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Serbia: Law on Centralized Records of Beneficial Owners

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Corporate & Commercial

[Mario Kijanović](#)

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The main reasons for the adoption of the Law on Centralized Records of Beneficial Owners (Official Gazette of Republic of Serbia no. 41/18) (the “Law”), which started to apply from 8 June 2018, are the improvement of the existing system and harmonization with the international standards in this area. The Law regulates the establishment, content, basis of recording and the manner of operation of the Centralized Records of Beneficial Owners of legal persons and other entities registered in the Republic of Serbia, as well as other matters of importance for recording the beneficial owners.

The Law applies to:

1. companies, other than public joint stock companies;
2. cooperatives;
3. branches of foreign companies;
4. trade associations and associations other than political parties, trade unions, sports organizations and associations, churches and religious communities;
5. foundations and endowments,
6. civic institutions, and
7. representation offices of foreign companies, associations, foundations and endowments.

(the “Registered Entities”).

The Law does not apply to companies and institutions in which the Republic of Serbia, an autonomous province or a local self-government unit is the only shareholder, or founder.

Centralized Records

Centralized Records is a public, unified, centralized, electronic database of natural persons that are the beneficial owners of the Registered Entity, maintained by the Business Registers Agency (the “BRA”). The BRA shall establish the Centralized Records no later than 31 December 2018.

Criminal offence and misdemeanour

Failure to comply with the Law shall be considered a criminal offence, punishable by up to 5 years of imprisonment, and misdemeanour, where a fine may be imposed on the legal entity and responsible persons.

Obligations of the Registered Entities

According to the provisions of the Law, the Centralized Register should be established by the BRA by 31 December 2018, while the statutory representatives of Registered Entities should register the data on Beneficial Owners by 31 January 2019. Until the establishment of the Central Register, all legal entities in question must determine their Beneficial Owners and procure documents and data on them within the period of thirty (30) days after the day when the Law comes into force, i.e. until 8 July 2018 at the latest.