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SELA Regional News Q2 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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- Amendments to the Law on Tourism

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- Regulation on Criteria for Determining Activities that impact the Environment and the amounts of Compensation
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- New bylaws, in relation to the Law on Electronic Media

Slovenia

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- New Energy Act
- Amendments and additions to the Act on Investment Incentives



Albania

Amendments to the Law on Concessions and the Public and Private Partnership

The Albanian Government passed Law no Nr. 28/2024 “On some amendments and changes to the Law 125/2023 “On Concessions and the Public and Private Partnership”

MAIN PROVISIONS OF THE LAW

The purpose of this law is to improve the regulatory framework of public procurement in Albania, aiming further alignment of the Albanian legislation with EU Directives, as well as addressing some of the problems arising during the implementation of this law in practice by contracting authorities and economic operators, in order to facilitate the procurement process for all involved parties. Among main provisions are:

- i) *the concepts of auxiliary services and the provider of procurement services are introduced;*
- ii) *the “Consultancy Service: procurement procedure is abrogated, as not in line with EU Directives;*
- iii) *competences of the Public Procurement Agency related to contract monitoring, database administration, as well as the cases of economic operators exclusion from the right to win public contracts, are revised;*
- iv) *are specified cases when a contracting authority or entity reports to PPA regarding the withdrawal of economic operators;*
- v) *new provisions are introduced regarding reporting obligations of contracting authorities or other*

entities towards PPA. These entities will no longer have to report on the drafting of the contract implementation plan, as well as on interim reports regarding the progress of the contract implementation, etc.

WHO THE LAW APPLIES TO

The amended provisions will impact on all economic operators, contracting authorities and other entities involved on public procurement procedures.

HOW IT AFFECTS YOUR BUSINESS

All public procurement procedures commencing from March 20, 2024, onwards shall be subject to these amendments.

Reporting procedures and their periodicity shall be impacted, as from the date of the entry into force of this amendment, a single report shall be presented by contracting authorities or entities towards PPA, at the moment of the contract termination. This report shall reflect the entire contract implementation progress, modification/s carried out, as well as issues encountered during contract implementation and the solution steps.

Amendments to the law on Tourism

The Albanian Government approved Law no. 30/2024 “On some amendments and changes to the Law no. 93/2015 “On Tourism”.

MAIN PROVISIONS OF THE LAW

This legal change provides for the activity regulation of accommodation structures,



beach stations and tourist operators, toward achieving higher standards in the provision of services. These entities when fulfilling requirements to qualify as investors of 4* and 5* accommodation structures are required also to enter into a development agreement with the ministry of tourism. Whilst, all tourism entrepreneurs registered in Albania will be required to request and be provided with a categorization certificate by the ministry of tourism.

The agrotourism activity is recognized as a new category of activity to be exercised by tourist operators after being granted with the agritourism certification for the development and the exercise of the agritourism activity.

Bosnia & Herzegovina

Proposal of the Law on Amendments to the Law on Profit Tax in Republic of Srpska

MAIN PROVISIONS OF THE LAW

The reason for the adoption of this law is the exemption from taxation of interest and insurance premiums paid to non-residents on loans used by Republic of Srpska, in this case the resident, for projects of public interest.

As explained, this tax is not an obligation of the resident of Republic of Srpska, but of the non-resident, while the resident, as the payer, is obliged to deduct the amount of tax and pay it to the budget of the Republic of Srpska on behalf of and on behalf of the non-resident. However, if he does not do so, that tax falls on the expense of the resident of Republic of Srpska and that expense cannot be recognized as an expense in the tax balance.

WHO THE LAW APPLIES TO

The new legal provisions apply to all private entities and public institutions, natural and legal persons, domestic or foreign, that exercise tourism activities in Albania.

HOW IT AFFECTS YOUR BUSINESS

The expected impact of these legal provisions is to promote the sustainable and yearlong tourism; to better regulate the categories of tourism operators and the services they provide.

In this way, the tax treatment of interest for loans used to finance projects of special importance for the Republic of Srpska is more favorable, which enables the full capacity of project realization without unforeseen additional costs.

WHO THE LAW APPLIES TO

Non-residents lending for strategic projects.

HOW IT AFFECTS YOUR BUSINESS

We expect more large-scale infrastructure projects to be launched in the forthcoming period.

Draft Law on Amendments to the Law on Foreign Exchange in Republic of Srpska



MAIN PROVISIONS OF THE LAW

The reasons for the adoption of amendments are contained in the need to improve the functioning of the market and market competition, to improve the procedure for licensing currency exchanges and to control the performance of currency exchange operations, to improve the way of reporting credit transactions with foreign countries and to harmonize them with the regulations that are normatively related to the law governing foreign exchange business.

Amendments to the law proposed the continuation of the liberalization of current transactions, capital transactions and payment services, as well as the strengthening of the system for preventing money laundering and financing of terrorist activities in the licensing of money changers and their supervision, as well as in the physical transfer of means of payment across the border.

Also, it was proposed that the Banking Agency of the Republic of Srpska, as a regulatory and supervisory body of banks,

microcredit organizations and other organizations of the banking system, take over the authority over the issuance and revocation of the license to perform exchange operations from the Ministry of Finance, as well as the control of exchange operations that are under the jurisdiction of the Tax Office administration.

WHO THE LAW APPLIES TO

To the business community in general, especially those companies involved in cross border transactions.

HOW IT AFFECTS YOUR BUSINESS

Harmonization with the regulations that are normatively related to the law regulating foreign exchange operations and strengthening the system for preventing money laundering and financing of terrorist activities.

Bulgaria

New Bulgarian National Bank Act (the “BNBA”)

MAIN PROVISIONS OF THE LAW

The entirely new BNBA is focused on necessary legal environment amendments regarding the special role of the national bank in the country’s banking system in view of the pending full adoption of the euro in Bulgaria.

WHO THE LAW APPLIES TO

The new BNBA shall enter into force on the date specified in the Decision of the Council of the European Union on the adoption by the Republic of Bulgaria of the euro. Although it would apply directly to the Bulgarian National Bank reflecting its special role it would ultimately impact all banks and financial institutions operating in the country’s banking system as well would impact although indirectly all legal entities and natural persons.

HOW IT AFFECTS YOUR BUSINESS



The new BNBA regulates the role of the national bank in rather similar way as the current BNBA in force but with the major additions concerning the role of the European Central Bank (the “ECB”) in the European and national banking systems and the obligations which the Bulgarian National Bank would have after adopting the Euro with regard to the ECB.

- an option for parties to document more than one remote place of work
- an option for the parties to agree on and amend the remote place of work for up to 30 days each year.
- An option for the employer to assess health and safety working conditions of the proposed by the employee remote place of work based on the information on it the employee provided him/herself, etc.

Amendments in Labor Code

MAIN PROVISIONS OF THE LAW

- Further development of the legal framework for remote work,
- Right of uninterrupted rest for employees introduced with national flair allowing the parties to an employment contract to negotiate conditions under which the employer engaging the employee’s attention and activity in his/her free time is admissible,
- Joint and several liability of the employer and a contractor in respect of employment wages where the employer is a direct subcontractor of the contractor under a service agreement.

WHO THE LAW APPLIES TO

Employers who introduce(d) or intend to introduce remote work,

Employees,

Contractors and employers-direct subcontractors to service agreements where direct subcontractors perform their due service through its own workforce.

HOW IT AFFECTS YOUR BUSINESS

The amendments eased to a certain extent the employer’s compliance work necessary for lawful introduction of remote work by introducing *inter alia*:

By introduction of the right to disconnect the Bulgarian legislator actually provided the employers with an option to negotiate in the employment contract conditions under which it can engage the employee’s attention and activity in his/her free time. This would not be permissible until this amendment and Bulgarian employees traditionally enjoyed their right not to answer to any employer-initiated communications during their daily or weekly rest periods.

The joint and several liability of the employer-a direct subcontractor to a service agreement and the respective contractor in respect of employment wages would impact many business relations providing services including the case where the employer is a *de facto* an employer of record and the service contractor actually outsources business tasks to its subcontractor without directly managing its staff. For the first time, the law formally gives a "role" in the employment relationship to a such contractor under a service agreement albeit in a quasi-employer sense, imputing to it liability for the wages of its direct subcontractor's employees.

New Research and Innovation Promotion Act

MAIN PROVISIONS OF THE LAW

The act establishes a legal framework for innovation policy and technology transfer,



including intellectual property rights. The new law is expected to allocate funding to R&I in a more efficient and sustainable way, increasing national scientific capacity and stimulating research performance. The law ensures coherence and synergy of national strategic and operational documents on R&I with mission-oriented research and innovation programmes. It regulates the role of each of the institutions involved in the process of creating, implementing and evaluating public policy in the field of R&I as well the ways to financially promote research and innovation.

WHO THE LAW APPLIES TO

Scientific organizations, startups, scientists and young scientists.

HOW IT AFFECTS YOUR BUSINESS

The aim of the new provisions is to strengthen the link between universities, research organisations and business, which is a prerequisite for the creation of high added value products, services and technologies. This will lead to a rapid economic recovery and accelerate economic growth in the country.

Energy-Related Legislation

MAIN PROVISIONS OF THE LAW

Croatia

New Administrative Disputes Act

MAIN PROVISIONS OF THE LAW

New Ordinance No. 6 for connection of energy facilities to the electrical grids (Ordinance No. 6):

The adoption of this new Ordinance No. 6 aims to simplify the grid connection process and to further implement the liberalization of the energy market. The new Ordinance No. 6 regulates for the first time the connection of Battery Energy Storage Systems (BESS), as well as the requirements for connection of new market participants, including new RES Projects.

New Ordinance for issuance of guarantees of origin for the electricity produced by renewable energy sources:

The aim of the new ordinance is to create a more reliable system for issuance of Guarantees of Origin (GOs) for the RES energy. As with the other recent legislative changes, this new Ordinance implements the requirements of the RES Directive (2018/2001/EC and will simplify the whole process of issuance and transfer of the GOs.

WHO THE LAW APPLIES TO

All concerned businesses and individuals

HOW IT AFFECTS YOUR BUSINESS

Further implementation of the EU energy-related legislation. Please refer to the specific rules that may apply to your business.

Following the numerous years of developing the 2010 Administrative Disputes Act through case law and substantial amendments in 2012, 2014, 2017 and 2021, the Croatian Parliament has passed the new Administrative Disputes Act (“**New Act**”).



The New Act is set to replace its predecessor on 1 July 2024. Although the core principles of the administrative dispute settlement have remained the same, the New Act will introduce significant changes, all with the aim of modernizing and expediting the administrative dispute proceedings, optimize procedural discipline and encourage the courts to take a more proactive approach in resolving cases by setting general deadlines for scheduling hearings and settlement of cases. The provisions of the New Act also aim to reduce the workload of the High Administrative Court of the Republic of Croatia and the Administrative Court in Zagreb.

The subsidiary application of the Civil Proceedings Act when it comes to the legal capacity of parties, representation, and procedural discipline (which had previously raised problems in application) will be abolished and fully regulated by the relevant provisions of the New Act. The first instance cases may now be optionally tried before a council of judges (instead of a singular judge), depending on the complexity of the case at hand and the decision of the judge who is in charge of the case.

Standardized, uniform and simplified rules for delivery of court documents shall also enter into force, with particular emphasis on electronic delivery.

Upon entry into force, the New Act will be applied in all disputes in which the hearing will not be closed by 30 June 2024.

WHO THE LAW APPLIES TO

Parties who are aiming to dispute the lawfulness of decisions and actions of public authorities or protect their rights, obligations and legal interests before the administrative courts following the acts, decisions or omissions of the competent authorities in administrative proceedings.

HOW IT AFFECTS YOUR BUSINESS

The provisions of the New Act should result in the shortening of the duration of proceedings before administrative courts, thereby ensuring faster and more efficient decision-making on the rights of participants in the dispute.

Draft of the Building Management and Maintenance Act

MAIN PROVISIONS OF THE LAW

The new draft of the Building Management and Maintenance Act (“**Draft**”) was released for Croatian public consultation in March 2024. The provisions of the Draft seek to eliminate existing legal loopholes and enable a higher level of quality pertaining to the management and maintenance of buildings.

One of the important novelties proposed by the Draft include the establishment of communities of co-owners as separate legal entities having their own personal identification number, all with the aim of facilitating the procedures of energy renovation and installation of elevators, which the state is willing to co-finance with a third of the costs.

In addition, the provisions of the Draft prescribe a minimum amount of the joint reserve and additionally regulate the issue of regular and extraordinary maintenance of buildings, as well as urgent maintenance repairs, which require the consent of a fifth of the building co-owners.

Also, pursuant to the Draft, the obligation of the building co-owners to ensure the common parts of the building against basic risks, i.e. from fire, storms, lightning strikes and water spillage is now foreseen.

WHO THE LAW APPLIES TO

Co-owners and owners of multi-apartment buildings, residential-commercial buildings, and office buildings.



HOW IT AFFECTS YOUR BUSINESS

As stated by the legislator, the provisions of the Draft should contribute to the systematic improvement of housing quality, more efficient fulfillment of basic requirements for buildings and the improvement of the appearance of buildings, as well as more efficient implementation of the Long-Term

Strategy for the Restoration of the National Building Fund until 2050, with a special emphasis on increasing the resistance of buildings to natural disasters.

At the same time, additional financial costs are introduced for owners and co-owners, by prescribing mandatory insurance and prescribing misdemeanor fines for building managers.

Cyprus

The Lobbying Law

MAIN PROVISIONS OF THE LAW

The Lobbying Law (the “Law”) entered into force in Cyprus on March 01, 2024, by virtue of Law 20(I)/2022. The purpose of the Law is to establish a framework for establishing and strengthening transparency in public decision – making processes in order to prevent conditions that create or facilitate the hatching of acts of corruption. The Law imposes obligations both on representatives of special interest groups who intend to be involved in public decision – making processes (the “lobbyists”) and on officials or members of the civil service or wider public sector and employees for the benefit of officials (the “officials”) who, by virtue of their position, take part in the above procedures.

WHO THE LAW APPLIES TO

The Law applies to those who wish to participate in lobbying procedures.

HOW IT AFFECTS YOUR BUSINESS

Lobbying serves as a powerful tool for legislative transformation and civic education. The Law marks a pioneering shift towards

greater transparency in public debate and lobbying.

Company Law – Abolishment of The Annual Company Levy

MAIN PROVISIONS OF THE LAW

On February 21, 2024, the Government of the Republic of Cyprus announced the abolition of the statutory obligation imposed on companies registered with the Department of Registrar of Companies and Intellectual Property of Cyprus, as provided for in section 391 of the Cyprus Companies Law (Cap. 113), to pay the annual company levy of EUR 350. This governmental measure, which is part of a wider set of measures being taken to support businesses operating in and through Cyprus, will be applicable as of 2024.

WHO THE LAW APPLIES TO

The aforementioned provisions of the Law apply to all legal entities registered with the Registrar of Companies of Cyprus and/or to any person wishing to incorporate a company and to start business activity in Cyprus.



HOW IT AFFECTS YOUR BUSINESS

The company law in Cyprus becomes more attractive; the abolition of the annual levy not only supports businesses already operating in Cyprus but is also expected to increase the number of both foreign and local investments and subsequently the number of new companies established in Cyprus.

Real Estate Law – Amendment to the Sale of Immovable Property (Specific Performance) Law

MAIN PROVISIONS OF THE LAW

The changes introduced by the law amending the Sale of Immovable Property (Specific Performance) Law 81(I)/2011 are as follows:

- (a) *A formality has been introduced with respect to contracts of sale that requires the seller to include, as an integral part of the contract of sale, a certificate of search from the relevant Land Registry with respect to the property to be sold. Such a certificate should be dated not more than five (5) business days prior to the date of signing of the contract of sale.*
- (b) *In cases where the contracts of sale relate to an immovable property over which a mortgage has been registered, the relevant Land Registry will accept the registration of the new contract of sale only if it is accompanied by a written declaration by each mortgage lender and the seller (the “Mortgage Lender Declaration”), confirming that, in case of payment of 95% of the purchase price against the*

mortgaged debt, the mortgage will be released.

- (c) *Any payments by the purchaser to the seller under the terms of the contract of sale need to be made to the specific bank account mentioned in the Mortgage Lender Declaration. Upon receipt of the full amount mentioned in the Mortgage Lender Declaration, the mortgage lender should issue a declaration in the form set out in the aforementioned law and proceed to release the mortgage. If the mortgage lender fails to do so, the director of the Land Registry will proceed with the release of the mortgage without the involvement of the mortgage lender.*

WHO THE LAW APPLIES TO

This amendment of the law applies to all natural and legal persons who have already invested in Cyprus and/or are interested in investing in Cyprus through the acquisition of immovable property.

HOW IT AFFECTS YOUR BUSINESS

The law governing the sale of immovable properties in Cyprus now offers greater protection to buyers and is expected to attract new foreign and local investors into the real estate sector.

Shipping Law – Green Incentives Program

MAIN PROVISIONS OF THE LAW

The Deputy Ministry of Shipping of Cyprus recently announced a new “Green Incentives Programme” to reward vessels that effectively reduce their greenhouse gas emissions.



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From January 2024, shipowners of Cyprus and Community ships will be eligible for a reduction of up to a 30% of the annual tonnage tax for each vessel that takes proactive measures to minimize its environmental footprint, thereby encouraging sustainable shipping practices.

WHO THE LAW APPLIES TO

The new measures certainly reflect the commitment of Cyprus to green transformation and apply to shipowners and/or any other person subject to this legislation.

HOW IT AFFECTS YOUR BUSINESS

Greece

New platform launched for the implementation of due diligence measures for legal entities (Know Your Business)

MAIN PROVISIONS OF THE LAW

Law 5099 was published in the Government Gazette on April 5, 2024 (the “Law”) and introduced, *inter alia*, the development of a new platform by the General Secretariat for Information Systems & Digital Governance. The new platform will operate under the name “Know Your Business - eGov-KYB” and will be used for the authentication of the data of legal entities in accordance with the requirements set by the relevant provisions of the Law on the measures of enhanced and ordinary due diligence.

In particular, Article 37 of the Law provides that any natural person acting as the legal representative of a legal entity may request

These strategies have the potential to enhance both the commercial and environmental sustainability of the sector, while also incentivising shipowners to invest in sustainable practices.

The “Green Incentives Programme” is expected to further contribute to the development of trade and economic relations in the sector and reinforce the island’s reputation as a key maritime state in the challenging task of transitioning to a decarbonised shipping industry.

the extraction of certain data necessary for the authentication of the legal entity as well as the transmission of such data to credit and financial institutions; it should be noted that the data will be extracted from the information systems of public sector bodies and, among other things, will include:

- (a) *information on the legal entity’s business activity, corporate name, distinctive title, legal form, registration number in the General Commercial Registry, tax identification number and other tax and financial data; and*
- (b) *personal details of the legal representative, shareholders/partners, and members of the management bodies of the legal entity, including the percentage of the shareholders’/partners’ participation in the entity.*
- (c) *Finally, it is noted that joint ministerial decisions are expected to be issued, which will further specify the above issues and requirements, as well as the launch date of the platform.*

WHO THE LAW APPLIES TO



Legal entities through their legal representatives (natural persons).

HOW IT AFFECTS YOUR BUSINESS

The development of the new platform will facilitate companies' legal representatives in their transactions with credit institutions, making their physical presence unnecessary, and will ensure secure update of data through their direct extraction from the public sector information systems.

New anti-bribery law initiates criminal liability for legal entities

MAIN PROVISIONS OF THE LAW

Following OECD Anti-Bribery Recommendation, ("Article 134") of the new Law 5090/2024 entered into force on February 23, 2024 (Government Gazette No A30) providing for the first-time criminal liability of legal entities per se and their successors.

More specifically, article 134 specifies that if an individual commits bribery of a civil servant, politician, or judge for the benefit or on behalf of a legal entity, whether acting solely or as a member of the entity's management, and maintain a position as executive or has the power to represent the legal entity or authority to reach decisions on behalf of the legal entity or has the right to exercise control within them, the legal entity shall be subject to fines ranging from fifty thousand (50,000) euros to ten million (10,000,000) euros (the fine might reach an amount equal to double the annual turnover of the legal entity).

The law stipulates that the legal entity may also be subject, either cumulatively or separately, to the definitive or temporary

withdrawal or suspension of its license for a period ranging from one month up to two years, or the prohibition of its business activity.

If a bribery offense is committed by a subordinate, assignee, or intermediary of the legal entity (due to lack of supervision), the legal entity shall be subject to liability with fines ranging from ten thousand (10,000) euros to five million (5,000,000) euros (the fine might reach an amount equal to the annual turnover of the legal entity).

The legal entity may also be subject, either cumulatively or separately, to the definitive or temporary withdrawal or suspension of its license for a maximum period of one year.

It is stated that the following circumstances shall be considered for the imposition of the sanctions:

- The importance and the duration of the infringement.
- The level of the liability of the legal entity.
- The financial capacity of the legal entity.
- The amount of the illegal benefit derived or sought.
- The losses of third parties because of the bribery offense.
- Specific actions taken by the legal entity after committing the violation, particularly the conduct of an internal investigation helping the detection of the infringement.
- The recidivism of the legal person or entity.

These sanctions are imposed regardless of any civil, disciplinary, or criminal liability of the individuals involved. Further, sanctions imposed against a legal entity are also imposed on its successors up to the value of the assets transferred to each successor entity.

In such a scenario, where a natural person (irrespective of nationality) commits a bribery



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offense in another country for the benefit of a legal entity established in Greece, even if the act is not considered to be criminal under the laws of the foreign jurisdiction, consequently, the case will be heard before the Greek criminal courts.

WHO THE LAW APPLIES TO

All legal entities established in Greece.

HOW IT AFFECTS YOUR BUSINESS

The new law mandates strict compliance measures to prevent bribery within the organization. Businesses must prioritize ethical conduct to safeguard their reputation and financial capacity.

New Amendments to the Greek Golden Visa

MAIN PROVISIONS OF THE LAW

According to the latest provisions of Law 5100/2024, a two-zone system is introduced for real estate investments, and in particular:

- a threshold of €800,000 in the areas of Attica, Thessaloniki, in the islands of Mykonos and Santorini and all the islands with more than 3,100 inhabitants; and
- a threshold of €400,000 for all the other regions of Greece.

The investment must be made in a single property with a minimum surface area of 120,00 square meters. All golden visa properties are prohibited from being rented on a short-term basis through a sharing economy platform, even by third parties under sublease agreements. In the event of non-compliance with the above provisions, the residence permit is revoked, and an administrative fine of 50,000 EUR is imposed on the property owners. However, the new Golden visa rules provide for important exceptions that will continue to benefit from the €250,000 scheme, regardless of the

location and the size of the property. In particular:

- in case of conversion of the use of selected properties from commercial to residential;
- in case of restoration of listed buildings (i.e. buildings of historic interest which are subject to special protection);
- if a deposit of 10% of the total value of the selected property is paid by 31 August 2024, provided that the relevant contract is concluded by 31 December 2024. If the purchase of the property is not completed on time, the investor may complete the investment in another property by 30 April 2025 at the latest.

WHO THE LAW APPLIES TO

The new provisions apply to third country nationals who: i) own real estate property in Greece, either personally or through a legal entity of which they own the total number of shares, ii) have signed a lease agreement, for a minimum of ten (10) years, for hotel accommodation or furnished tourist residence in integrated tourist resorts; iii) have purchased a plot of land and proceed to construction or iv) have signed a timeshare agreement (lease). Additionally, the regime may be extended to the owner's family members, who will follow the terms of the investor's residence permit.

HOW IT AFFECTS YOUR BUSINESS

By setting varied investment thresholds based on geographic location and single property investments, the program aims to balance residential needs of Greek citizens and high-value investments. The new amendments, which may increase the cost and complexity of qualifying the visa, may at the same time attract wealthier individuals or businesses seeking more substantial investments.



Transposition Of Pillar Two Rules into Greek Law

MAIN PROVISIONS OF THE LAW

Law 5100/2024 (the “Law”) entered into force on April 5, 2024, *inter alia*, transposes into Greek law Directive EU 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union (the “EU Minimum Tax Directive”). It should be noted that the EU Minimum Tax Directive implements the Global Anti-Base Erosion Model Rules (Pillar Two) (the “OECD Model Rules”) in an effort to put an end to tax practices of multinational enterprises (“MNEs”) that allow them to shift profits to jurisdictions where they are subject to no or very low taxation.

The Law, in line with the EU Minimum Tax Directive, introduces two interlocking rules, collectively referred to as the “GloBE rules” through which an additional amount of tax (a “top-up tax”) shall be collected each time that the effective tax rate of an MNE in a given jurisdiction is below 15%. In such cases, the jurisdiction shall be considered to be low-taxed. Those two interlocking rules are called the Income Inclusion Rule (the “IIR”) and the Undertaxed Profit Rule (the “UTPR”). Under this system, the parent entity of an MNE located in a Member State shall be obliged to apply the IIR to its share of top-up tax relating to any entity of the group that is low-taxed, whether that entity is located within or outside the Union. The UTPR shall act as a backstop to the IIR through a reallocation of any residual amount of top-up tax in cases where the entire amount of top-up tax relating to low-taxed entities could not be collected by the parent entities through the application of the IIR.

Further, Greece opted to apply a qualified domestic top-up tax to entities or permanent establishments that are members of an MNE group or of a large-scale domestic group and

are located in Greece, to joint ventures and affiliates located in Greece as well as to minority-owned constituent entities located in Greece and certain other entities, as these are further determined in the Law.

The Law merely replicates the EU Minimum Tax Directive and sets out rules and formulae relating *inter alia* to the computation of the effective tax rate, the top-up tax and the domestic top-up tax, to the computation of the net qualifying income or loss of the constituent entities etc. Moreover, the Law includes safe harbor rules, and, in particular, the transitional CBCR Safe Harbor, the transitional UTPR Safe Harbor and the Domestic Minimum Top-Up Tax Safe Harbor.

To be noted that the IIR applies to fiscal years starting after December 31, 2023, while the UTPR to fiscal years starting after December 31, 2024. An exception applies to cases where the ultimate parent entity of an MNE group is located in a Member State that has made an election for a delayed application of the IIR and the UTPR in accordance with para 1 of article 50 of the EU Minimum Tax Directive; in such cases, the Greek UTPR shall apply to financial years starting after December 31, 2023.

WHO THE LAW APPLIES TO

The Law applies to constituent entities located in Greece that are members of an MNE group or of a large-scale domestic group which has an annual revenue of EUR 750,000,000 or more in its ultimate parent entity’s consolidated financial statements in at least two of the four fiscal years immediately preceding the tested fiscal year. It should be noted that the Law does not apply to governmental entities, international organizations, non-profit organizations, pension funds and certain investment entities, as these are defined in article 3 of the Law.

HOW IT AFFECTS YOUR BUSINESS



All entities falling within the scope of the Law are obliged to comply with its provisions as well as with the reporting obligations

provided therein, including the obligation to file a top-up tax information return and a top-up tax return with the Greek tax authorities.

Montenegro

Amendments to the Law on Companies

On 19 January 2024, the Assembly of the Republic of Montenegro adopted the Law on Amendments to the Law on Companies, which entered into force on 23 January 2024 and was published in the Official Gazette of Montenegro, issue number 004/24.

MAIN PROVISIONS OF THE LAW

The new Amendments have introduced the following changes:

- The option for shareholders holding 95% of the voting rights to request the convening of an extraordinary general meeting comes with the obligation for the board of directors or supervisory board to convene it within eight days of receiving the request.

WHO THE LAW APPLIES TO

New Amendments to the Law on Companies applies to all legal entities.

HOW IT AFFECTS YOUR BUSINESS

The new provisions grant the right to shareholders holding 95% of the voting rights to request the convening of an extraordinary general meeting.

Rulebook on Supervision conducted by the Capital Market Commission

On 16 February 2024, the Capital Market Commission (hereinafter: the Commission) adopted the Regulation on Supervision conducted by the Commission, which was published in the Official Gazette of Montenegro, issue no. 014/24.

MAIN PROVISIONS OF THE LAW

The most significant changes introduced by this Regulation on Supervision conducted by the Commission are:

- Possibility for any individual who becomes aware of illegality or irregularity concerning the application of laws and subordinate regulations within the jurisdiction of the Commission, to submit a written report to the Commission;
- Obligation for Commission to publishes, on its website, information about each decision imposing an administrative measure or sanction, immediately after the person to whom the sanction is imposed is notified, which contributes to the preservation of the principle of transparency.

WHO THE LAW APPLIES TO

This Law affects mostly legal entities operating in the capital market.

HOW IT AFFECTS YOUR BUSINESS



The new regulation primarily enables greater transparency, contributes to public disclosure in a precise in timely manner, as well as informing the market participants themselves. It strongly encourages building trust among participants in the financial market and reporting to investors.

With greater authority given to the Commission, there is a higher likelihood that

market operations will be fair and that market participants will be incentivized to adhere to good business practices to avoid negative consequences for their reputation.

North Macedonia

The new Law on the Prohibition of Unfair Trade Practices in the Supply Chain of Agricultural and Food Products

MAIN PROVISIONS OF THE LAW

The new Law on the Prohibition of Unfair Trade Practices in the Supply Chain of Agricultural and Food Products introduces several measures aimed at ensuring fairness and transparency. One of the primary provisions mandates that all contracts for the supply of agricultural and food products be in writing. These contracts must detail essential elements such as price, quality, delivery terms, payment terms, and contract duration to prevent disputes and ambiguities. The Law also identifies and prohibits several unfair trade practices, including unilateral contract changes, unauthorized payments, threats of retaliation, and forced services. Specific payment terms are established, limiting the payment period to 30 days for perishable products and 60 days for non-perishable products from the agreed delivery period or the date the amount payable is determined. Significant bargaining power is defined based on income thresholds and corporate relationships to ensure fair treatment of suppliers regardless of the

buyer's financial strength. The Commission for the Protection of Competition is tasked with overseeing compliance, conducting investigations, and collaborating internationally to address unfair trade practices.

WHO THE LAW APPLIES TO

The Law applies to buyers, including any natural or legal person, public body, or group involved in purchasing agricultural and food products, regardless of their location. It also applies to suppliers, encompassing agricultural producers or any natural or legal person selling agricultural and food products, including producer organizations and associations. Public bodies at the national, regional, or local level, as well as public legal entities and associations formed by such bodies, are also covered under the Law. The Law specifically targets transactions between suppliers and buyers registered in North Macedonia, excluding relationships between suppliers and consumers. Corporate relationships where one entity holds substantial shares or exerts dominant influence over another are considered collectively for assessing significant bargaining power.

HOW IT AFFECTS YOUR BUSINESS

Suppliers and buyers must ensure that all supply contracts are in writing, detailing essential elements such as price, delivery,



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and payment terms. This requirement increases transparency and reduces the risk of disputes. Business practices must align with the Law's prohibitions such as unilateral contract changes, unauthorized payments, and imposing unjustified costs on suppliers. Adherence to the specified payment terms for perishable and non-perishable products is ensuring timely payments and avoid penalties. Businesses with significant bargaining power, as defined by income thresholds, must be mindful of the Law's criteria to ensure fair dealings with suppliers. Non-compliance with the Law can result in substantial fines, and the Commission for the Protection of Competition will actively monitor and enforce these regulations.

The Law on Payment Services and Payment Systems

MAIN PROVISIONS OF THE LAW

The Law on Payment Services and Payment Systems, effective from January 1, 2024, includes provisions designed to regulate payment transactions. One of its provisions is the prohibition on payment by calculation for companies with blocked payment accounts. This means that companies are not allowed to settle mutual monetary obligations and claims through compensation, assignment, assumption of debt, or other forms of mutual settlement if their payment accounts are blocked.

WHO THE LAW APPLIES TO

The law applies to the entities involved in payment transactions. It specifically targets all businesses participating in payment transactions, specifically those with blocked payment accounts. Additionally, the law encompasses budget users, individual users, institutions with accounts in the Treasury General Ledger, and public health institutions. For these public entities, the ban

on payment by calculation has been effective since the law's initial introduction.

HOW IT AFFECTS YOUR BUSINESS

Companies that engage in mutual settlements of monetary obligations with a contracting party whose payment account is blocked face the risk of having these settlements nullified in court as they are considered illegal. Consequently, businesses must adopt more stringent financial checks to verify the status of their contracting parties' payment accounts before agreeing to any mutual settlement arrangements. This may necessitate revising contract terms to avoid engaging in prohibited transactions.

The Law on the Use of Macedonian Language

MAIN PROVISIONS OF THE LAW

The Law on the Use of Macedonian Language mandates businesses operating within the Republic of North Macedonia to comply with specific language requirements to ensure legal standards are met. Central provisions include the necessity for proofreading of documents and materials integral to business operations. Key areas of focus are documentation and public communication, product names, declarations, and instructions, invoices and financial documents, and business registration and names of the Companies. The law also outlines inspection and enforcement procedures, designating the Ministry of Culture and Inspectorate for the Use of the Macedonian Standard Language as the competent authorities responsible for ensuring compliance.

WHO THE LAW APPLIES TO

The law applies to all businesses operating within the Republic of North Macedonia. The requirements are relevant for businesses across various sectors, encompassing media



content, publications, advertising materials, product-related documents, financial documents, and business registration processes.

HOW IT AFFECTS YOUR BUSINESS

The law impacts businesses by imposing rigorous language standards that necessitate the proofreading of multiple types of documents and materials in the Macedonian standard language and its Cyrillic script. Businesses must ensure that media content, publications, advertising materials, product

names, packaging, instructions, declarations, certificates, invoices, payment slips, receipts, and other financial documents are accurately proofread before distribution or display. Non-compliance can lead to inspections resulting in warnings, fines, and other enforcement measures. Therefore, businesses need to adopt proactive measures to align with the language standards to avoid legal repercussions and ensure smooth operations within the regulatory framework of North Macedonia.

Romania

E-Transport law

MAIN PROVISIONS OF THE LAW

Romania's e-Transport legislation, designed to enhance the monitoring and control of goods transport, encompasses several key provisions. The system applies to road vehicles with a maximum authorized mass of at least 2.5 tons transporting goods with a total gross mass over 500 kg or a value exceeding 10,000 RON per commercial relationship. It specifically targets high fiscal risk goods, including certain foodstuffs, beverages, clothing, and construction materials, which must be declared even if they are part of a larger shipment that includes non-risk goods.

Entities involved in the transport of goods must submit detailed information via the e-Transport system in a specific file format, including data about the consignor and beneficiary, characteristics and quantities of the goods, loading and unloading locations, and transport vehicle details.

After submission, a Unique Identification Code (UIT Code) is generated, which must accompany the goods during transport and is

valid for five calendar days, or fifteen days for intra-community transactions.

Transport vehicles must be equipped with satellite positioning devices to provide real-time location data throughout the transport route, with drivers required to activate these devices before starting the transport and deactivating them only after delivery or upon leaving Romania. Non-compliance can result in fines up to RON 100,000 for legal entities, along with potential confiscation of undeclared goods. These regulations aim to combat tax evasion and ensure fiscal compliance within Romania.

WHO THE LAW APPLIES TO

All entities interested in the transportation of certain goods in Romania.

HOW IT AFFECTS YOUR BUSINESS

Many businesses rely on such transport and may be affected by these new stricter provisions.

Offshore wind energy legislation



MAIN PROVISIONS OF THE LAW

Law no. 121/2024, recently enacted in Romania, regulates the development and operation of offshore wind energy projects. This law outlines the responsibilities of the Ministry of Energy, which include initiating offshore wind project tenders and managing related contracts. It sets specific criteria for selecting project developers, including technical and financial capabilities. The law also mandates environmental impact assessments and requires developers to ensure that projects align with national energy strategies. Additionally, it sets a framework for grid connection and guidelines for compensating affected local communities.

WHO THE LAW APPLIES TO

All parties interested in the development of such projects in Romania.

HOW IT AFFECTS YOUR BUSINESS

The new law changes the parameters of offshore wind power projects in Romania.

New way to keep tabs of large taxpayers

MAIN PROVISIONS OF THE LAW

Starting July 1, 2024, Romania will reduce the maximum number of entities classified as large taxpayers from 3,000 to 2,000 and will set the cap for medium taxpayers at 25,000. Previously, the competent authorities selected and ranked these entities annually based on primary and specific criteria, limiting the categories to 3,000 large taxpayers and 20,000 medium taxpayers. The modification was implemented through Order 665/2024 of the President of the National Agency of Fiscal Administration.

WHO THE LAW APPLIES TO

Businesses who are eligible for this categorization.

HOW IT AFFECTS YOUR BUSINESS

Certain supplementary legal obligations are imposed by authorities for these categories of legal entities.



Serbia

New immigration bylaws

The Minister of Internal Affairs of the Republic of Serbia has adopted new bylaws: the Rulebook on Issuing a Unified Permit for Temporary Residence and Work of a Foreigner, the Rulebook on Approval of Temporary Residence Permits, and the Rulebook on Electronic Submission of Requests for Permanent Residence.

These bylaws were published in the Official Gazette on 30 January 2024.

MAIN PROVISIONS OF THE LAW

The most significant changes introduced by these bylaws are:

- The option for electronic submission of the request for unified permit, permanent and temporary residence permit, is provided;
- Possibility to submit the request from abroad;
- The option for the labour market test to be conducted as an integral part of the process initiated by the request for issuing the unified permit;
- Foreigners whose stay in the Republic of Serbia is not based on employment, special forms of employment, or self-employment, but rather on other legal grounds (family reunification, ownership of real estate, etc.), may obtain a temporary residence permit to regulate their status.

WHO THE LAW APPLIES TO

The Law applies to all foreigners, as well as to all entities employing foreigners in the Republic of Serbia.

HOW IT AFFECTS YOUR BUSINESS

The purpose of these amendments is to shorten and simplify administrative procedures related to the regulation of the status of foreigners, as well as to facilitate conditions for employing foreigners in the Republic of Serbia.

The new Regulation on the Criteria for Determining Environmental Impact Activities and Compensation Amounts

The Government of Serbia has adopted the Regulation on the Criteria for Determining Environmental Impact Activities and Compensation Amounts which is published in the "Official Gazette of the Republic of Serbia", no. 30/2024.

MAIN PROVISIONS OF THE LAW

The most significant changes introduced by this Regulation on the Criteria for Determining Environmental Impact Activities and Compensation Amounts are:

- New method for calculating fees for environmental protection and improvement for entrepreneurs;
- Prior to the enactment of this new regulation, entrepreneurs paid the same fee for environmental protection and improvement as micro legal entities. Under the new regulation, entrepreneurs are mandated to pay fees designated for micro, small, medium, and large legal entities, contingent upon their categorization in accordance with the Accounting Law. This classification is determined based on the average number of employees, business income in the fiscal year, and total asset value assessed as of the balance sheet date of the regular annual financial report.



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- The new regulation also stipulates that an entrepreneur who pays income tax based on lump-sum income for independent activities shall pay a fee for environmental protection and improvement at the rate determined for micro legal entities and entrepreneurs.

WHO THE LAW APPLIES TO

This regulation applies to legal entities, entrepreneurs, and branches of foreign legal entities that, within their predominant activities, engage in activities affecting the environment.

HOW IT AFFECTS YOUR BUSINESS

Taking into consideration above-mentioned and the fact that the compensation for legal entities, entrepreneurs, and branches of foreign legal entities is determined within the predominant activity performed by the obligor and depending on their categorization in accordance with the Accounting Law, it is evident that such regulation should encourage companies to embrace more environmentally sustainable practices in the future.

Rulebook on Eco-design Requirements for Air-Conditioning Devices and Ventilation Devices

Based on Article 66 of the Law on Energy Efficiency and Rational Use of Energy ("Official Gazette of the Republic of Serbia", No. 40/21), and Article 17 of the Law on the Government ("Official Gazette of the Republic of Serbia", No. 55/05, 71/05 - correction, 101/07, 65/08, 16/11, 68/12 - Constitutional Court decision, 72/12, 7/14 - Constitutional Court decision, 44/14, and 30/18 - other law), the Minister of Mining and Energy has issued the Regulation on Eco-design Requirements for Air Conditioning

and Ventilation Devices. This regulation was published in the Official Gazette no. 11/2024 and will be applicable from 1 September 2024.

MAIN PROVISIONS OF THE LAW

Rulebook on Eco-design Requirements for Air-Conditioning Devices and Ventilation Devices prescribes:

- Eco-design requirements for placing on the market or putting into service devices for air conditioning with grid power and ventilation devices with input electrical power up to 125 W;
- It also specifies the conformity assessment procedure and the procedure for verifying compliance with eco-design requirements for the purpose of market surveillance;
- The requirements that must be met include the ones regarding minimum energy efficiency, maximum energy consumption in standby and off mode, as well as maximum noise levels and requirements regarding product information.
- Information about the air conditioning and ventilation devices must be provided in the product's technical documentation and on the manufacturer's website, which is freely accessible.

WHO THE LAW APPLIES TO

This regulation applies to manufacturers, their representatives, or importers of products that affect energy consumption and for which general and/or specific requirements regarding eco-design are prescribed.

HOW IT AFFECTS YOUR BUSINESS

Products affecting energy consumption, for which general and/or specific requirements regarding eco-design are prescribed, may only be placed on the market and/or put into



operation if they meet the prescribed requirements.

The Rulebook on Eco-design Requirements for Air-Conditioning Devices and Ventilation Devices aligns entirely with Commission Regulation (EU) 206/2012 of 6 March 2012, which implements Directive 2009/125/EC of the European Parliament and of the Council on eco-design requirements for air conditioning and ventilation equipment, as well as Commission Regulation (EU) No 2016/2282 of 30 November 2016.

The provisions of this regulation aim to expedite the implementation of EU requirements concerning energy labelling and ecological design for energy-related products. The focus is on enhancing awareness of the benefits of energy-efficient products and improving the visibility of energy product labelling and marking.

New bylaws, in relation to the Law on Electronic Media

On 7 May 2024, the Council of the Regulatory Body for Electronic Media adopted 14 subordinate regulations in accordance with Article 128 of the Law on Electronic Media, published in the Official Gazette of the Republic of Serbia no. 92/2023.

These bylaws include:

- Regulation on the Protection of Human Rights in the Provision of Media Services;
- Regulation on the Manner of Fulfilling Obligations of Media Service Providers During Electoral Campaigns;
- Regulation on the Accessibility of Program Content to Persons with Impaired Hearing or Vision;
- Regulation on Mandatory Measures of Video Content Exchange Platform Service Providers;

- Regulation on the Procedure for Forming the List of Most Important Events of Special Importance to All Citizens and the Exercise of the Right to Access Events of Great Public Interest;
- Regulation on the Implementation of Prize Competitions in the Field of Media Services Provision;
- Regulation on the Procedure for Granting Consent to the Transfer of a License for the Provision of Media Services and Dealing with Changes in Ownership Structure Notifications;
- Regulation on the Obligations and Criteria for the Participation of European Audiovisual Works and Shares of Serbian Music Works in the Programs of Media Service Providers;
- Regulation on the Amount, Modification, and Calculation Method of Fees for the Provision of Services within the Competence of the Regulatory Body for Electronic Media;
- Regulation on Urgent Public Notification of the Disappearance of a Minor;
- Regulation on the Conditions and Criteria for Issuing a License for the Provision of Media Services;
- Regulation on the Conditions and Criteria for Issuing Approval for the Provision of Media Services upon Request;
- Regulation on the Amount, Modification, and Calculation Method of Fees for the Provision of Media Services and
- Guidelines on the Application of Provisions of the Law on Electronic Media.

MAIN PROVISIONS OF THE LAW

The most significant changes introduced by these bylaws are:

- Measures to achieve media pluralism and transparency regarding



media ownership are more clearly defined.. One such measure is the obligation of media service license holders to notify the Regulatory Body in advance, in writing, of any planned change in ownership structure (change of founders or change in the shareholding structure), all aimed at obtaining its consent.

- Media service providers are obliged, in line with their financial and technical capabilities, to provide adapted versions of programs for persons with hearing or visual impairments. This includes the use of Serbian sign language, open and closed captions, and audio description. Captions must be clearly visible and placed at the bottom of the screen, while the sign language interpreter is positioned in the bottom right corner of the screen. This ensures better visibility and comprehensibility for all viewers.
- It specifies the obligations of providers of video content exchange platforms regarding the protection of users from harmful content such as violence, hatred, discrimination, and other content that could have a harmful impact on the public.
- New quotas have been introduced for on-demand media service providers. An on-demand audiovisual media service provider is required to ensure that at least 30% of the content in their catalogue consists of European audiovisual works, half of which should be Serbian audiovisual works.

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.

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



Slovenia

New Market Inspection Act

MAIN PROVISIONS OF THE LAW

The former Market Inspection Act was adopted more than 25 years ago. The need for an update has become apparent, which is why the new act introduces some novelties to the inspection procedure itself.

Market inspector is now obliged to establish priority inspection procedure if it follows, that a large number of consumers suffered damages or that a significant amount of damage has been caused.

In the new act, the inspector is not obliged to handle an anonymous report if the report is clearly unfounded and untruthful. The reason for the non-performed inspection must also be recorded with an official note.

Market inspectors now have levelled conditions for inspection procedure with other inspectors, the new Market Inspection Act granting them the right to perform the so-called mystery shopping and purchase goods, services or samples of goods for the purposes of carrying out compliance checks (directly or by means of remote communication, if necessary, with a secret identity).

Another important novelty is in the program of regular professional training. It is now stipulated that the inspectorate conducts a regular professional training program for market inspectors at least once a year. The new act also abolishes the provision, according to which the inspector had to undergo a written test on the contents of the regular professional training program.

Additionally, the Act newly introduces a special working condition, the institute

of permanent readiness for work (on-call time). This means the market inspector's availability by phone or by other means due to the possible arrival at the workplace or any other place where an inspection must be carried out urgently. The permanent readiness for work is exceptionally assigned according to the needs of the working process, considering the market conditions.

WHO THE LAW APPLIES TO

The new Act mainly brings changes to the work of market inspectors, however, it also applies to the greater public, since its goal is to establish a greater consumer safety and eliminate administrative obstacles.

HOW IT AFFECTS YOUR BUSINESS

While this Act does not apply directly to businesses, it will indirectly affect initiated inspection procedures in cases of reported violations against them.

New Energy Act

MAIN PROVISIONS OF THE LAW

The act determines the country's energy policy through supportive and restrictive measures for transitioning to non-fossil energy sources, including incentives for renewable energy use, more efficient energy usage, and accessing European funds for restructuring coal regions. The act comprehensively adapts the existing legal framework in the energy sector to the challenges of the green transition.

The act updates the concept of decarbonization planning at the local level. Municipalities are required to prepare Local



Energy Concepts (LECs), in which they must define goals for achieving energy savings, increasing the share of renewable energy sources, and goals for energy renovation of public buildings for seven years. Municipalities are also obliged to prepare a plan for phasing out fossil fuel while determining the priority use of energy sources – technologies with lower emissions take precedence over technologies with higher emissions.

Installation of natural gas or liquefied petroleum gas boilers will no longer be allowed in residential buildings for which a building permit application is submitted after January 1, 2025. Municipalities will only be able to grant new concessions for the construction and management of gas distribution networks if the networks in their LECs plan for at least 80 percent of the planned consumption to be connected to renewable gas production sources.

The act defines procedures for faster allocation of financial incentives for investments in renewable energy sources and energy efficiency, which will be digitized and simplified, ensuring transparency and equality of applicants.

Finally, the act also defines the allocation of funds from the EU Just Transition Fund, intended for the revitalization of the energy locations in Slovenia (Šoštanj Thermal Power Plant and the Zasavje region), and the European Modernization Fund, intended for updating the energy system. Additionally, a new instrument is enabled - complementary financing of projects for a successful green transition under EU calls for proposals.

WHO THE LAW APPLIES TO

With the preparation of the Local Energy Concept, the municipalities have the most obligations under this act. It does, however, apply to the general public as well.

HOW IT AFFECTS YOUR BUSINESS

Businesses will be obliged to comply with the new rules regarding the integration of renewable energies and green transition.

Amendments and additions to the Act on Investment Incentives

MAIN PROVISIONS OF THE LAW

The Act on Investment Incentives needed to be amended primarily to ensure compliance with European aid rules, revised in 2023.

Now, an investor can submit an application for investment incentives before having a commercial company or a branch of a foreign company registered in Slovenia. The condition is that either a commercial company or a branch of a foreign company must be registered in Slovenia at the latest by the time the incentive is paid out.

Additionally, the act introduces the possibility for a branch of a foreign company based in an EU member state to obtain incentives, meaning that a company based in an EU member state, when investing in the Republic of Slovenia, will not need to establish a new commercial company but just register a branch of the foreign company in the Slovenian court registry. With this a free movement of services and capital, that applies among EU member states, is ensured.

New regulations do prohibit certain incentives for projects governed on other legal basis - for example in the sector of broadband connections. Incentives for the storage and transmission of energy are also not permissible as well as projects by operational groups of the European



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Partnership for Innovation (EIP) in the area of agricultural productivity and sustainability.

Finally, the act newly defines the rules for managing and keeping documentation related to the allocation of incentives. Records are to be kept for ten years from the date of the incentive grant or from the date of the last assistance grant within the investment scheme.

WHO THE LAW APPLIES TO

It applies to potential foreign investors.

HOW IT AFFECTS YOUR BUSINESS

Amendments make a step forward to debureaucratization, while providing additional encouragement to foreign investors to invest in Slovenia.

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