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## **SELA Regional Newsletter Q1 2024**

*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 • Cyprus • Greece • North Macedonia • Montenegro • Romania • Serbia • Slovenia



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## Albania

### Treaty with Bulgaria on Social Security

On 2 November 2023, the Albanian Parliament approved law no. 89/2023, which ratifies the treaty between Albania and Bulgaria on the social security.

#### MAIN PROVISIONS OF THE LAW

The Social Security Treaty provides for equal treatment principle and export of benefits and covers a number of social security benefits for both countries, such as health insurance, health protection and pregnancy, old age and disability pension insurance, unemployment benefits, insurance for accidents at work and occupational diseases.

Based on the Treaty, a person exercising an activity as self-employed in the territory of any of the contracting parties (i.e., Albania and Bulgaria), shall be only subject to the social security legislation of that contracting party, even if the residence of an employee or a person exercising an activity as self-employed or the principal place of the employer's business is located in the territory of the other contracting party. Exception is made for persons exercising an activity employed or as self-employed in both countries, in which case they shall be subject to the social security legislation of the country of residence. Another exception is made for employees of diplomatic missions and temporary employment or self-employment in one of the contracting parties. Moreover, the Treaty provides that the employee of an enterprise or of contracting parties, is transferred to or performs activity in the territory of the other contracting party, on a temporary basis, of not more than 24 months, then it shall be only subject to the social security legislation of the first contracting party, whilst when a self-employed person registered at one of the

contracting parties performs activities in the territory of the other contracting party, the applicable social security legislation will continue to be that of the country of registration as long as the activity exercised at the other country does not last longer than 12 months.

#### WHO THE LAW APPLIES TO

The Social Security Treaty with Bulgaria applies to anyone who has been subject to the social security legislation in one or both of the contracting parties (i.e., Albania and Bulgaria) as well as other persons that derive rights from such persons benefiting from the treaty provisions.

#### HOW IT AFFECTS YOUR BUSINESS

Social Security Treaty will facilitate the performance of work and/or business between employees and employers of the two contracting parties, by streamlining the applicable social security requirements and reducing the respective costs.

### Approved Law no. 76/2023 On private pension funds

In 6 November 2023 entered into force the Law no. 76, "For private pension funds", dated 12 September 2023. This law improves the legal framework of private pension funds market and approximates this legal framework with the Directive (EU) 2016/2341 "On the activities and supervision of institutions for occupational retirement provision (IORPs) II".

As main goals of this law can be mentioned the protection of the interests of private pension fund members, as well as encouraging participation in the private pension scheme. It introduces the form of



pension fund with closed participation, which can be created by one employer, several employers. or an entity organized as an employers' association, trade union, trade union confederation or association, in the capacity of sponsor creating a pension fund with closed participation.

In parallel , there continues to exist the fund with open participation, which was also part of the previous law, created by the administrative company not providing for restrictions on membership.

## MAIN PROVISIONS OF THE LAW

Among the novelties of this law are: i) creation of new forms of pension funds in order to encourage participation in these funds; ii) imposing higher transparency requirements on members of private pension funds ; iii) determination of additional requirements for the governance of the administrative company; iv) provision of fiscal benefits for members of private pension funds, and v) reduction of the annual fund asset management commission, which must not exceed 2.5% per year in any case, of the net asset value of the private pension fund.

## WHO THE LAW APPLIES TO

This new law shall apply to all individuals, who join/intend to join the pension fund on the basis of a membership contract with the management company, in whose name and benefit a pension account has been opened in the pension fund and who has the right to benefit in the future from the pension fund; as well as to all.

## HOW IT AFFECTS YOUR BUSINESS

These funds are expected to be more popular for individuals and employers who want to contribute to their employees as they provide for regulations related to the marketing and promotional activity of private pension funds.

It provides alternatives for creating a more diversified investment portfolio for the member, making it possible to increase the return on investment, as well as allowing for the first time, environmental and social factors to be taken into account in investment policies for private pension funds and society stakeholders.

Moreover, this new law lays out conditions for the provision of cross-border services, as required by the IORP II Directive, once Albania will become a member country of the European Union.

## Exemptions from the income tax on the sale of immovable properties

On 29 December 2023, the Albanian Government approved Instruction no. 34 “On the income tax from the sale of immovable properties”, which amends the existing tax provisions on these matters.

## MAIN PROVISIONS OF THE LAW

Based on the new instruction’s provisions, commencing from January 1st, 2024, the transfer of movable and immovable property by way of donations and inheritances of movable and immovable assets toward heirs of first and second category will continue to be exempt from the 15% taxation; whilst for donations and inheritances of immovable properties to other categories of heirs shall by exempt, until ALL 5 million.

Exempt from the 15 % tax shall be also donations and inheritances within the sibling gender.



In case of transfer of ownership by way of donation or inheritance, or in case of relinquishment from the ownership right in favor of a third party or other co-owners, when the transaction is considered taxable the tax calculation shall be made as in the case of the transfer of ownership right over land and building, through the act of sale.

Moreover, a discount of 1% of the value will be applied for each year of seniority (usage) applicable to all types of real estate (apartments, shops, parking, basements, outdoor swimming pool, outdoor sports facilities), constructions used for industrial activities, which include factories, warehouses, refrigerated warehouses of food products, as well as constructions which are used for agriculture and livestock farming, or supporting activities).

## **Bosnia & Herzegovina**

### **New Law on the Use of Renewable Energy Sources and Efficient Cogeneration in Federation of BH**

#### **MAIN PROVISIONS OF THE LAW**

The new law simplifies the administrative procedures for the construction and operation of production facilities that use renewable energy sources, primarily solar power plants and wind power plants, as well as the introduction of new categories of participants and activities in the electricity market, and the introduction of new rights and mechanisms for the empowerment and protection of end customers of electricity energy.

#### **WHO THE LAW APPLIES TO**

The new instruction applies to individuals and other natural persons involved in the sale of movable and immovable properties commencing from 1 January 2024.

#### **HOW IT AFFECTS YOUR BUSINESS**

The new instruction changes the applicable income tax on the sale of immovable properties for the individuals and other natural persons, providing exemptions and limitations to the taxation amounts. The effects of the new taxation commence from 1 January 2024.

The category of prosumer was introduced, which enables end customers to produce electricity for their own consumption and to apply net billing and net metering supply schemes. These two schemes give them the possibility of transferring excess electricity to the grid and withdrawing it when their own production is not sufficient.

Renewable energy communities enable citizens to unite and jointly build plants from renewable energy sources, and thus take on a role both in energy decarbonization and in achieving environmental protection goals, local community development, and economic benefits. The law also introduces 2 types of auctions, feed-in tariffs for small plants (FiT auction) and feed-in premiums for large plants (FiP auction). Both procedures are carried out by the Operator for renewable energy sources and efficient cogeneration (OIEIEK).

#### **WHO THE LAW APPLIES TO**



The Law is applicable to all future investors, renewable energy communities, and prosumers.

#### HOW IT AFFECTS YOUR BUSINESS

The new law opens up the possibility of an increase in the number of new domestic and foreign investors in the sphere of renewable energy sources and introduces new legal terms that were not defined by the previous law.

## Draft Law on Electronic Money in Republic of Srpska

#### MAIN PROVISIONS OF THE LAW

This draft law creates legal conditions for the development of the electronic money market on the domestic market and lays a safe foundation for the use of the digital form of money not only in the everyday lifestyle of citizens, but also for more efficient and economical operations of business entities.

Draft law on electronic money prescribes the issuers of electronic money, the conditions for the establishment, operation and termination of the company for the issuance of electronic money, including the provisions related to the creditworthiness requirements of these companies, the protection of the funds of the holder of electronic money, the supervision of the business of the issuer of electronic money in Republic of Srpska, and

protection of the rights and interests of holders of electronic money.

#### WHO THE LAW APPLIES TO

The law applies to consumers as well as companies.

#### HOW IT AFFECTS YOUR BUSINESS

Prevention of misuse of electronic money payments for the purpose of money laundering and terrorist financing.

## Law on Amendments to the Law on Value Added Tax

#### MAIN PROVISIONS OF THE LAW

The House of Peoples of the BiH Parliamentary Assembly adopted amendments to the Law on Value Added Tax (VAT), which increased the limit for registration of taxpayers from BAM 50,000 to BAM 100,000 due to inflationary trends and increases in the prices of goods and services.

#### WHO THE LAW APPLIES TO

The Law applies to VAT payers.

#### HOW IT AFFECTS YOUR BUSINESS

Amendments to the law increase the threshold for entry into the VAT system, which will give relief to more than 6,200 taxpayers.



## Bulgaria

### Amendments in the Constitution of Republic of Bulgaria

#### MAIN PROVISIONS OF THE LAW

The much-awaited amendments in Bulgarian Constitution were passed by the Parliament in late December 2023. Most importantly the amendments aim to:

- Permit Parliament members and ministers to have dual citizenship,
- The Supreme Judicial Council transforms into two bodies, emphasizing non-political appointments. These two separate bodies, namely judge and prosecution councils will be responsible for magistrates' personnel policy for respectively judges and prosecutors.
- Restrict interim prime ministership eligibility to a few exhaustively listed high state offices holders, such as the Parliament Chairman, Governor and Deputy Governor of the Bulgarian National Bank (BNB), President or Deputy President of the Court of Auditors the Ombudsman or a Deputy Ombudsman.
- The Parliament will not dissolve without a government formation.
- The Parliament gains authority to subsequently curb interim cabinet powers through as special law.

#### WHO THE LAW APPLIES TO

It applies directly and above any other specific laws in Bulgaria.

#### HOW IT AFFECTS YOUR BUSINESS

It is expected to lead to positive changes to the business environment in long-term perspective.

### Amendments to the Copyright and Related Rights Act

#### MAIN PROVISIONS OF THE LAW

Recent amendments to Bulgaria's Copyright and Related Rights Act, came into force in December 2023. These aim to align Bulgarian law with EU directives, specifically Directive 2019/789 and Directive 2019/790, concerning copyright in the digital single market.

The key changes include:

- Transposition of Directive 2019/789, which facilitates cross-border provision of ancillary online services by broadcasting organizations, expands related rights, and regulates direct injection of television and radio programs.
- Transposition of Directive 2019/790, which permits automated text and data mining, allows copyrighted works for digital teaching activities, introduces related rights for publishers of press publications, and outlines rules for out-of-commerce works and online content-sharing service providers.





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- Other significant changes include new provisions for fair use of copyrighted works, the repeal of maximum contract durations, the establishment of mechanisms for fair remuneration for authors, detailed procedures for registration of artistic group names, and allowances for authors of scientific literature funded by public funds to publish their works for non-commercial purposes.

These amendments aim to modernize copyright law in Bulgaria, ensuring compliance with EU directives and addressing issues such as digital content sharing, cross-border broadcasting, and fair remuneration for creators.

## WHO THE LAW APPLIES TO

Copywriters and their contractors, publishers, the IT sector.

## HOW IT AFFECTS YOUR BUSINESS

The relations for use of copyrighted work could be reassessed and if needed, amended accordingly.

## Amendments to the Accountancy Act

### MAIN PROVISIONS OF THE LAW

December 2023, an amendment to the Bulgarian Accountancy Act was enacted, requiring certain multinational groups (Groups) of undertakings and standalone undertakings to disclose information regarding paid income tax by country. This amendment aligns with Directive (EU) 2012/2101.

The disclosure is made through a special declaration submitted to the Trade Register and published online. This obligation applies to ultimate parent undertakings of Groups and standalone undertakings that are Bulgarian residents, engaging in economic activities across different jurisdictions and having consolidated revenue exceeding BGN 1,500 million for each of the last two consecutive financial years. If a Group with an ultimate parent established in a third country operates in Bulgaria solely through a subsidiary or branch, the subsidiary or branch must submit the declaration for the ultimate parent undertaking or, if not provided by the ultimate parent undertaking, prepare and submit a declaration with all available information.

The declaration must include details on accrued and paid income tax by Groups and standalone undertakings, as well as other relevant circumstances categorized by the jurisdictions where these undertakings operate.

Submission of the declaration is required within 12 months after the end of the reporting period it pertains to, with the first submission period beginning in 2024.

## WHO THE LAW APPLIES TO

Please refer to the specific rules that may apply to your business

Multinational groups of undertakings and standalone undertakings complying with the criteria above.

## HOW IT AFFECTS YOUR BUSINESS

A new compliance process to be undertaken and information – to be published publicly.

## The State Budget Act of the Republic of Bulgaria for 2024



## MAIN PROVISIONS OF THE LAW

The budget for 2024 has been published in an extraordinary issue of the State Gazette just before Christmas 2023.

The state budget includes an overestimated economic growth rate of 3.2%, surpassing all existing forecasts. If realized, the country's gross domestic product (GDP) will exceed the threshold of 200 billion leva, reaching around 205 billion leva.

The projected deficit is 3% of the forecast GDP, and the average annual inflation is expected to be 4.8%.

The maximum size of the state debt by the end of 2024 cannot exceed 48 billion leva, with the debt ceiling for the year set at 11.7 billion leva.

The minimum size of the fiscal reserve by the end of 2024 was adopted to be 4.5 billion leva.

Starting next year, the minimum wage will increase to 933 leva per month, and the average wage is expected to increase by around 11%. Consequently, pensions will be updated accordingly from July according to the so-called Swiss rule. The maximum social security threshold is also raised again, from 3 400 to 3 750 leva.

Parents of students up to the fourth grade and those enrolled in eighth grade will receive a one-time payment of 300 leva. One-time assistance for the birth of a first child is 375 leva, for a second child - 900 leva, and for a third child - 450 leva. Additionally, parents will have tax relief for their upbringing, being able to deduct 6,000 leva per child from their annual tax base used to calculate personal income tax.

Compensations are also adopted for parents whose children are not admitted to municipal kindergartens and nurseries. Budget organizations housed in buildings owned by the state or municipalities will not pay rent

starting from next year. The party subsidy remains at 8 leva per received vote.

## WHO THE LAW APPLIES TO

All concerned businesses and individuals.

## HOW IT AFFECTS YOUR BUSINESS

Please refer to the specific rules that may apply to your business.

## Changes to employment related rules from beginning of 2024

### MAIN PROVISIONS OF THE LAW

**Digital Meal Vouchers:** Beginning January 2024, meal vouchers will transition to digital formats, such as cards or fully virtual instruments. A transition period from 1 January to 30 June 2024, allows for both paper and electronic vouchers, with employers required to choose one type. After July 1, 2024, only electronic vouchers will be issued.

**Paper Labour Book Remains in 2024:** Despite a vote to substitute the paper-based labour book with an electronic register by the end of 2023, the paper labour book remains an official document in 2024. New obligations for employers and competent institutions in Bulgaria will come into force in June 2025, with preparations expected to occur in 2024. Both employees and employers must adhere to established requirements for issuance, completion, and management of the labour booklet during this time.

**Sick Leave Compensation Paid by the Employer:** Effective from January 1, 2024, employers are now required to pay sick leave compensation for the first 2 business days instead of the previous 3. The



compensation amounts to 70% of the average daily gross remuneration for the month in which the temporary incapacity to work occurred.

#### WHO THE LAW APPLIES TO

Employer and employees.

#### HOW IT AFFECTS YOUR BUSINESS

The new requirements to be followed.

## Amendments to the Energy Act and Renewable Energy Sources Act

#### MAIN PROVISIONS OF THE LAW

**Energy Act (EA):** These changes are related to the implementation of Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU. These changes are also part of the liberalization of the electricity market in Bulgaria and necessary steps to be undertaken under Bulgaria's Recovery and Resilience Plan. As part of the amendments, the Energy Act provides full liberalization of the wholesale electricity market by the end of 2023, while retaining the household consumers on the regulated market until 2026.

#### **Renewable Energy Sources Act (RESA):**

These amendments were adopted after Bulgaria failed to fulfil its obligations to implement Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources. After half a year in the Parliament, the RESA was adopted in October 2023 with the main goal to introduce sustainability criteria and criteria for reducing greenhouse gas emissions.

Other significant changes include:

- No preferential prices for the small RES Project with installed capacity of up to 30 kW.
- Simplified procedures for connection of new household RES projects with installed capacity of up to 1 MW.
- In case of new commercial RES Projects – introduction of an obligation for submission of a bank guarantee of BGN 50,000 for each MW to be connected to the grid.

#### WHO THE LAW APPLIES TO

All concerned businesses and individuals.

#### HOW IT AFFECTS YOUR BUSINESS

EA: expected full deregulation of retail household prices and a possibility to change the electricity suppliers at any time.

RESA: Please refer to the specific rules that may apply to your business.



## Croatia

### New Tourism Act

#### MAIN PROVISIONS OF THE LAW

Although a highly attractive tourist country for a number of years, Croatia has now adopted the first act regulating tourism as a whole.

The new Tourism Act emphasizes the importance of sustainable principles in future tourism management and its balanced development throughout the country. New roles are introduced for tourist boards and local authorities in managing destinations, focusing on sustainability. Tourist boards are categorized based on tourism development and accommodation capacities are tracked to minimize negative impacts. Notably, local authorities gain a greater role in determining the number, type, and category of tourist facilities, including private accommodation and hospitality service locations. Additionally, local authorities may introduce a tourist ecological charge, paid by day-trippers, to fund measures addressing the environmental and climate impacts of tourism and preserving the environment and nature. A full implementation of the Act is expected to take place in the first six months of 2024.

#### WHO THE LAW APPLIES TO

Local authorities, tourism service providers, tourists.

#### HOW IT AFFECTS YOUR BUSINESS

New limitations on the number, type, and category of tourist facilities can significantly impact the expansion of business activities in certain areas.

### Corporate Income Tax (“CIT”)

#### MAIN PROVISIONS OF THE LAW

The annual deadline for payment of Corporate Income Tax is 30 April.

Individuals who are self-employed and subject to income tax, shall ex lege become subject to corporate income tax if in the previous tax period they had a total income of more than EUR 1,000,000.00 (until now EUR 995,421.06).

The value of small inventory has been increased from EUR 464.53 to EUR 665.

#### WHO THE LAW APPLIES TO

The CIT payers are enterprises engaged in independent activities on a long-term basis for the purpose of deriving profit, branches of foreign enterprises, enterprises that control shares in capital (unless the object of investment itself pays CIT), and natural persons who choose to pay CIT instead of personal income tax (PIT).

#### HOW IT AFFECTS YOUR BUSINESS

Certain amounts in CIT Act are rounded (as a result of the introduction of Euro in Croatia) to whole numbers for the benefit of taxpayers.

Payment deadline for Corporate Profit Tax will be 30 April, regardless of the date of submission of the Corporate Profit Tax Return.

### Value Added Tax (“VAT”)

#### MAIN PROVISIONS OF THE LAW

Taxpayer can reduce the tax base in the following situations:



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- return of goods (revocation) or various types of discounts, provided that the taxpayer to whom the goods were delivered, or the service was provided is informed about the VAT correction made.

- entrepreneur is unable to collect part or the whole receivable for more than one year, but within 6 months.

All amounts in the Act are rounded, and the threshold for VAT registration is increased to EUR 40,000 (current threshold = EUR 39,816.84).

Providers of payment services are obligated to collect detailed information on cross-border payments.

## WHO THE LAW APPLIES TO

Taxpayer within the meaning of VAT is any person who independently performs any economic activity regardless of the purpose or result of performing that activity, including also any person who occasionally supplies new means of transport which are dispatched or transported to the territory of another Member State by the seller, the buyer himself or another person on their behalf.

VAT is payable on sales of goods and supply of services, import of goods, and intra-Community acquisition of goods.

## HOW IT AFFECTS YOUR BUSINESS

According to the previous regulation, in the first situation the taxpayer-supplier had to wait for the consent of the taxpayer to whom the good or service was delivered and only then the taxpayer could acquire the right to a reduction of the tax base.

If the buyer refused to give consent, VAT reduction could not be implemented upon approval/cancellation.

These changes allow that in case of revocation (cancellation) of delivery or granting of discounts and subsequent approvals to customers, the taxpayer who

made the delivery can reduce the tax base provided that he only informs the taxpayer to whom the good was delivered or the service performed about the correction made.

With the new mechanism, the taxpayer-supplier is given the opportunity to control and manage his VAT obligations, specifically those arising from unpaid claims.

## Proposal of the Lobbying Act

### MAIN PROVISIONS OF THE LAW

The proposal outlines the specifics of lobbying activities, including lobbyists, lobbying targets, and users of lobbying, while establishing principles and criteria for what constitutes lobbying. A public lobbyist registry is introduced, managed by the Commission for the Resolution of Conflicts of Interest, enhancing its role as an independent anti-corruption body. Lobbyists are obliged to deliver annual reports to the Commission, which is authorized to impose administrative measures for any violations of the Lobbying Act. Additionally, lobbying targets are prohibited from engaging in lobbying activities for 18 months after leaving their position or service in the authority in which they held the position or in which they served.

### WHO THE LAW APPLIES TO

Lobbyists, lobbying targets, and users of lobbying services.

### HOW IT AFFECTS YOUR BUSINESS

Effective lobbying can result in the creation of laws and regulations that benefit a particular industry or business but can also lead to the introduction of regulations that may be burdensome for certain industries or businesses. In general, legal regulation of



lobbying can provide more transparency and legal certainty.

## Cyprus

### Electronic justice

#### MAIN PROVISIONS OF THE LAW

The new Regulation (1/2024) on electronic justice, which was published in the Government Gazette on 12 January 2024, repeals and replaces the respective regulations dated from 2021 to 2023. The digitalization of justice is an important step for the Cypriot judicial system, as it simplifies court procedures, not only related to case registrations, which from now on will all be made electronically, but also in conducting procedures through the e-Justice system, eliminating the need for legal physical court presence for certain proceedings unrelated to case resolution.

#### WHO THE LAW APPLIES TO

This law primarily applies to judges, notaries, and lawyers, allowing for the electronic submission of documents at all stages of the judicial process.

#### HOW IT AFFECTS YOUR BUSINESS

This new regulation is expected to bring significant positive changes and will assist in avoiding delays in case adjudication.

### Beneficial Owner Registry

#### MAIN PROVISIONS OF THE LAW

On 10 November 2023, the Cyprus Department of Registrar of Companies and Intellectual Property Registrar announced that it has officially commenced the implementation of the final version for the Beneficial Owners (BO) Register's electronic system, effective as of 14 November 2023.

This provision of the law is enacted at the framework of the prevention of money laundering from illegal activities or terrorist financing. Each entity has the obligation to submit all the details and information regarding its beneficial owners.

Beneficial Owner is considered to be the natural person who comes into the ultimate ownership, or who has the ultimate control over the legal entity directly or through a chain of ownership or control or other indirect means.

#### WHO THE LAW APPLIES TO

This law applies to all legal entities registered with the Cyprus Registry of Companies.

#### HOW IT AFFECTS YOUR BUSINESS

The Cyprus legislation on the Ultimate Beneficial Owner (UBO) registry constitutes another step towards preventing abusive practices involving the use of corporate vehicles for money laundering or terrorist financing. The disclosure of beneficial ownership helps uncover potential conflicts of interest and unethical practices, ensuring transparency.





## Title Deed Issuance by Land Registry

### MAIN PROVISIONS OF THE LAW

The new policy implemented by the Cyprus Ministry of Interior, effective from 2 January 2024, aims to expedite the issuance of title deeds by the Land Registry Departments. This acceleration is achieved through faster processing of the necessary steps for applications related to the issuance of new ownership title deeds for plots, apartments, and houses.

### WHO THE LAW APPLIES TO

This law applies to any individual or entity interested in and intending to invest in Cyprus by purchasing a new real estate property and seeking prompt acquisition of the title deed.

### HOW IT AFFECTS YOUR BUSINESS

New foreign investments in real estate property are expected. The simplification of the deed title issuing process will enhance Cyprus's appeal to investors.

## Double Tax Treaty with The Republic of Croatia

### MAIN PROVISIONS OF THE LAW

In October 2023, Cyprus ratified the new Double Tax Treaty with the Republic of Croatia, based on the OECD Model Tax Treaty and incorporating the Base Erosion and Profit Shifting (“BEPS”) minimum standards. The Treaty will replace the existing Double Tax Treaty between Cyprus and the Socialist Federal Republic of Yugoslavia, which was in force after its dissolution.

The main provisions of the Treaty concern dividends, as a 5% withholding tax applies to the recipient/beneficial owner of the dividends and royalties. Also, regarding interest, a 0% withholding tax applies if the interest is paid to a recipient/beneficial owner of the other Contracting State in connection with a) the sale on credit of any industrial, commercial, or scientific equipment, b) the sale on credit of any merchandise by one enterprise to another enterprise, c) any loan of whatever nature granted by a bank. A 5% withholding tax applies in all other cases.

### WHO THE LAW APPLIES TO

The double tax treaty between Cyprus and the Republic of Croatia applies to individuals or entities defined as tax residents of these countries and/or to anyone who has been subject to taxation.

### HOW IT AFFECTS YOUR BUSINESS

An individual or entity that is a tax resident of the Republic of Croatia may avoid double taxation in Cyprus according to the provisions of the double tax treaty. The anticipated impact of the double tax treaty with the Republic of Croatia includes further contributions to the development of trade and economic relations between the two countries.



## Greece

### New Pathways for Migrant Workers

In an effort to address labor shortages in key sectors of the economy, the Greek parliament has introduced a new type of residence permit for third-country nationals residing illegally in Greece.

#### MAIN PROVISIONS OF THE LAW

In accordance with article 193 of Law No. 5078/2023 (Government Gazette A' 211/20.12.2023), a residence permit is granted to third-country nationals who:

- a) Have a declaration of a job offer from an employer in Greece for their employment under dependent labor status or provision of services or work;
- b) Resided in Greece until November 30, 2023 without holding a residence permit;
- c) Continue to reside in Greece; and
- d) Complete at least three (3) years of residence in Greece prior to submitting the application.

In addition to the above, the possession of a passport (even if it has expired), the absence of reasons of public order and security, the payment of a public fee of 300 Euros as well as the submission of an official declaration by the employer by virtue of which they undertake the responsibility to employ the applicant, are required.

Applicants who meet the above conditions can apply until the 31 of December 2024. This residence permit is granted once and has a duration of three (3) years.

The holder of such residence permit may, at the end of its validity period, request a change of residence permit category in accordance with the provisions of the Immigration Code.

#### WHO THE LAW APPLIES TO

The provision of the law targets third-country nationals residing in Greece without a permit, who have lived in the country for at least three consecutive years. The new regime extends to their family members, namely to the spouse / parent and the minor children, aligning family member permits with the applicant's residence permit duration.

#### HOW IT AFFECTS YOUR BUSINESS

The new provision satisfies the request of the productive entities of Greek economy for admitting additional workforce, while at the same time allows for migrants to “come out of anonymity.” It simplifies hiring processes, with applications and declarations submitted electronically. Businesses must commit to employment upon the acceptance of the application, ensuring compliance and benefiting from a more diverse workforce.

### Law reform on short-term leases

#### MAIN PROVISIONS OF THE LAW

Articles 27 – 30 of Law 5073/2023, amending inter alia the legal framework governing short-term leases, entered into force on 1 January 2024, with the aim to tackle tax evasion and to ensure smooth operation of the real estate market.

The key changes introduced by articles 27 – 30 of Law 5073/2023 are the following:





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- The term “short-term lease” is amended to only include leases or subleases of properties concluded for a period not exceeding sixty (60) days each, provided that no other services, other than the supply of linen, are offered; the conclusion of said leases or subleases through an electronic platform is no longer a requirement.
- The tax treatment of individuals now differs depending on the number of properties leased out on a short-term basis and a new income classification system is introduced. In particular: (a) income earned by individuals from short-term lease of up to two (2) properties is classified as income from immovable property, provided that that no other services, other than the supply of linen, are offered; and (b) income earned from short-term lease of three (3) or more properties is classified as income from business activity. Further, income earned by legal persons or legal entities from short-term lease of properties is now classified as income from business activity.
- VAT (at a rate of 13%) now applies to short-term leases where the lessor is either a legal entity or an individual (businessperson) leasing out three (3) or more properties on a short-term basis.
- With regards to short-term leases concluded through sharing-economy platforms, failure to comply with registration formalities (i.e., registration with the “Short-Term Stay Property Registry”) shall incur a penalty equal to 50% of the gross income earned in the relevant tax year with a minimum amount of EUR 5,000; the amount of the penalty shall double in case a taxpayer continues to not comply with the registration formalities within one (1) year from the date the penalty was imposed.
- Stayover municipality duty now applies to short-term leases (to be borne by the guest).
- The newly introduced climate crisis resilience charge also applies to short-term leases (to be borne by the guest).

## WHO THE LAW APPLIES TO

Individuals and legal entities engaging in short-term leases.

## HOW IT AFFECTS YOUR BUSINESS

The new regime on short-term leases brings changes to the tax treatment of individuals and legal entities.

Individuals engaging in short-term leases of three (3) or more properties must register as businesspersons and will be treated as such for tax and social security purposes.

## New measures to tackle high prices of basic consumer goods

## MAIN PROVISIONS OF THE LAW



Decisions number 6968 and 6969 issued by the Minister of Development entered into force on 30 January 2024, in order to further specify the measures recently introduced by articles 38 – 40 of Law 5082/2024 on the rationalization and transparency of prices. This series of legislative instruments aims to protect consumers and the orderly functioning of the market.

In particular, article 38 of Law 5082/2024 provides that as of 10 January 2024, and up to 31 December 2024, no promotional activity to consumers (in terms of discount, offer, gift, “best value” etc.) is permitted in relation to consumer goods for which a price increase effected by hypermarket businesses is announced to the Ministry of Development pursuant to article 15 of Law 5055/2023. This prohibition shall be in effect for a period of three (3) months as of the date on which said price increase is implemented.

Further, as of 1 March 2024, an obligation is imposed on suppliers of the retail industry to reduce the initial price (namely, the price before discounts, credits, or other benefits) of certain product categories. Said price reduction shall be equal to at least 30% of the sum of discounts, credits, or other benefits granted to the retail industry in 2023 applied on the initial price as of 31 December 2023. The product categories to which the aforementioned measure applies were specified by Ministerial Decision number 6969/2024 and include general cleaning products (laundry and dish detergents, surface cleaning products, bleaches etc.) and personal hygiene products (shampoos and conditioners, body washes, soaps, baby diapers, etc.).

A measure is also imposed to businesses producing or trading fresh meat, fish, fruits and vegetables to sell these at net prices, namely without discounts, credits, or other benefits to other businesses that cumulatively exceed 3% of the selling price before discounts, credits, or other benefits.

Further, article 39 of Law 5082/2024 sets a margin cap on the gross profit of companies importing, producing and distributing to other businesses in Greece infant formula and follow-on formula which are sold more expensively in Greece than in other countries. Specifically, as of 1 March 2024, said companies must reset the selling price of these products so that their gross profit does not exceed the set cap (i.e., company’s operating costs for the specific product category, based on the financial statements of the immediately preceding financial year, plus 7% on its net sales after deducting discounts, credits or other benefits). To be noted that Ministerial Decision number 6968/2024 further specifies that a company’s operating costs for the specific product category cannot exceed its average operating costs, as these are depicted in its latest published financial statements, plus 60%.

## WHO THE LAW APPLIES TO

Supermarkets (i.e., businesses engaging in the retail of foods and other products with an annual turnover exceeding EUR 90,000,000.00 in total), suppliers of general cleaning products and of personal hygiene products, businesses producing or trading fresh meat, fish, fruits and vegetables and companies importing, producing and distributing to other businesses in Greece infant formula and follow-on formula.

## HOW IT AFFECTS YOUR BUSINESS

Businesses falling within the scope of articles 38 – 39 of Law 5082/2024 must take all necessary steps to comply with the measures introduced. In case of non-compliance, increased fines and sanctions will be imposed. Depending on the severity of the violation, the fines can be of up to EUR 2 million, while the corporate name of the offender and the fine imposed will be publicly disclosed. Further, businesses that conceal, falsify, or fail to provide the information requested by the competent authorities or obstruct the competent



authorities in the audit process in any way whatsoever shall incur fines ranging from EUR 5,000.00 to 1 million.

## New Model Articles of Association for the incorporation of companies

### MAIN PROVISIONS OF THE LAW

Decision number 5186 issued by the Minister of Development was published in the Government Gazette on 26 January 2024, introducing new model articles of association for the incorporation of companies in Greece either through the One-Stop-Shop service or the electronic One-Stop-Shop service (e-OSS) of the General Commercial Registry. Said Ministerial Decision aims to simplify the incorporation process and to achieve uniformity in the articles of association of companies under incorporation. Specifically, Ministerial Decision number 5186/2024 sets out the (minimum) content and form of both “model articles of association” and “model articles of association with additional content” for seventeen (17) types of companies.

The model articles of association shall apply to the following types of companies:

1. General Partnerships
2. Limited Partnerships
3. Civil Law Partnerships
4. Joint Ventures
5. European Economic Interest Groupings
6. Société Anonymes
7. Limited Liability Companies
8. Private Companies

9. European Companies (SE)
10. General Partnerships limited by shares
11. Civil Cooperatives
12. Renewable Energy Communities
13. Citizen Energy Communities
14. European Cooperative Societies
15. Social Cooperatives of Limited Liability
16. Social Cooperatives
17. Employee Cooperatives

Ministerial Decision number 5186/2024 shall enter into force on 1 March 2024, and the model articles of association for the incorporation of a company through the electronic One-Stop-Shop service (e-OSS) will be available progressively, depending on the type of the company. Indicatively, as of 1 March 2024, the model articles of association with additional content will be available for the incorporation of Société Anonymes, Limited Liability Companies, Private Companies, Limited Partnerships and General Partnerships while both model articles of association and model articles of association with additional content for Civil Law Partnerships, Joint Ventures and Limited Partnerships limited by shares will be available as of 1 May 2024. It is noted that by December 2024, the new model articles of association will be available for all types of companies.

### WHO THE LAW APPLIES TO

All 17 types of companies set out above.

### HOW IT AFFECTS YOUR BUSINESS

All types of companies can be now incorporated in Greece through a simplified and cost-effective process.



## Montenegro

### Adoption of the Law on Amendments to the Corporate Profit Tax Law

#### MAIN PROVISIONS OF THE LAW

The National Assembly of Republic of Montenegro adopted a new Law on Amendments to the Corporate Profit Tax Law on 29 December 2023, that shall be applicable and in force from 1 January 2024.

The Law introduces several key changes, such as:

- new taxation treatment introduced in cases of merger, division, partial division, property transfer and share swaps of companies with seats in the member states of the European Union, as well as reregistration of seat of a company or a cooperative from the European Union;
- transactions between companies which are residents of different member states of the European Union are not subjected to taxation of capital gain in the moment of merger, division, partial division, property transfer and share swaps. The tax liabilities in these cases are in force once the property or shares have been sold, and the companies receive capital gain;
- capital gain acquired from sale of real estate, construction, ownership rights, capital stakes or securities, generated by the difference in the purchase and sale prices, is exempted from the tax base.

#### WHO THE LAW APPLIES TO

The provisions of the Law on Amendments to the Corporate Profit Tax Law apply to tax resident and non-resident legal persons which perform business activities with goals of making profit in Montenegro.

#### HOW IT AFFECTS YOUR BUSINESS

The purpose of the amendments is to ensure harmonization of Montenegro's Corporate Profit Tax Law with the Directive of the EU no. 2009/133/EC and will apply from 1 January 2024.

### New Amendments to the Law on Concessions, amendments to the Rulebook on designation of energy efficiency of Light Sources and Proposed amendments to the Companies Law

National Assembly of Montenegro has adopted a Law on Amendments to Law on Concessions ("*Official Gazette of Montenegro*", no. 008/09 from 04 February 2009, 073/19 from 27 December 2019, 125/23 from 31 December 2023") and new amendments to the Rulebook on designation of energy efficiency of Light Sources ("*Official Gazette of Montenegro*", No. 027/22 from 14 March 2022, 103/23 from 20 November 2023").

Working bodies of the National Assembly have also proposed a new Draft Law on amendments to the Companies Law, which is still in the legislative procedure.

#### MAIN PROVISIONS OF THE LAW



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- Law on Amendments to the Law on Concessions introduces game of chances as a subject of concession.
- Amendments to the Rulebook on designation of energy efficiency of Light Sources aim to additionally regulate designation of light sources, according to their energy efficiency.
- Proposed Draft Law on Amendments to the Companies Law suggests shortening of the deadline for adjourning of the Shareholders Assembly. The Board of Directors, i.e. the supervisory board, is obliged to convene a meeting of shareholders within the deadline of 30 days from the date of receipt of the request for convening of the Shareholders Assembly, and that the Shareholders Assembly is to be held within 21 days from the day of convening, at the expense of the company's funds.
- Amendments to the Rulebook on designation of energy efficiency of Light Sources apply to all light sources, including light sources which are built into different products, except those which are explicitly mentioned by the Rulebook.
- If the proposed amendments to the Companies Law are adopted, the amended provisions shall apply to all Joint Stock Companies.

## WHO THE LAW APPLIES TO

- Amendments to the Law on Concessions apply to all interested parties and Concessionaires.

## HOW IT AFFECTS YOUR BUSINESS

The purpose of the amendments of the Law on Concessions is to reinstitute game of chances as subject to concession, until new provisions which regulate game of chances have been amended.

Producers and distributors of sources of light, or products which may contain sources of light will have to comply and adjust the labels related to energy efficiency of light sources according to the latest amendments.



## North Macedonia

### NEW LAW ON RESOLUTION OF BANKS

In October 2023 Macedonian Assembly adopted a new Law on Resolution of Banks, establishing regulatory framework for increasing the financial stability, in line with Directive 2014/59/EU for the recovery and resolution of credit institutions and investment firms.

#### MAIN PROVISIONS OF THE LAW

The law establishes a system for efficient resolution of the problems of struggling credit institutions, for the purpose of hindering insolvency, or mitigating the consequences from insolvency.

The benefits from this system are the following:

- Maintaining the operations of struggling credit institutions,
- Maintaining the stability of the financial system,
- Protection of public funds by minimizing the scenarios for employing financial support from the state,

- Protection of deponents,
- Protection of the institution's clients.

#### WHO THE LAW APPLIES TO

The Law applies to:

- Banks licensed by the National Bank of R.N.M.,
- Financial holding companies, mixed financial holding companies and mixed-activity holding companies, appearing as parent of a bank licensed by the National Bank of R.N.M.,
- Financial institutions established in the R.N.M., which are a subsidiary of one of the above-listed entities, and which are covered by the supervision of such entities on a consolidated basis in accordance with the Law on Banks.

#### HOW IT AFFECTS YOUR BUSINESS

The Law ensures financial stability thus increasing the legal certainty of doing business in the country.



## Romania

### Changes in Fiscal Legislation for Micro-enterprises

As part of major fiscal changes taking place in Romania, implemented through Law 296/2023, a series of fiscal changes relevant to micro-enterprises have come into force. This primarily impacts micro-enterprises with a turnover exceeding 60,000 euros/year, as well as micro-enterprises in the Software and IT Services, Hospitality and Food Services, Legal Activities and Healthcare Services sectors.

#### MAIN PROVISIONS OF THE LAW

Taxation for micro-enterprises will be: 1% of income for those with turnover of 60,000 EUR/year and 3% for those with turnover exceeding 60,000 EUR/year.

#### WHO THE LAW APPLIES TO

This law applies to micro-enterprises with a turnover of 60,000 EUR/year and micro-enterprises in the above-mentioned sectors.

#### HOW IT AFFECTS YOUR BUSINESS

The impacted businesses will see an increase of 2% in taxation. However, the current taxation rates for micro-enterprises in Romania remain the lowest at EU level.

### Changes in company ownership for Micro-enterprises

Through Emergency Government Ordinance 115/2023, shareholders have new limitations in company ownership.

#### MAIN PROVISIONS OF THE LAW

A shareholder/associate can hold more than 25% of the value of the shares in only one micro-enterprise. Until 2024, shareholders could own more than 25% of the shares of a micro-enterprise for up to 3 enterprises.

#### WHO THE LAW APPLIES TO

This law applies to all shareholders of micro-enterprises.

#### HOW IT AFFECTS YOUR BUSINESS

Shareholders will have to diversify ownership to stay under the new threshold. Alternatively, they can maintain higher percentages of ownership in the most profitable micro-enterprise, lowering the stakes for the rest of the business portfolio.

### Implementation of the RO e-Invoice System

These changes aim to enact the phased implementation of Council Implementing Decision (EU) 2023/1553 of 25 July 2023 authorizing Romania to introduce a special measure derogating from Articles 218 and 232 of Directive 2006/112/EC on the common system of value added tax. The decision allows Romania, starting from 1 January 2024, to establish mandatory electronic invoicing for all transactions carried out between taxable persons established in Romania.

#### MAIN PROVISIONS OF THE LAW





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The RO e-Invoice system, through which the invoices issued by a company reach the state authorities at the same time, becomes mandatory for all companies in Romania. The system was already set in place for B2G transactions and is now being extended to B2B, nationwide. These provisions do not apply for invoices issued to natural persons, or to foreign business.

## WHO THE LAW APPLIES TO

This law applies to all companies established in Romania.

## HOW IT AFFECTS YOUR BUSINESS

Companies have the obligation to report in the national RO e-Invoice system all invoices issued in relation to other companies and in relation to public institutions. From July 01, 2024, it becomes mandatory for companies to invoice directly through RO e-Invoice, otherwise they will receive contraventions.

## Increase in VAT Rate for Certain Activities

Several VAT rates changes have been implemented through Law 296/2023. These impact several sectors and are part of the fiscal consolidation package recently adopted in Romania.

## MAIN PROVISIONS OF THE LAW

VAT rates increase from 5% to 19% for the following activities: the use of sports facilities, tourist transport, the delivery of bio-economy goods, mountain food and access to the lakes for leisure purposes. VAT rates also increased from 5% to 9% for the supply of photovoltaic panels and the rest of the category of goods for the generation of green energy, as well as for amusement parks and sporting events.

## WHO THE LAW APPLIES TO

This law applies to companies involved in the aforementioned activities.

## HOW IT AFFECTS YOUR BUSINESS

Businesses involved in these activities will have to adjust their pricing and accounting practices to accommodate the increased VAT rates.





## Serbia

### New Law on Public Information and Media

On 26 October 2023, the National Assembly of the Republic of Serbia adopted the new Law on Public Information and Media (hereinafter: the "Law"). This Law was published in the Official Gazette on 27 October 2023 and came into effect on 4 November 2023, eight days from the date of publication.

#### MAIN PROVISIONS OF THE LAW

The most significant changes introduced by this Law are:

1. The unified information system for transparent monitoring of co-financing of media projects;
2. Establishing of the Registry of Media Content Producers;
3. The obligation to enter additional data into the Media Registry.

The Ministry responsible for public information is granted the authority to establish and maintain the Unified Information System for the implementation and monitoring of co-financing projects in the field of public information.

This system has been established to consolidate all relevant information and enhance the transparency of implementation.

In accordance with the new Law, the procedure for project co-financing will be conducted exclusively through the Unified Information System.

Further, the Business Registers Agency will, in addition to the Media Registry it has been maintaining, also keep the Registry of Media Content Producers.

The purpose of maintaining the Registry of Media Content Producers will be to provide the public with information about media and media content producers.

If a media content producer is not registered in the Registry of Media Content Producers, they cannot receive co-financing for projects or be otherwise granted state aid in the field of public information.

Media content producers are required to submit an application for the registration of data to be entered into the Registry of Media Content Producers within six months from the date of the establishment of the registry.

#### WHO THE LAW APPLIES TO

The Law applies to all content producers and all media entities.

#### HOW IT AFFECTS YOUR BUSINESS

Media content producers are now obliged to submit an application for the registration of data to be entered into the Registry of Media Content Producers.

### New Law on Electronic Media

On 26 October 2023 the National Assembly of the Republic of Serbia passed the new Law on Electronic Media, published in the Official Gazette of the Republic of Serbia no. 92/2023 (hereafter: the "Law"). This Law came into effect on 4 November 2023.

#### MAIN PROVISIONS OF THE LAW

The most significant changes introduced by this Law are:



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1. The new Law defines for the first time the concept of media pluralism;
2. The new Law will introduce new quotas for on-demand services;
3. The new Law, for the first time, includes video content-sharing platforms within media regulation.

The new Law defines for the first time the concept of media pluralism, which encompasses various forms of establishing media service providers, diversity of media content concerning equal and balanced expression of political opinions, as well as diversity of program content within the type and character of the service provider's program.

Full control and transparency regarding media ownership have been introduced, and measures for achieving media pluralism have been defined.

The new Law introduces an obligation to report any changes in the ownership structure of media service providers in their basic capital for obtaining the consent of the Regulator for the implementation of these changes. In accordance with the provisions of the new Law, to avoid jeopardizing pluralism, the aforementioned changes are reported to the Regulator in written form.

Further, the new Law introduces new quotas for on-demand services. This means that providers of on-demand media services must ensure that at least 30% of the content in their catalogues during each calendar year consists of European audiovisual works.

Also, the new Law, for the first time, includes video content-sharing platforms within media regulation. This change means that platforms are responsible for organizing the content they distribute, but not for the content itself. In other words, their responsibility is to take measures to protect users and properly organize content.

Platforms are now responsible to prevent the spread of unauthorized content by taking

appropriate measures. This includes preventing content that could harm minors, encourage violence, hatred, or criminal activities.

Another novelty is that platforms will also be responsible for advertising messages they offer and edit within their services.

## WHO THE LAW APPLIES TO

The new Law applies to all media service providers and on-demand media service providers.

## HOW IT AFFECTS YOUR BUSINESS

Media service providers and on-demand media service providers are now obliged to report any changes in the ownership structure.

Further, on-demand media service providers must ensure that at least 30% of the content in their catalogues during each calendar year consists of European audiovisual works.

Content-sharing platforms are now obliged to take measures to protect users and properly organize content.

## New amendments to the Law on State Survey and Cadaster

National Assembly of Republic of Serbia has adopted a new Law on Amendments to the Law on State Survey and Cadaster, which has entered into force on 4 November 2023.

## MAIN PROVISIONS OF THE LAW

The amendments to the Law introduce several key changes, such as:



- The name and function of the Cadaster of Utilities has been amended, which is now defined as Cadaster of Infrastructure and Underground Facilities, i.e. the Cadaster of Infrastructure;
- The Cadaster of Infrastructure will provide access to information in one database for all forms of infrastructure facilities, as of 1 July 2025;
- the Real Estate Sheet and Utilities Sheet have been renamed into Extract from the database of the Real Estate Cadaster and Extract from the database of the Cadaster of Infrastructure;
- The provisions regarding real estate valuation are harmonized with current international standards and comparative practice in the field of mass real estate valuation.

#### WHO THE LAW APPLIES TO

The Amended provisions apply to all investors and builders, as well as all interested parties.

#### HOW IT AFFECTS YOUR BUSINESS

With the implementation of the amended provisions and introduction of a new Cadaster of Infrastructure all interested parties will have a better overview and access to information regarding any type of Infrastructure or underground facilities.

## Amendments to the Law on the Registration Procedure

## with the Cadaster of Real Estate and Utilities

National Assembly of Republic of Serbia has adopted a new Law on Amendments to the Law on State Survey and Cadaster, which has entered into force on 4 November 2023.

#### MAIN PROVISIONS OF THE LAW

The Amended provisions of the Law introduce series of novelties, for instance:

- all real estate property will be assigned a unique real estate registration number upon registration in the Cadaster;
- provisions regulating the registration of real estate property ex officio, i.e. by force of law, in the Real Estate Cadaster have been amended;
- Cadaster officials who in the future fail to decide on the Request for registration in the Real Estate Cadaster, which can only be resolved in order, are no longer subject to misdemeanor liability.

#### WHO THE LAW APPLIES TO

The Amended provisions apply to all investors and builders, as well as all other persons.

#### HOW IT AFFECTS YOUR BUSINESS

The new amendments aim to further increase efficiency of the entry procedure in the Real Estate Cadastre and achieve synergy with the amendments to the Law on State Survey and Cadaster.



## Slovenia

### Amendments to the Employment Relationships Act

#### MAIN PROVISIONS OF THE LAW

The amendment established the right to disconnect. Employers are obligated to ensure that the employee will not be available to the employer during the period of exercise of the right to rest or during justified absences from work. For this purpose, the employer must take appropriate measures within one year of the law's enactment.

Employment contracts must now include provisions regarding the additional payments and employer-provided training. In both cases, employment contracts may refer to applicable Acts, collective agreements, or the employer's general acts concerning these matters.

An employee who cares for a child up to the age of eight years or provides care may propose the conclusion of a part-time employment contract to balance professional and personal life.

Special protection is provided to employees who are victims of domestic violence. Such an employee is entitled to five paid working days of absence from work in a calendar year to arrange protection, legal and other proceedings, and address the consequences of domestic violence. Moreover, they may be assigned work beyond regular working hours, have their working hours unevenly distributed, temporarily have their working hours changed, or be assigned night work only with their prior written consent.

#### WHO THE LAW APPLIES TO

The Act applies to employers established or resident in the Republic of Slovenia and their employees. It also applies to foreign employers and employees if they have concluded an employment contract on the territory of the Republic of Slovenia.

#### HOW IT AFFECTS YOUR BUSINESS

Employers must within one year take appropriate measures to ensure employees the right to disconnect and comply with the obligations regarding special protection of employees who take care of a child and employees who are victims of domestic violence. The Act entered into force on 16 November 2023.

### Amendments to the Collective Actions Act

#### MAIN PROVISIONS OF THE LAW

The amendment extends the scope of persons entitled to bring collective actions. Thus, a person representing the interests of consumers in another EU Member State who is entered on the list of persons entitled to bring consumer collective actions in that Member State is also an eligible person, provided that its founding purpose justifies, in a particular case, the bringing of a collective action or an application for the approval of a collective settlement.

The claimant will now have to ensure that information on the status of the collective action or the application for approval of a collective settlement and the outcome of the collective action or the collective settlement is published on the claimant's website.

In relation to third-party funding, the remuneration of the lawyer is newly defined, allowing the lawyer to agree to remuneration



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higher than the lawyer's tariff or to receive as a fee a share of up to 15% of the amount to be awarded by the court, provided that such an agreement is reasonable (the criteria are laid down by the Act).

## WHO THE LAW APPLIES TO

The Act applies to the persons entitled to bring collective actions, to the persons that provide funding for the collective actions, and to the lawyers representing parties of the collective actions.

## HOW IT AFFECTS YOUR BUSINESS

The Act provides new benefits and obligations for third-party funding and new obligations for claimants that will have to provide information about collective action on their websites

## Draft amendments to the Public Use of the Slovene Language Act

### MAIN PROVISIONS OF THE LAW

The Government has submitted a proposed amendment to the Public Use of the Slovene Language Act to the Slovenian National Assembly. The proposed amendment establishes a new definition of the public use of Slovene, which could now also clearly refer to the use of Slovene in electronic communication and digital client devices used by users to access information society services.

The proposed amendment provides an obligation under which information society service providers and online intermediary service providers established in the Republic of Slovenia would have to offer their content and services to users in the territory of the Republic of Slovenia in Slovene unless they conduct their business exclusively with users from foreign countries.

The proposed amendment provides that operating systems and graphical and voice user interfaces in electronic devices intended for access to information society services and media services sold in the territory of the Republic of Slovenia or offered to consumers in the territory of the Republic of Slovenia would have to be able to select the Slovene language and use the Slovene spelling in a way that the functionality of the device would be equivalent to the functionality of a device in other languages.

## WHO THE LAW APPLIES TO

The proposed amendment of the Act will, if adopted, mainly apply to the global providers of electronic products and digital services, who sell their products or services in the territory of the Republic of Slovenia.

## HOW IT AFFECTS YOUR BUSINESS

If the amendment will be adopted, providers of electronic products and digital services are expected to have a certain period of time to establish compliance with the obligation of offering content of products and services in the territory of the Republic of Slovenia in Slovene language.



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