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COVID-19 / Serbia: Implications for Businesses

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On 15 March 2020, the state of emergency has been declared in the Republic of Serbia in accordance with Article 200 paragraph 6 of the Constitution, which was institutionalized through the Decision on the Declaration of the State of Emergency (Odluka o proglašenju vanrednog stanja, "Official Gazette of the Republic of Serbia", no. 29/2020).

The Business Registers Agency does not operate with clients, but solely via electronic and regular mail, notaries public perform only solemnizations, while the public bailiffs have stopped operating for the time being. The Ministry of Justice has issued the decision on the postponement of all the hearings in all legal matters before the courts in the Republic of Serbia, except very urgent ones which are numerous clauses listed in the decision.

Also, the Government of the Republic of Serbia adopted a decision limiting the prices of basic foodstuffs, protective equipment and disinfectants. Furthermore, the Decision on banning the export of certain goods important for public consumption has been adopted. The Decision concerning the ban on export of medicines has been changed and now the export ban applies not only to medicines manufactured in Serbia, but to all medicines that are in the territory of Serbia.

Due to emergency measures and entry restrictions, international goods transport and transit through Serbia has seen some delays. Ministry of International Affairs has issued a note lifting the entry ban in certain cases, including the crews of motor vehicles in international goods transport and transit (up to 12 hours).

As of Saturday, 21 March 2020, 8pm all restaurants, coffee shops, and shopping malls are to remain closed until further notice.

Labor law issues

The Decree on the Organization of Work of Employers During the State of Emergency (Uredba o organizovanju rada poslodavca za vreme vanrednog stanja, "Official Gazette of the Republic of Serbia", no. 31/2020)

This Decree imposes an obligation on the employers to enable work outside the employer's premises (remote work and work from home) at all work posts where such work can be organized.

If the employer's Work Regulations (In Serbian: Pravilnik o radu) or employment agreements do not regulate remote work and work from home, the employer is required to issue individual decisions on remote work to each affected employee. This decision must determine (i) the duration of work hours; and (ii) the manner of supervision of the work performed remotely. In addition, the employer must keep the record of the employees working outside the employer's premises.

Where remote work is not possible due to the nature of the work, the employer must mitigate the risk of disease spread by:

- organizing work in shifts (if possible and if it does not require additional resources),
- replacing physical meetings with virtual meetings,
- enabling all business meetings to be held electronically or by other appropriate means (video link, video call, etc.),
- providing all general, special and extraordinary measures relating to the hygienic safety of facilities and persons,
- ensuring sufficient protective equipment for those who are in direct contact with clients and sharing the work space with others.

The Government's Conclusion Regarding the Limitation of Public Indoors and Outdoors Gatherings (Zaključak u vezi sa ograničenjem okupljanja na javnim otvorenim i zatvorenim prostorima) regulates the manner in which the population may gather in public indoor and outdoor premises. Outdoors, the distance between the people must not be less than 2m while indoors this distance increases to 4m. All shops and other commercial premises must inform their customers on the maximum persons allowed in the premises given the above obligatory distances, in a form of a notice placed in front of the premises.

This does not apply to the persons who due to their specific working obligations cannot execute this Conclusion.

Order on Limitation and Prohibition of Movement of Persons in the Territory of the Republic of Serbia (Naredba o ograničenju i zabrani kretanja lica na teritoriji Republike Srbije, "Official Gazette of the Republic of Serbia", no. 34/2020)

In order to prevent the spread of the infectious disease Covid-19 and to protect the population from the

disease, it is prohibited to move in public places, i.e. outside apartments, premises and residential objects, namely for:

- persons with the age of 65 or older - in populated areas over 5000 inhabitants.
- persons with the age of 70 or more - in populated areas up to 5000 inhabitants.

In addition, all persons are prohibited from going outside the apartments, premises and residential buildings between 5pm and 5am.

The aforementioned prohibitions shall not apply to persons to whom the Ministry of Interior issued a movement permit.

In this respect, if certain employees are working between 8 pm and 5 am, please note that the employer is obliged to fulfil the form-table with the data of employees working in a night shift, published on the web site of the Chamber of Commerce and Industry of Serbia: <https://pks.rs/vesti/hitno-obavestenje-2434>. The fulfilled form-table has to be delivered to Ministry of Economy on the following e-mail address: vanrednostanje@privreda.gov.rs.

Contractual issues

Given the above listed measures already imposed by the authorities, which definitely limit certain business activities, the force majeure clauses set out in the commercial agreements may be triggered upon fulfilment of certain conditions. The contractual party may not be liable for the non-fulfilment of its contractual obligation if: (i) the force majeure circumstance occurred (i.e. the Government already imposed the measure that prevented the party to perform its obligation); and (ii) the obligation has not become due before the force majeure circumstance occurred.

Government support to the economy

The Decree on the Tax Measures During the State of Emergency for the Purpose of Mitigation of the Economic Consequences Caused by Disease COVID-19 (Virus SARS CoV-2) (Uredba o poreskim merama za vreme vanrednog stanja radi ublažavanja ekonomskih posledica nastalih usled bolesti COVID-19 izazvane virusom SARS CoV-2)

The aim of this Decree is to increase of liquidity of the tax payers in the Republic of Serbia during the state of emergency.

These measures refer primarily to the tax payers in the tax debts rescheduling programs, while the tax debts of all other tax payers will be burdened by default interest as usual.

Also, the National Bank of Serbia imposed by its decision the moratorium on the obligatory payments of financial obligations to the commercial banks based on the credits and loans in a period not shorter than 90 days. This refers to citizens, agriculture entrepreneurs, other entrepreneurs and companies operating in the Republic of Serbia.

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