making access to money in cars literally impossible - CCTV system, active alarms, panic buttons, interlocking of vault, safe, doors, anti-cut technologies, safes within the vehicle with dye pack systems, one time code locks etc - crew cannot open vault or safe by themselves. In case that CIT company is using this kind of cars and with obligations for dye pack containers, Law requirements for weapon usage are becoming obsolete. Amendment to Law, regarding obligation of weapon usage would be recognition of technological solutions in vehicles and in case that request is fulfilled, crew in that kind of cars would not be obliged to carry firearms during CIT service.	2023			√

## CURRENT SITUATION

After the adoption of the Private Security Law (“Official Gazette RS, no 104/2013, 42/2015 and 87/2018; hereinafter: Law), the private security industry is finally getting a legal framework. The intention of the legislator was to set the minimum conditions for the performance of this activity as well as to standardise the market by defining the minimum requirements and obligations for security service providers. Despite positive developments in the field of legal framework, the industry is still affected by multiple challenges related to unfair competition and compliance with the law. The market faces major challenges of non-compliance, which has resulted in a large number of private security companies operating in the grey area. It also puts the competent authorities in a position to focus on enabling equal conditions for domestic and foreign companies providing services. Success in controlling the implementation of the Law will have a direct impact on the fiscal revenues of the state, but also on the creation of a more stable and safer business environment for all participants on the market.

## POSITIVE DEVELOPMENTS

The Ministry of Interior (MOI) has opened channels of communication with industry, which is of utmost importance. The amendments to the Law also made it easier to obtain a licence for certain categories of persons with appropriate qualifications, but the deadlines for obtaining a licence were slightly shortened, which still represents an insurmountable challenge in practice. With the adoption of by-laws 2018/2019, the powers of security officers are more clearly defined, which is a significant improvement in practice. In light of the tragic events that took place in May 2023, the state raised the issue of reducing the position and use of weapons, which is a significant step forward in preserving general security. Such an initiative should be strongly supported through all relevant institutions and organisations as well as through the legislation itself.

## REMAINING ISSUES

Certain problems that were evident even before the adoption of the Law are still noticeable in practice. They became the key topic of the initiative of professional associations to change some articles of the Law.

So far, the following issues have been identified as the most important:

- The need for more precise determination of binding provisions for users of private security services regarding the preparation and adoption of the Risk Assessment Act. The service provider is obligated to perform services based on the Security Plan, which is developed following a Risk Assessment for the protection of individuals, property, and business operations. The preparation of both documents is conditioned by the methodology prescribed by the relevant Serbian standard. A strict interpretation of these provisions implies that the Security Plan cannot be created without a prior Risk Assessment, which can only be conducted by companies holding a license for private security services. Under a narrow interpretation of the Law, these companies would not be permitted to provide the services for which they are registered in the absence of the Security Plan. Furthermore, the preparation of the Risk Assessment is closely associated with gaining access to the business secrets of the entity being assessed, as it involves examining the organization, matters related to business, contractual, and Labour Law, criminal offenses, misdemeanours, and other elements required by the prescribed methodology. It is evident that private security companies cannot independently carry out the Risk Assessment, but only with the consent of the legal entity being assessed.
- Condition for attending training - Considering the current availability of licensed physical security officers, we believe that lowering the required level of education to elementary level would increase the number of candidates available for training. Our experience with employees who had only an elementary education before the Law came into effect has been extremely positive and does not differ from our experience with those who have a secondary education. We believe that individuals with elementary education have been placed at a disadvantage by this regulation, and their constitutional right to work has been violated. The training for security officers is not complex enough to exclude people from this educational background from the opportunity. Since an examination is held after the training, every candidate, regardless of their educational level, should have an equal opportunity to attempt to pass it. The tasks performed during service provision are not complicated, and anyone can master them and perform them impeccably with adequate training.
- Regulation and implementation of regular and extraordinary supervision and control of the private security

sector, as well as terminological inconsistency of the law with international standards in the field of private security.

- Partial non-compliance with other laws and by-laws related to work and labour relations; administrative procedure for issuing licences for private security; providing security for public gatherings (ie sporting events); handling of firearms etc.
- The process of training and obtaining licences for individuals is too long, three months on average, inflexible and not in line with modern practice. During training, individuals cannot be engaged in private security work, while companies providing security services have difficulties in engaging licensed employees.
- Identification Obligations for Individuals, Not Legal Entities - The current regulation complicates the operations of legal entities providing private security services and the Ministry of Interior by exposing them to unnecessary administration involving numerous changes that are difficult to monitor. We believe that individuals who have obtained a work license should simultaneously receive identification that would serve their identification at the workplace, as it is important to note that the identification does not include the employer's name. In this scenario, employers would only be required to report the employment contract of their employees to the Ministry of Interior. In practice, the time required to issue identification is sometimes significantly longer than the actual employment period. Implementing this solution would prevent a previously encountered situation in which a license was revoked during a supervisory procedure, but the identification was not, allowing the security officer to continue working without the employer's knowledge that the license had been revoked. If this change were accepted, during supervision, both the license and the identification would be revoked, thereby eliminating the conditions for employment with the employer.
- The money transport service must be subject to more precise regulations through special by-laws.
- Licenses for CIT Vehicles - In the current situation, private security companies can obtain a license for the transportation of cash and valuables based solely on the possession of a single specialized vehicle, which has been inspected by the competent authorities of the Ministry

of Interior. However, for all other vehicles used in the transportation processes, such inspections are not conducted, and thus, there is no adequate confirmation of compliance with the legal requirements for their use for these purposes. By applying a similar principle to that of requiring each employee to possess the appropriate license, licensing each vehicle designated for cash transportation would provide assurance that these vehicles meet the legally prescribed prerequisites, as verified by the Ministry of Interior. This would help avoid situations in which inadequate vehicles are used for the transportation of cash and valuables, thereby jeopardizing the safety of the crew and the valuables being transported.

- The MOI is not obliged to inform companies, as employers, whether their employees have received a licence, or their licences have been revoked due to non-fulfilment of some requirements.
- Notification of the employer about the 'revocation of the license for performing security officer duties with and without firearms' and the need to amend chapter X of the Law. This situation occurs when an officer's license is revoked due to a conviction for a criminal offense during the validity period of the license, without the employer being notified or the license being simultaneously revoked in that process.

To prevent this situation, we propose adding a provision that specifies this as an obligation of the supervisory authority (linking the license and the identification).

In addition to the general application of security law regulations, private security companies face three main challenges:

- Risk Assessment Requirements - By law, a risk assessment is the first step prior to providing private security services to most clients. It represents the basis for concluding the contract and defines the elements especially regarding the scope and type of service. If the risk assessment is not done, in accordance with the law, the sanction for the same shall be borne by the Private Security Company, although it is impossible to provide such an assessment without the consent and engagement of the client.
- Workforce - procedures for obtaining a licence in accordance with the Law take an average of 3 months, together with a dramatic shortage of manpower in the service

sector puts Private Security Companies in an unenviable situation. Examples of positive practice from the region (Bosnia and Herzegovina, Croatia and Slovenia), specifically the abolition of high school education as a condition for the performance of private security services, have contributed to progress in this area: increased employment rate, all private security companies that operate in accordance with the law.

- Transportation of cash and valuables - transportation of cash and other valuables due to its nature is one of the riskiest security operations. However, local legislation does not regulate this area in detail, which leaves room for different interpretations, resulting in lower safety standards in Serbia than the corresponding standards in the EU. It is very important to note that exposure in this industry has a direct impact on the stability of the

economy, the impact on the stability of the banking sector and the general safety of society. Among others, the most common legal challenge is the lack of precise regulations and standards regarding the electrochemical protection of vehicles. In contrast, current legislation replaces the above standards with multiple crew members in transport vehicles. This solution makes this service more risky and less profitable for the end user. It is in the interest of the economy to reduce logistics costs, so that Serbia can benefit from a more competitive economy and encourage faster growth. Transport of money is an operation that must have mandatory insurance with precise types of policies that would be a general requirement for all private security companies. This issue should be clearly regulated by regulations in order to protect public and private interest as well as business from unexpected and uninsured losses.

### FIC RECOMMENDATIONS

- Constant monitoring of the implementation of the Law on Private Security, and continuous insistence that its by-laws are harmonised to the greatest extent possible with the models of EU legislation, at the same time considering local specificities. By-laws are especially needed for the transport of money in terms of insurance and special treatment in traffic regulations.
- Clearly define the obligation for users of private security services in connection with the Risk Assessment in accordance with the law under the threat of the same liability and the same sanctions as for private security companies.
- It is necessary to amend Article 20 of the Law with a provision obligating the legal entity that intends to use or is using the services of a private security company to prepare a Risk Assessment and make it available for the development of a Security Plan. In this case, the penalty provision that defines misdemeanours would also need to be aligned accordingly.
- Support the Ministry of Interior in order to compel all entities in the grey zone to implement the adopted Law in full through inspection supervision.
- The checklist of inspection requirements to be created and published at Ministry of Interior website, to provide transparency and equality to all inspected parties.
- In the conditions for attending training and obtaining a licence, change the condition of professional education, that allow persons with elementary school to obtain a licence to perform the duties of a security officer. It is advisable to change, shorten and adapt the training process to modern learning styles through dual education and e-learning.
- Amendment of Article 63, paragraph 1, to allow individuals who have obtained a work license to simultaneously receive identification for their identification at the workplace.

- Introduce the internship employment under the supervision during the licencing process. Define that the security check is performed before the start of the training, that is, the same requirement for attending the training in order to obtain a licence in accordance with the Law to avoid unnecessary administrative problems and costs related to candidates who do not pass the security check.
- Prescribe a clear obligation of the Ministry of Interior to notify the employer of any change in the status of the licence of natural persons. This is especially bearing in mind that the identity card of the security officer is issued at the request of the employer's company and that it is returned to the MUP in the event of termination of the employee's employment.
- The definition of the control centre should be more precise, and in particular, the obligation to have a team should be harmonised, that is, the terminology should be harmonised so that the obligation to have a patrol and not a team should be harmonised.
- Implement new regulations related to the money transport service and improve the protection of people and property through changes in traffic regulations, allowing money transport vehicles access to pedestrian zones and yellow lanes, introduce mandatory electrochemical protection in money transport vehicles, especially during money transfers, introduce mobile cameras that would be worn by each money transport officer, and the number of money transport crew members should be defined according to the specification of electrochemical protection.
- We propose an amendment to Article 36 of the current Law, which defines the conditions that special vehicles for the transportation of cash and valuables must meet, to stipulate those licenses be issued for all vehicles used by private security companies for these purposes. The license would be issued by the competent authorities of the Ministry of Internal Affairs after inspecting each individual vehicle to confirm that it meets the legally adopted prerequisites defined in Article 36 (excluding paragraph 1).
- Exclude from the penalty provisions of the Law the possibility of prohibition of the performance of activities due to some of the misdemeanours, since such a measure is extremely rare and is not provided even for serious violations of the law for acts that are of public importance. This measure is certainly unproportioned to the offences committed.
- In accordance with the initiative at the state level regarding the reduction of firearms, abolishing the legal obligation for employees of private security companies to carry firearms in certain positions should be considered. The premise would be that, for example, adequate electrochemical protection in the transport of money can completely replace weapons, while physical security should be completely freed from the obligation to carry weapons, regardless of the type of protected object. The maximum reduction of weapons has proven to be a topic of public interest, and this kind of initiative deserves absolute support. Furthermore, existing law is not recognising enough application of new technologies in specialised CIT vehicles and companies cannot have interest to invest in this kind of vehicles. For example, new technologies in CIT vehicles are making access to money in cars literally impossible - CCTV system, active alarms, panic buttons, interlocking of vault, safe, doors, anti-cut technologies, safes within the vehicle with dye pack systems, one time code locks etc - crew cannot open vault or safe by themselves. In case that CIT company is using this kind of cars and with obligations for dye pack containers, Law requirements for weapon usage are becoming obsolete. Amendment to Law, regarding obligation of weapon usage would be recognition of technological solutions in vehicles and in case that request is fulfilled, crew in that kind of cars would not be obliged to carry firearms during CIT service.