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SELA Regional News Q2 2023

The SELA regional newsletter features an overview of the most important regional legislative developments recently announced in the jurisdictions of SELA coverage.

Many of the changes recently implemented impact the regions' ability to attract foreign investments and related to tax, customs, and other investment incentives, illustrating just how strategically important the governing bodies of the region see foreign investment.

Local Touch – Regional Reach

Albania • Bosnia and Herzegovina • Bulgaria • Croatia • North Macedonia • Montenegro • Serbia • Slovenia



MAIN TAKEAWAYS

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- New Law on Electronic Governance
- Amendments to Immigration Rules
- New Draft Law on Medical Cannabis

Bosnia & Herzegovina

- Draft law on electronic money in Republic of Srpska
- Draft law on energy and regulation of energy activities in Federation of Bosnia and Herzegovina

Bulgaria

- Changes to the Bulgarian Renewable energy act
- Changes to the Bulgarian Companies act
- Changes to the Civil Procedure Code

Croatia

- Amendments to the Spatial Planning Act
- Amendments to the Trade Act
- Expected amendments to Maritime Domain and Seaports Act
- Adoption of the Energy Authorization Regulation

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- New Bylaws regarding the Law on Efficient Use of Energy

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- Change in the Labor Law

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- Amendments to the Law on Use of Renewable Energy Sources
- A new Law on Safety and Health at Work
- A new Proposal for the Law on Amendments to the Law on Planning and Construction



- Proposal of the Law on Amendments to the Labor Law

Slovenia

- Amendments to the Labour and Social Security Registers Act
- Amendments to the Register of Companies Act
- Amendments to the Companies Act
- Amendments to the Investment Promotion Act



Albania

New Law on Arbitration

After many years of absence of a comprehensive national framework for domestic a foreign arbitration, in July 2023 the Albanian Parliament approved a new law on Arbitration in the Republic of Albania. Until the approval of this law, New York Convention and European Convention on Commercial Arbitration, together with few provisions of the Albanian civil procedure code were the only rules applicable in Albania regarding arbitration matters.

The new law is expected to be published soon in the Albanian Official Gazette and will enter into force within 15 days thereafter. The provisions of this law do not apply to arbitration proceedings that began before the entry into force of this law, except in cases where the parties have expressly agreed otherwise

MAIN PROVISIONS OF THE LAW

The purpose of this law is to create a legal framework for the organization and development of arbitration procedures, as well as to guarantee the organization and development of arbitration procedures in a professional, qualitative, efficient, and effective manner.

The law defines the rules for the organization and development of arbitration procedures when the place of arbitration is in the Republic of Albania.

The law further provides for a number of provisions allowing the Albanian courts to provide assistance to foreign arbitral panels in the Albanian territory (e.g. to obtain evidence, enforce conservatory measures etc.).

Amongst other matters, the draft provides for:

- scope and requirements for the arbitration agreement;

- rules on the role of courts in arbitration proceedings, including interim measures;
- organization and conduct of arbitration proceedings;
- conditions for arbiters and their appointment;
- jurisdiction of the arbitration panel;
- binding effects of the arbitration award;
- annulment of arbitration award;
- recognition and enforcement of international arbitration award.

WHO THE LAW APPLIES TO

The law will apply to anyone involved in arbitration proceedings where the place of arbitration is in the Albanian territory.

HOW IT AFFECTS YOUR BUSINESS

This law is expected to give legal certainty to the parties in the resolution of their disputes in Albania through arbitration.

New Law on Electronic Governance

On 15 June 2023, the Albanian Parliament approved the new law on Electronic Governance, no. 43/2023.

The purpose of this law is to define the rights, obligations and responsibilities of public authorities and/or private entities in relation to the creation, development and management of information infrastructure systems, the obligation of public authorities and/or private entities to implement the standards of information technology, to determine the rules for the creation and provision of electronic services in the Republic of Albania, as well as access, processing and protocol of the electronic document.



While the law enters into force within 15 days of its publication in the Albanian official gazette, it is excepted that its secondary legislation will be approved within a further period of 9 months. Therefore, the new act will likely not be applied in full until all of its secondary legislation acts are passed.

MAIN PROVISIONS OF THE LAW

This law applies to public authorities and private entities for the exercise of their powers in the provision of public services electronically through the use of information systems and networks.

The law excludes from its scope of application electronic communications networks and/or electronic communications services, governed under the law of electronic communications in the Republic of Albania.

This law defines:

- general principles of electronic governance;
- obligations of public authorities and private entities in the provision of electronic services;
- the rights of natural persons, private entities and public authorities to communicate with each other through information technology;
- the operation and interaction between public authorities and private entities for electronic government;
- infrastructure of electronic services;
- administration system and protocol electronic document for institutions e state administration at the central level and local.

WHO THE LAW APPLIES TO

The law applies to public authorities and private entities entrusted with the provision of public services.

HOW IT AFFECTS YOUR BUSINESS

If your business is a private entity entrusted with the provision of public services in Albania, you must comply with the legal and technical rules of this law.

With this law does not apply directly to other businesses, it will indirectly affect all business in the receipt of electronic public services.

Amendments to Immigration Rules

The Albanian Government has approved changes to the Decision of the Council of Ministers no. 858, dated 29.12.2021 regarding the documentation to be submitted by foreign nationals intending to enter and reside in Albania for various purposes.

MAIN PROVISIONS OF THE LAW

The new provisions grant to all foreign nationals requesting an Albanian residence permit the possibility to submit initially only a Self-Declaration to attest their accommodation in Albania. Nonetheless, proof of the original accommodation documentation (lease contract/property documentation) must be submitted with Albanian Border and Migration Police within 30 days from obtaining this permit.

Digital nomads intending to work in Albania, will be permitted to attest the work relationship and their accommodation in Albania by submitting just a self-declaration as per the standard format approved by Albanian authorities provided, they submit the proof documentation 30 days upon obtaining the residence permit. Digital nomads must attest by way of a self-statement that they possess at least Euro 4,000 to cover living expenses for themselves and dependents.

Additional and more astringent requirements are introduced for foreign nationals intending to register as Self-Employed persons with the



Albanian Business Registry and do business in Albania. Hence, in addition to providing proof of registration with Albanian Business Registry these nationals will be required to also submit their business idea/plan, attestation of an investment of at least Euro 5,000, and proof of professional attestation / licenses / diplomas and certificates attesting their professional capacity.

Non-EU /USA / Western Balkans and Kosovo Republic nationals intending to work in Albania as consultants/audits, or those who attend education and culture conferences workshops and fairs, technicians installing equipment, as well as other business visitors who provide services for a maximum of 60 or 90 days within a year, will be required to file a formal request with Albanian Border and Migration Police authorities to obtain the Albanian Unique Permit (work and residence).

WHO THE LAW APPLIES TO

The new provisions apply to all foreign nationals requesting to be granted with an Albanian Unique Work and Residence Permit, as well as to the following categories of foreign nationals: Digital Nomads, Self-Employed foreign nationals registering their business in Albania and those visiting Albania on C-Type Visa.

HOW IT AFFECTS YOUR BUSINESS

Whilst these new provisions will affect all new applications for Albanian Unique Work and Residence Permits, they will facilitate quite a lot the applications filed by Digital Nomads, but will hinder or cause significant difficulties for self-employed foreign nationals intending to establish their business in Albania.

New Draft Law on Medical Cannabis

The Albanian Parliament is currently discussing a draft law proposal of the Council

of Ministers on cannabis for medical and industrial purposes.

MAIN PROVISIONS OF THE LAW

The scope of the draft law is to determine the rules for the cultivation, production and controlled circulation of the cannabis plant and by-products, for medical and industrial use.

The draft act aims to regulate and guarantee the process of control, monitoring of the cultivation, processing of the cannabis plant and the production of its by-products, intended for medical and industrial purposes and their export according to the conditions and rules of this law and in implementation of the classification of the by-products of the cannabis plant, in accordance with the Single Convention on Narcotic Drugs of 1961, as amended

The draft act sets strict rules through licensed entities operating in the activities of cannabis for medical and industrial purposes and the production of its by-products and under the supervision of the National Agency for the Control and Monitoring of the Cultivation and Processing of the Cannabis Plant.

The draft act, cannabis plant and by-products, for medical and industrial use, is intended only for export outside of the Albania territory.

WHO THE LAW APPLIES TO

The draft act applies to all operators engaged in the activities of cultivation, production, circulation and export of the cannabis plant and by-products, for medical and industrial use.

HOW IT AFFECTS YOUR BUSINESS

Currently, activities covered by this draft act are illegal, and therefore no businesses are engaged in said activities. Once the draft act is approved, operators may apply for licensing with the National Agency for the Control and Monitoring of the Cultivation and Processing



of the Cannabis Plant in accordance with the provisions of the law.

Bosnia & Herzegovina

Draft law on electronic money in Republic of Srpska

MAIN PROVISIONS OF THE LAW

Bearing in mind that the issuance of electronic money (e-money) represents a new financial service on the domestic market of payment services, the Draft Law proposes appropriate qualitative requirements regarding the ownership and management structure of companies that intend to engage in this activity.

WHO THE LAW APPLIES TO

Holder of electronic money which is a natural or legal person to whom electronic money is issued or has been issued, i.e. a natural or legal person who approached the issuer of electronic money for the purpose of issuing that money, as well as any other natural or legal person who has monetary claim.

HOW IT AFFECTS YOUR BUSINESS

In addition to security and privacy concerns, various legal risks could arise from violating this law which can include money laundering, privacy protection, etc.

Draft law on energy and regulation of energy

activities in Federation of Bosnia and Herzegovina

MAIN PROVISIONS OF THE LAW

This draft law regulates the way of determining and implementing energy policy and development planning, the acts that determine and on the basis of which energy policy and energy development planning are implemented.

Also, the determination for the use of renewable energy sources and the achievement of energy efficiency, the organization and functioning of the regulatory body, and the basic issues of conducting and regulating energy activities in the FBH are determined.

The draft law also regulates issues of common interest for all energy activities or related to multiple forms of energy, while issues related to the sectors of electricity, natural gas, oil derivatives, renewable energy sources and energy efficiency are regulated by separate laws.

WHO THE LAW APPLIES TO

Draft law applies to energy market participants and consumers.

HOW IT AFFECTS YOUR BUSINESS

The law will give a clearer insight into future energy plans in the FBH.



Bulgaria

Changes to Renewable energy act

The Bulgarian parliament discusses changes to the renewable energy act, which aim to streamline and speed up the process of investments in renewable energy projects. The proposed amendments will form areas which will provide preferential terms for RES investments such as speed-up EIA.

MAIN PROVISIONS OF THE LAW

The Bulgarian government has 6 months from entry of the law in force to determine which areas from the territory would be qualified as areas for preferential development of RES projects.

WHO THE LAW APPLIES TO

Investors in renewable energy projects.

HOW IT AFFECTS YOUR BUSINESS

The changes will streamline the investment process and speed up the EIA procedures for projects in the preferential areas.

Changes to Company act

Draft law for amendment of the Companies act.

MAIN PROVISIONS OF THE LAW

The changes introduce new type of company in Bulgaria – company with limited liability and flexible capital.

WHO THE LAW APPLIES TO

Startups and any business, which seek flexibility of the corporate structure such as startups and small businesses, which want to attract angel investors and have ease and straight-forward procedure for transfer of equity.

HOW IT AFFECTS YOUR BUSINESS

The change will provide flexibility to shareholders to transfer shares and increase or decrease the capital without long and complex administrative procedures.

Changes to the Civil Procedure Code

The Bulgarian Parliament adopted changes to the Civil procedure code and implemented mandatory mediation for certain disputes. This change aims to reduce the number of pending cases and overloaded courts in Sofia and the big cities.

MAIN PROVISIONS OF THE LAW

The change provides that for certain disputes, the parties must seek and conduct mandatory mediation procedure prior to submitting the dispute to the court. The changes are in force since 01 July 2023. In addition, the changes introduce electronic administration of enforcement procedures, which significantly speeds up the procedures and reduces the paperwork and timely procedures.

WHO THE LAW APPLIES TO

The mandatory mediation is applicable to certain groups of disputes such as payment of liquidation quota in private limited companies, damages caused by director of private limited



companies to the company and related claims by shareholders etc.

HOW IT AFFECTS YOUR BUSINESS

Croatia

Amendments to the Spatial Planning Act

Optimizing and digitalization of spatial plans.

MAIN PROVISIONS OF THE LAW

There are three main reasons for the amendments: promoting renewable energy sources; accelerating the construction of solar power plants for energy self-sufficiency; as well as the digitalization of new generation spatial plans.

It will now be possible to install solar panels outside of areas envisaged by existing spatial plans, provided they are not in residential, commercial, or industrial areas, degraded agricultural land, lakes created by exploitation, or devastated areas such as waste disposal sites.

The amendments will improve data processing and digitalization of spatial plans, enabling proper input of metadata into the national cloud. This will enhance the provision of electronic public services and reduce the burden on citizens, the scientific and professional community, business entities, and investors.

WHO THE LAW APPLIES TO

Everyone wanting to undertake any construction work, but especially investors in the field of renewable energy sector investing in solar panel farms.

Eases the enforcement procedures and provides opportunity to avoid expensive and lengthy litigation.

HOW IT AFFECTS YOUR BUSINESS

Information will be easier and quicker to obtain. RES investors will not have to initiate procedures for amending spatial plans in certain situations, making project development a smoother process.

Amendments to the Trade Act

Free time on Sundays.

MAIN PROVISIONS OF THE LAW

Amendments to the Trade Act entered into force on 1 July 2023. The new Article 57 of the Trade Act prohibits working on Sundays, opening the possibility to business owners to independently designate 16 Sundays a year as working days.

The same Article of the new Trade Act also stipulates that businesses may independently allocate working hours from Monday to Saturday; however, they have the maximum of 90 working hours a week at their disposal, with additional 15 hours in cases where the business decides to designate a Sunday as a working day.

WHO THE LAW APPLIES TO

The law applies mainly to subjects who are registered for buying and selling goods and/or providing services in stores.



HOW IT AFFECTS YOUR BUSINESS

Businesses who exceed the abovementioned time limits may be charged with fines up to EUR 39.810,00 if they are a legal person and EUR 9.290,00 if they are natural persons.

Expected amendments to Maritime Domain and Seaports Act

Greater market valorization of maritime assets.

MAIN PROVISIONS OF THE LAW

Key amendments will refer to:

- the procedure for granting concessions on maritime domain in order to comply with the Concessions Act
- introducing the institute of concession on demand of the investor
- introducing the duty of the concession grantor to carry out preliminary actions on which the initiation of preparatory actions for granting a concession will depend
- the abolition of concession approvals and the introduction of permits issued by the representative body of the local government unit based on a public tender for a period of five years
- a special institution for the management of the maritime domain will be established, and its authority and organization will be regulated by the Government
- the concept of ecological damage to the maritime domain and the responsibility for such damage is introduced.

The Final Proposal of the Amendments has been modified after public criticism, and now defines the terms of access to and usage of beaches in an unambiguous manner.

WHO THE LAW APPLIES TO

Amendments of the Maritime Domain and Seaports Act will namely apply to concession grantors and potential concession holders.

HOW IT AFFECTS YOUR BUSINESS

Proposed amendments should result in more investment opportunities and higher revenues from concessions.

Adoption of the Energy Authorization Regulation

Unblocking of energy projects underway.

MAIN PROVISIONS OF THE LAW

After more than 500 days of delay, the Croatian Government has on the proposal of Ministry of Economy and Sustainable Development, finally adopted the Energy Authorization Regulation.

The Regulation is a key document for energy projects, since the energy authorization is a prerequisite for all other steps of the investment, such as obtaining location and building permits.

Although experts in the field have voiced their criticism concerning some elements of the Regulation, it is still expected that its entry into force will at last enable the development of energy projects in Croatia, especially in the renewable energy sector.

WHO THE LAW APPLIES TO



Investors and potential investors wanting to develop energy projects on the territory of the Republic of Croatia.

HOW IT AFFECTS YOUR BUSINESS

Montenegro

Regulations regarding the Law on Efficient use of Energy

MAIN PROVISIONS OF THE LAW

As Montenegro aspires to become a member of European Union (EU), they are working on adjusting their regulations to be compliant with EU legislation, however, full compliance has not been accomplished yet. A major step forward has been made in the field of energy efficiency and eco-design labeling, as now most of the related rulebooks are compliant with EU regulations. The respective rulebooks have been adopted and are applicable as of 1 June 2023.

The new energy efficiency labeling (A-G) is mandatory to use the new labels for the following products:

- professional refrigerators,
- light sources (including light sources that are integrated in other products),
- dish-washing machines,

Investors will now be able to obtain energy authorizations, and the Ministry of Economy and Sustainable Development should start publishing public tenders for the issuing of these authorizations.

- washing machines,
- combined machines for washing and drying,
- air-conditioning devices.

With regards to the eco-design labeling, the new rulebooks, that entered into force on 1 June 2023, refer to the following products:

- dish-washing machines,
- washing machines,
- combined machines for washing and drying,
- air-conditioning devices

WHO THE LAW APPLIES TO

Rulebooks apply to all suppliers and distributors.

HOW IT AFFECTS YOUR BUSINESS

Based on the new regulations, the manufacturers and imports have to adjust the labeling of the respective products in accordance with the respective changes.



North Macedonia

Change in the Labor Law

MAIN PROVISIONS OF THE LAW

With the amendment to the Labor Law, an exception was established, that is, overtime work was made possible to last longer than 8 hours per week and 190 hours per year, only for work on projects of strategic national importance established by law and only with the written consent of the employee.

The overtime payment provisions for this exception remain the same, as do the provisions for daily and weekly rest.

The Minister of Finance, in coordination with the Minister of Labor and Social Policy, prescribes the manner and place of payment of wages to workers who work on projects of

strategic national importance established by law.

WHO THE LAW APPLIES TO

These rules apply only for work on projects of strategic national importance established by law.

HOW IT AFFECTS YOUR BUSINESS

With these amendments the country provided investors with the possibility for more effective implementation of their projects which are of strategic national importance established by law.

Serbia

Amendments to the Law on Use of Renewable Energy

The National Assembly of the Republic of Serbia has passed a new Law on Amendments to the Law on Use of Renewable Energy Sources, which entered into force on 7 May 2023 and will be applicable from 1 January 2024.

MAIN PROVISIONS OF THE LAW

The new Amendments have introduced the following changes:

- The guaranteed supplier assumes the balance responsibility and bears the costs of balancing for preferential producers who are in the feed-in

tariff system until expiration of the incentive period, namely: for power plants whose approved power is less than 400 kW, that is, from January 1, 2026, for power plants whose approved power is less than 200 kW;

- Privileged producers pay a fixed fee to the guaranteed supplier for each produced MWh, with mutual financial support compensation at the day-ahead market price depending on the direction of the imbalance that privileged producers create (if privileged producers produce less than planned, they pay the guaranteed supplier, if they produce more, the guaranteed supplier pays preferential to the manufacturer);



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- Limitations to the installed capacity of prosumers' facilities, so that they are enabled to enjoy the right of priority access, be freed from balance responsibility and duty to provide auxiliary service.

WHO THE LAW APPLIES TO

The new amendments will apply to privileged energy producers who use renewable sources of energy.

HOW IT AFFECTS YOUR BUSINESS

The new amendments should contribute to the optimization of household investments in line with real annual consumption and encourage prosumers not to use electricity in periods when it is more expensive.

A new Law on Safety and Health at Work

On 28 April 2023 the National Assembly of the Republic of Serbia passed a new Law on Safety and Health of Work, which entered into force on 7 May 2023.

MAIN PROVISIONS OF THE LAW

The new Law introduced numerous changes and has redefined certain key terms:

- The definition of the workplace has been changed to work tasks that the employee performs in the working environment in which he/she stays or has access during the work and which is under the direct or indirect control of the employer.
- Work from home is now defined as work that the employee performs using information and communication technologies from the place of residence, while remote work is defined as work performed in

another area, which is not employee's residence or an area under the direct control of the employer.

- Occupational safety and health adviser and occupational safety and health associate have been introduced.
- A new Register of Injuries at Work has been introduced.

WHO THE LAW APPLIES TO

The Law applies onto all persons involved in work processes, as well as persons who find themselves in the working environment.

HOW IT AFFECTS YOUR BUSINESS

The Employer that employs 251 to 500 people in certain activities is obliged to have at least two, and if he employs more than 500 employees, is obliged to have at least 3 advisors, engaged under the full-time employment agreement.

The new Law also imposes an obligation on the employer to submit a request to the competent labor inspection before starting certain business activities, to determine the fulfillment of the prescribed conditions in the area of safety and health at work.

The Law has stricened the penal policy, i.e. the maximum fines have been doubled and a set of different misdemeanors have been prescribed for the breach of the Law.

Employers are obliged to organize their operations in accordance with the Law within two years from the date of its entry into force, i.e., until 7 May 2025.

A new Proposal for the Law on Amendments to the Law on Planning and Construction



On 4 May 2023, the Government of Serbia adopted a new Proposal of the Law on Amendments to the Law on Planning and Construction.

MAIN PROVISIONS OF THE LAW

The most significant proposed novelty is related to the improvement of the electronic system for issuing construction permits (CEOP) by introducing new functionalities and improving the existing ones, especially by introducing the new E-space system, which will enable public authorities to exchange data electronically and accelerate the procedure for drafting and modification of planning documentation.

Other key novelty is the incorporation of new elements of the "green agenda" in the field of planning and construction, by introducing new concept such as "green construction", which entails planning, designing, carrying out works, using and maintaining the building, which reduce the emission of gases with the greenhouse effect.

The Proposal foresees the establishment of a new Agency for Spatial Planning and Urbanism, which will be responsible for the performance of planning, coordination, and monitoring of the preparation of planning documents. The Agency will be responsible for issuing a new green building certificate which verifies that the building has met the set criteria and serves to assess the quality and degree of fulfilment of the green building criteria.

WHO THE LAW APPLIES TO

The proposed provisions will apply to all investors and builders.

HOW IT AFFECTS YOUR BUSINESS

The main goal of the provisions provided in the Proposal is to improve and accelerate the process of issuing construction permits and other acts related to the construction, as well as to harmonize regulations from the field of

planning and construction with regulations from the field of the environment in order to achieve a better energy efficiency of buildings and better preservation of the environment.

Proposal of the Law on Amendments to the Labor Law

MAIN PROVISIONS OF THE LAW

This Proposal refers to individuals (women) who are employed on the basis of some form of non-employment agreement to have the right to parental leave and leave from work to take care of a child, as well as the right to compensation for wages during absence from work due to temporary inability to work for up to 30 days, if inability to work is caused by an illness or complication related to the maintenance of pregnancy in accordance with the Law on health insurance.

Every woman engaged in temporary and occasional jobs should have the right to vacation, maternity leave for 45 days or 28 days before the day of the certain childbirth, leave from work for childcare, maintenance of pregnancy and after childbirth.

The main goal is to equalize the status of employees of non-employment agreement with those with employment agreement and to achieve the protection of future mothers.

WHO THE LAW APPLIES TO

This Proposal applies to all women who are employed on the basis of some form of non-employment contract.

HOW IT AFFECTS YOUR BUSINESS

The Proposal of the Law on Amendments to the Labor Law introduces several changes and enables women to have the same rights



regardless of the form of employment agreements.

Slovenia

Amendments to the Labour and Social Security Registers Act

MAIN PROVISIONS OF THE LAW

The amendment clarified that records regarding working time must be kept for employees who work on the basis of an employment contract and also for employees who work on other legal bases (student or author work, subcontracting, etc.).

The prescribed information in the record of working time has been amended. There is a new obligation for employers to record the time of arrival and departure from work for all the employees. The employer must also record the breaks that are taken during working time.

The employer must provide the employee with access to the information in the working time record which relates to him or her. The employee must also be informed in writing (which may be by electronic means) of the information contained in the record for the previous month by the end of the payday.

WHO THE LAW APPLIES TO

The Act applies to employers, both legal and natural persons, as well as other entities such as state authorities, local authorities and branches of foreign companies, which employ employees on the basis of an employment contract or any other legal basis.

HOW IT AFFECTS YOUR BUSINESS

Employers must adapt their record-keeping to comply with the new changes. The changes to the Act apply from November 2023.

Amendments to the Register of Companies Act

MAIN PROVISIONS OF THE LAW

Under the amended provision, all natural persons will also be identified in the Court Register by a tax number, which will facilitate the verification of persons before their entry in the court register in the records of the financial administration or criminal records.

The set of data to be entered in the Court Register in relation to a branch of a foreign company from a Member State is also being extended. The latter is necessary in order to upgrade the notification arrangements between Member States under the Business Register Interconnection System (BRIS). In addition, information will now be exchanged between Member States on the opening and closing of the liquidation procedure of the branch, on registration notifications, on the closure of the branch and on changes to the company documents.

WHO THE LAW APPLIES TO



The Act regulates reporting and record-keeping of additional data in the Court Register.

HOW IT AFFECTS YOUR BUSINESS

The amendment of the Act is necessary to transpose the EU directives and to integrate Court Register into the BRIS system and will allow better data integration between countries.

Amendments to the Companies Act

MAIN PROVISIONS OF THE LAW

The amendment provides a legal basis for the online establishment of limited liability companies without the need for the founders to be physically present before a notary or registration authority. The articles of association may be concluded by video-electronic means as a notarial deed in electronic form in the manner provided for in the Notariat Act.

If the company is formed by only one person, that person shall adopt a memorandum of association, which doesn't need to be in the form of a notarial deed. The establishment of a one-person limited liability company will thus be possible directly through the Slovenian Business Point portal (SPOT) using a qualified digital certificate.

The proposal also regulates cross-border conversions, mergers and divisions of companies, introducing a similarly structured and multi-phased procedures for all of them, as well as some common rules, while providing for a simplified procedure for mergers and divisions.

WHO THE LAW APPLIES TO

The change is particularly important for those setting up a new company, as the process will also be possible using digital tools.

HOW IT AFFECTS YOUR BUSINESS

Starting a new business is possible using digital tools, entirely online. A permanent legal basis is also in place for virtual shareholders' meetings in public limited companies, which could already be held virtually as a temporary measure during the Covid-19 epidemic.

Amendments to the Investment Promotion Act

MAIN PROVISIONS OF THE LAW

An amendment to the Investment Promotion Act has entered into force, regulating the procedure for notification and review of foreign direct investment. Until now, the regulation of foreign direct investment was temporarily regulated in the Act Determining the Intervention Measures to Mitigate and Remedy the Consequences of the COVID-19 Epidemic, but now the subject is regulated more permanently in a new chapter in the Investment Promotion Act.

The notification shall now be examined first by a Notification Committee established by the Minister. In the preliminary procedure, the Commission first examines whether: (1) the foreign investor fulfils the conditions of a foreign investor, (2) the notified transaction is a direct foreign investment, (3) the activity of the target, acquired or newly established company in Slovenia relates to critical activities, and (4) the notification was submitted within the time limit.

If the Commission finds that the foreign direct investment has an insignificant or no impact on public order and security in Slovenia, it issues an opinion. However, if it finds that the



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activity may have an impact on public order or security in Slovenia, the opinion shall propose the initiation of a review procedure.

WHO THE LAW APPLIES TO

The Directive regulates foreign direct investment. The regulation is of particular importance for foreign investors and target companies.

HOW IT AFFECTS YOUR BUSINESS

Although similar to the previous regulation, it nevertheless introduces some key changes that companies should take into account if a foreign direct investment is planned.

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