Pursuant to Article 38, Paragraph 1 of the Law on Planning System of the Republic of Serbia (“Official Gazette of RSˮ, no. 30/18),

The Government has adopted

PROGRAM FOR IMPROVING THE

WORLD BANK DOING BUSINESS RANKING OF

THE REPUBLIC OF SERBIA

IN THE PERIOD 2019-2020

# Introduction

# 

The Joint Group for improving the Republic of Serbia’s ranking on the World Bank Doing Business list (hereinafter: The Joint Group) has been established with a view to defining practical measures to promote the business environment in Serbia. The Joint Group shall be chaired by the Deputy Prime Minister and Minister of Construction, Transport and Infrastructure, Prof. Z. Mihajlović, PhD. The Government has recognized the significance of improving the business environment and it has undertaken systemic actions in this field.

The Ministry of Construction, Transport and Infrastructure (hereinafter: the MCTI) prepared the Program for Improving the Republic of Serbia World Bank Doing Business Ranking (hereinafter: The Program) with the support to Joint Group and other public administration bodies responsible for conducting the measures and activities set forth by the Program. The National Alliance for Local Economic Development (hereinafter: NALED) and the Public Policies Secretariat of the Republic of Serbia (hereinafter: RSJP), participated in the process of drafting the Program by providing their expert assistance to the work of the Joint Group and conducted the research on the current status in the segments observed by the World Bank methodology, accompanied with comprehensive consultations with all stakeholders.

Doing Business ranking, developed by the World Bank, involves the assessment of procedures, the costs and time required for their accomplishment, in the area of private business. The *Doing Business* methodology is applied to domestic small and medium enterprises and measures the ease of doing business by reviewing the regulations and their practical implementation. By collecting and reviewing the overall quantitative data used for matching the regulations and practice concerning the ease of doing business among 190 states, this ranking encourages the states to, in line with the methodology rules for evaluation of doing business conditions, enhance the regulations and practice through the structural measures, concurrently offering useful information to investors upon their selecting the country to invest in. *Doing Business* offers measurable standards in evaluating the competitiveness of a country and serves as an indicator for investors, academicians, journalists, private sector researchers and other stakeholders.

The methodology of the World Bank relies on standardized case studies made in the largest business cities of each state. When collecting the information, the World Bank relies on four main sources of information:

1. relevant laws and regulations;
2. assessment by respondents (contributors) of the questionnaire based on the case study: experts and companies introducing the established procedures in all areas of practice;
3. assessment by responsible ministries and other state authorities and organizations;
4. assessment by experts from regional offices of the World Bank.

# World Bank Methodology

The World Bank monitors the doing business conditions in 190 economies, by reviewing ten areas: starting a business, obtaining construction permits, getting connection to electrical distribution system, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. The overview of indicators per these areas, has been presented in Table 1.

*Table 1. Indicators*

|  |  |  |
| --- | --- | --- |
| **#** | **AREA:** | **INDICATORS:** |
| **1** | **Starting a business** | Number of procedures, time, cost and paid-in capital for starting a limited liability company. |
| **2** | **Dealing with construction permits** | Number of procedures, time and cost to complete all formalities to build a warehouse and the quality control index. |
| **3** | **Getting electricity connection** | Number of procedures, time and cost to get connected to the electrical grid (compared to the GDP per capita) the reliability index of the electricity supply and the transparency of tariffs. |
| **4** | **Registering property** | Number of procedures, time and cost to transfer a property and the quality index of the land infrastructure. |
| **5** | **Getting credit** | Index of the scope of availability of credit information and index of legal rights. |
| **6** | **Protecting minority investors** | Index of minority shareholders’ rights protection, conflict of interest management index and index of the scope of corporate governance. |
| **7** | **Paying taxes** | Number of payments, time required for execution, overall tax burden (taxes, contributions and fees) for the company, compared to the profit and VAT refund time index. |
| **8** | **Trading across borders** | Documents, time and cost of export and import of goods. |
| **9** | **Enforcing Contracts** | Time and cost for resolving a commercial dispute and index of the quality of judicial proceedings. |
| **10** | **Resolving insolvency** | Time, price, outcome and recovery rate for a commercial insolvency and index of regulatory framework quality in conducting the insolvency procedure. |

Ranking per areas (indicators) is considered, together with the information about the distance to frontier score in a specific area. Such score presented in the Doing Business report is called the Ease of Doing Business (EDB). The overall ranking of each country is obtained based on the average score in all ten areas. For example, Serbia is ranked 40 in Starting a business, on the global list, and its distance to frontier score in this area is minimal and accounts for 7.39 points. On the other hand, in the area – Resolving insolvency, Serbia is ranked 49, but the distance is significant with the score of 32.97 points. EDB shows a gap displayed by an economy compared to the best regulatory performance on each indicator identified, using the sample of 190 countries, or more specifically, indicates the areas in which the conditions for doing business in one country are lagging behind those countries having the best practice. The closest achievements of Serbia have been reported in the following areas: Trading across borders (3.36 points behind), Starting a business (7.41 points behind) and Dealing with construction permits (15.58 points behind). The biggest gap and therefore, most of the space for improvement for Serbia have been identified in the following areas: Protecting minority investors (43.33 points behind), Resolving insolvency (39.22 points behind), Enforcing Contracts (38.59 points behind) and Getting electricity connection (29.99 points behind).[[1]](#footnote-2)

*Table 2. EDB Indicators*

|  |  |  |  |
| --- | --- | --- | --- |
| **DB ranking** | **Indicator** | **EDB** | |
| **EDB** | **Ranking** |
| 23 | Trading across borders | 96.64 | 1 |
| 40 | Starting a business | 92.59 | 2 |
| 11 | Dealing with construction permits | 84.42 | 3 |
| 79 | Paying taxes | 74.75 | 4 |
| 55 | Registering property | 72.60 | 5 |
| 104 | Getting electricity connection | 70.01 | 6 |
| 60 | Getting credit | 65.00 | 7 |
| 65 | Enforcing contracts | 61.41 | 8 |
| 49 | Resolving insolvency | 60.78 | 9 |
| 83 | Protecting minority investors | 56.67 | 10 |

# Implementation of the Program for Improving the World Bank Doing Business ranking of the Republic of Serbia by the World Bank in the period 2017-2018, per areas

The Republic of Serbia ranks 48 on the ranking list of the World Bank concerning the conditions for “Doing Business 2019” which is a decline compared to the previous year, when Serbia ranked 43. The Republic of Serbia improved its ranking in two out of overall ten areas, in particular in: Registering property (improvement by 2 places)andPaying taxes(improvement by 3 places)*,* while the ranking remained the same for Trading across borders. Despite the fact that these results have shown no improvement in Serbia’s ranking compared to the previous years, the World Bank has estimated that the conditions for doing business in Serbia did not decline in any of the ten areas. The overall 2019 EDB indicator for Serbia has grown, compared to the previous year.

*Table 3. Ease of Doing Business in 2018 and 2019*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Republic of Serbia** | | | |
| **2019** | | **2018** | |
| Ranking | EDB | Ranking | EDB |
|  | Overall score | 48 | 73.49 | 43 | 73.32 |
| 1 | Starting a business | 40 | 92.59 | 32 | 92.57 |
| 2 | Dealing with construction permits | 11 | 84.42 | 10 | 83.09 |
| 3 | Getting electricity connection | 104 | 70.01 | 96 | 69.97 |
| 4 | Registering property | 55 | 72.60 | 57 | 72.59 |
| 5 | Getting credit | 60 | 65.00 | 55 | 65.00 |
| 6 | Protecting minority investors | 83 | 56.67 | 76 | 56.67 |
| 7 | Paying taxes | 79 | 74.75 | 82 | 74.73 |
| 8 | Trading across borders | 23 | 96.64 | 23 | 96.64 |
| 9 | Enforcing contracts | 65 | 61.41 | 60 | 61.41 |
| 10 | Resolving insolvency | 49 | 60.78 | 48 | 60.49 |

*Table 4. Changes in the ranking of the Republic of Serbia in 2017, 2018 and 201, overall and per areas*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Doing Business area** | ***Doing Business* 2019 Report** | ***Doing Business* 2018 Report** | ***Doing Business* 2017 Report** | **Change of ranking 2018 and 2019** |
| Starting a business | **40** | 32 | 47 | **↓8** |
| Dealing with construction permits | **11** | 10 | 36 | **↓1** |
| Getting electricity connection | **104** | 96 | 92 | **↓8** |
| Registering property | **55** | 57 | 56 | **↑2** |
| Getting credit | **60** | 55 | 44 | **↓5** |
| Protecting minority investors | **83** | 76 | 70 | **↓7** |
| Paying taxes | **79** | 82 | 78 | **↑3** |
| Trading across borders | **23** | 23 | 23 | **0** |
| Enforcing contracts | **65** | 60 | 61 | **↓5** |
| Resolving insolvency | **49** | 48 | 47 | **↓1** |
| **Total ranking of Serbia** | **48** | **43** | **47** | **↓5** |

Source: Doing Business Report 2017, Doing Business Report 2018 and Doing Business Report 2019, World Bank Group

**What Republic of Serbia accomplished in 2018**

1. **Starting a business**: In this area, Serbia achieved the ranking 40, which is a decline compared to 2017 by eight places. The Doing Business 2019 Report has shown the reduction of expenses from 2.3% to 2.2% of income per capita, while the values of other indicators remained the same.
2. **Dealing with construction permits:** the system of electronic issuance of permits has been in use since January 1st 2016 and Serbia has made a significant improvement since then. The number of days required for issuing the construction permits has been reduced thanks to the introduction of the electronic application system. In the Doing Business 2019 Report, the reform has resulted in the reduced number of days (from 110 to 106) and the administrative expenses have been cut to around 5.5 %, while the index of construction quality control has grown (from 13 to 14). The Republic of Serbia is the most competitive in this field, taking the 11th place, which is a moderate drop compared to the previous 10th place, however, the number of points has been increased by 1.33.
3. **Getting electricity connection**: Serbia is ranked 104 in this area, which is the highest drawback compared to the remaining nine. In the course of 2018, the integrated procedure and permit issuance for connection to electrical grid have been improved.

1. **Registering property:** Serbia improved its ranking compared to the previous Report that is, it improved by two places, from 57 to 55. The values of all indicators have remained the same as the last year’s.
2. **Getting credit:** Serbia’s ranking has dropped in this area, from 55 to 60, considering that no improvement has been made, while the indicator values remained the same as the last year’s.
3. **Protecting minority investors:** Serbia’s ranking has dropped in this area, from 76 to 83, while the values of all indicators remained the same.
4. **Paying taxes:** Serbia has improved the ranking in this area, in particular, it improved the indicators relating to the overall rate of taxes and contributions (% of gains), from 39.7% to 36.6 %.
5. **Trading across borders:** despite the fact that no change has occurred regarding the ranking, Serbia has come the closest to the best practices, lagging behind by only 3.36 points. The values of all indicators remained the same as the last year’s.
6. **Enforcing contracts:** Serbia has reported no improvement in this area, values of all indicators remained unchanged, which resulted in the drop of ranking by five places, from 60 to 65.
7. **Resolving insolvency :** There has been no improvement in this area and the indicator values remained the same as the last year, other than the recovery rate increase (cents on the dollar) from 34 to 34.5. All this resulted in dropping the rate of Serbia by one place.

# Doing business conditions in the Region, based on the

# Doing Business 2019 Report.

*Table 5.* *Doing business conditions in the Region, based on the Doing Business 2019 Report*

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | Bosnia and Herzegovina | | Republic of North Macedonia | | Republic of Croatia | | Montenegro | | Republic of Bulgaria | | Romania | | **AVERAGE** | | **Republic of Serbia** | |
| Ranking | EDB | Ranking | EDB | Ра | EDB | Ranking | EDB | Ranking | EDB | Ranking | EDB | Ranking | EDB | Ranking | EDB |
|
|  | Overall rating | 89 | 63.82 | 10 | 81.55 | 58 | 71.40 | 50 | 72.73 | 59 | 71.24 | 52 | 72.30 | 53 | 72.17 | 48 | 73.49 |
| 1 | Starting a business | 183 | 59.57 | 47 | 92.08 | 123 | 82.62 | 90 | 86.65 | 99 | 85.38 | 111 | 83.90 | 101 | 81.70 | 40 | 92.59 |
| 2 | Dealing with construction permits | 167 | 53.22 | 13 | 83.38 | 159 | 55.70 | 75 | 70.88 | 37 | 75.46 | 146 | 58.20 | 100 | 66.14 | 11 | 84.42 |
|
| 3 | Getting electricity connection | 130 | 60.26 | 57 | 81.43 | 61 | 80.50 | 134 | 59.19 | 147 | 54.93 | 154 | 53.53 | 114 | 64.97 | 104 | 70.01 |
| 4 | Registering property | 99 | 61.99 | 46 | 74.50 | 51 | 74.07 | 76 | 65.78 | 67 | 69.32 | 44 | 74.96 | 71 | 70.10 | 55 | 72.60 |
| 5 | Getting credit | 60 | 65.00 | 12 | 85.00 | 85 | 55.00 | 12 | 85.00 | 60 | 65.00 | 22 | 80.00 | 46 | 72.50 | 60 | 65.00 |
| 6 | Protecting minority investors | 72 | 58.33 | 7 | 80.00 | 38 | 66.67 | 57 | 61.67 | 33 | 68.33 | 64 | 60.00 | 45 | 65.83 | 83 | 56.67 |
| 7 | Paying taxes | 139 | 60.43 | 31 | 84.72 | 89 | 72.68 | 68 | 76.67 | 92 | 72.00 | 49 | 80.30 | 73 | 74.47 | 79 | 74.75 |
| 8 | Trading across borders | 37 | 91.87 | 29 | 93.87 | 1 | 100.00 | 47 | 88.75 | 21 | 97.41 | 1 | 100.00 | 30 | 95.32 | 23 | 96.64 |
| 9 | Enforcing contracts | 75 | 59.67 | 37 | 67.79 | 25 | 70.60 | 44 | 66.75 | 42 | 67.04 | 17 | 72.25 | 39 | 67.35 | 65 | 61.41 |
| 10 | Resolving insolvency | 37 | 67.83 | 30 | 72.69 | 59 | 56.20 | 43 | 65.99 | 56 | 57.52 | 52 | 59.87 | 45 | 63.35 | 49 | 60.78 |

Source: Doing Business 2019 Report

In order to show the achieved position of Serbia, it is useful to compare the countries of the Region having a similar level of economic development and culture, instead of merely displaying the ranking in relation to all countries whose statuses have been reviewed in Doing Business 2019, considering that the economies of these countries - the level of GDP, the development of the economic system, cultural differences, etc. vary to a significant extent. In this regard, the table shows the *EDB* scores, by areas, for the countries of the region that are our main competitors: Bosnia and Herzegovina, the Republic of Northern Macedonia, Montenegro, the Republic of Croatia, the Republic of Bulgaria and Romania.

# Reporting on the Action Plan implementation

The Joint Group reports to the Government the achievement of goals, actions and activities set out in the Action Plan. The reporting is conducted quarterly. The Action Plan sets forth specific actions to be undertaken in order to secure conditions for achieving the Program goals. The actors and partners to conduct these actions have been appointed and the deadlines and resources for their implementation have been defined. The Action Plans for Program implementation will be adopted annually.

To secure regular monitoring of Action Plan implementation and activities set forth in the AP, this document is to oblige all institutions and organizations being the actors of these activities, to:

1. provide quarterly reports to the Government and the Joint Group about the status of activities (accomplished/not accomplished/in progress);
2. collect and submit to the Government and the Joint Group the statistical and other data in evidence of the implemented activities;
3. detailed explanation of why certain activities have not been implemented;
4. fill out the World Bank questionnaire with regard to areas in which they are the actors of activities;
5. regularly attend the meetings and other activities planned to be carried out by the Joint Group.

# Description of issues in all areas, following the

# World Bank methodology

## Starting a business

*Table 6: Description of issues in all areas, following the World Bank methodology*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **#** | **Procedure** | **Duration** | **Costs** | **Problem Description** |
| 1 | Authentication of signature on the Memorandum of Incorporation at the Basic Court or by a notary public | 1 day | RSD 300 per signature, per copy | As this phase refers solely to the authentication of signatures, and not the authentication of the content of documents, it is possible to overcome this issue by enabling the application using the qualified e-signature. The e-signature will provide the same level of security of the founder’s authenticity, as the signature authentication.  Law on Amendments to the Law on Companies (“Official Gazette of RS” no. 44/18) adopted all elements required for solving the described issues under this procedure. A full implementation of the provisions relating to filing the applications using the qualified e-signature is required, instead of the authenticated documents, to eliminate this procedure. |
| 2 | Opening of a bank account and payment of registration fee | 1 day | RSD 5.900 (RSD 4.900 + RSD 1.000) | Based on a preliminary analysis of the answers provided by the businesses and contributors, it was concluded that the process would take more than one day as presented in the current World Bank Report, however, this indicator could decline in subsequent reports.  Upon the first visit to the bank to deposit the initial capital when opening a temporary account, a photocopy of the ID card and a certified Specimen Signature Form (the OP form) must be attached, and the same documents should be filed to the Business Registers Agency (the APR) upon the registration. Once the APR Decision is received, applicants need to go back to the bank to open the current account (attaching a photocopy of the ID card and a certified OP form once again). After having opened the current account, they need to go back to the APR to supplement the data with the current account number.  Proposed solution: To review the Law on Prevention of Money Laundering and Financing of Terrorism ("Official Gazette of RS" No. 113/17) and provide recommendations for its amendment, to enable electronic exchange of documents between the APR and the banks in order to avoid the requirement to submit the same documents twice (the photocopy of ID card, certified OP form and other information required for opening a current account) as well as to streamline and accelerate the process of opening a bank account. |
| 3 | Applying for and receiving the decision on foundation, tax identification number (PIB), certificate of registration with the Republic Health Insurance Fund, OP form (Signature Specimen Form containing 3 signatures) for the purpose of opening a bank account. | 2 days | Not charged | The World Bank reported that this procedure requires two days, however, according to the official statistics of the APR, it practically takes less time.  The only way to cut the required time to one day is to have this procedure done electronically.  It should be ensured that other participants have full access to e-registration and accordingly the banks should be encouraged to issue certificates of initial capital deposit in the e-form if the applicants opt for depositing the initial capital when making the registration of their company. |
| 4 | Seal making | 1 day | RSD 1,660 - 2,800 | The Law on Companies (“Official Gazette of RS”, no. 36/11, 99/11, 83/14 – state law, 5/15, 44/18 and 95/18) cancelled the obligatory use of stamps in the transactions of companies and entrepreneurs. The Ministry of Economy developed and published on the website of the Ministry the Instructions and Opinion, stating that in pursuing their business operations and communication, the public enterprises and other legal entities may not request from other economic operators using their services to use stamps in their business correspondence or on other documents.  The Law on Amendments to the Law on Companies and the Government's Conclusion on the cancellation of seals has created all legal prerequisites for eliminating the seals. Efforts need to be made for the practical implementation of the new Law and the conclusion, to amend all subordinate legislation and forms and eradicate the practice of demanding stamps by the banks, state administration bodies and holders of public powers.  To eliminate this procedure, it is necessary that the non-obligatory use of seal is implemented in practice, specifically, that the legal persons are no longer obliged to use the seal with the public administration bodies and holders of public powers. |
| 5 | Registering the Employment Contract with the National Employment Service | less than one day (online procedure) | Not charged | The registration of employees to the Central Registry of Compulsory Social Insurance (CROSO) is made electronically and the confirmation of the registration is obtained in an electronic form as well. The Contract is no longer registered with the National Employment Service, but only to the Central Registry of Compulsory Social Insurance.  The World Bank needs to be notified about the change in the legislation regulating the registration of employees to the Central Registry of Compulsory Social Insurance, including the changes regarding the procedure, as the entire process is now conducted electronically (regardless of the fact that this will have no impact on the ranking). |

## Dealing with construction permits

*Table 7: Problem description in the field of obtaining the construction permits following the methodology and case study of the World Bank*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **#** | **Procedure** | **Duration** | **Costs** | **Problem description** |
| 1 | Obtaining location requirements | 33 days | RSD 58.914 |  |
| 2\* | Obtaining results of geo-technical testing /testing of land | 21 days | RSD 55.000 |  |
| 3\* | Obtaining of topographic map of the location | 13 days | RSD 108.129 |  |
| 4 | Technical checking of the Design for construction permit | 6 days | RSD 92.071 |  |
| 5 | Construction permit acquisition | 11 days | RSD 5.500 | The study on the impact assessment and approval of the study, and/or the decision not to require an impact assessment, is an integral part of the documents enclosed to the construction permit application or attached to the application for starting the design implementation. |
| 6 | Obtaining the approval for starting the works from the Secretariat for Urban Planning and Construction and notifying the Ministry of Labour, Employment, Veteran and Social Affairs | 2 days | RSD 1.100 |  |
| 7 | Notification about finishing the foundation and request for conducting inspection oversight | 7 days | RSD 800 |  |
| 8 | Conducting inspection oversight of completed foundations | 1 day | RSD 0 |  |
| 9 | Filing of applications and obtaining the connection to water supply and sewerage systems | 18 days | RSD 111.929 | According to the Rulebook on facilities not subject to certain provisions of the Law on Planning and Construction (“Official Gazette of RS” no. 85/15), this procedure is no longer the obligation of the investor for individual classes of facilities and investors need to be notified about this alteration. |
| 10 | Hiring of engineers for final examination | 1 day | RSD 40.000 |  |
| 11 | Obtaining the use permit and registering property | 27 days | RSD 36.100 | Plants that require integrated permit may be used only together with the use permit and integrated permit acquired in accordance with the procedure prescribed by a special law. |

\* Conducted in parallel with the other procedure

|  |  |  |  |
| --- | --- | --- | --- |
| **QUALITY CONTROL INDEX (0-15) 14/15** | | | |
| **Quality of building regulations index (0-2)** | **2.0** | | **Problem description** |
| In which way has the regulation for construction permit issuance (including the law) been made available? | Available online;  Free of charge. | 1.0 | No recommendations for improvement. |
| Which requirements for obtaining a construction permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1) | List of required documents; taxes to be paid; previous approvals required. | 1.0 | No recommendations for improvement. |
| **Quality control before construction index (0-1)** | **1.0** | | **Problem description** |
| Which independent parties have been legally obliged to verify the compliance of the design and technical documents with the applicable regulations? (0-1) | Licensed architect; licensed engineer; private legal entities. | 1.0 | No recommendations for improvement. |
| **Quality control during construction index (0-3)** | **2.0** | | **Problem description** |
| Which types of inspection (where any) are obligatory by the law in the course of construction? (0-2) | Inspections in different phases. | 1.0 | No recommendations for improvement. |
| Have the legally prescribed inspections been conducted in practise in the course of construction? (0-1) | Compulsory inspections are always conducted in practise. | 1.0 | No recommendations for improvement. |
| **Quality control after construction index (0-3)** | **3.0** | | **Problem description** |
| Is there a legal obligation to conduct the final inspection to verify whether the building has been built in line with the approved designs and regulations? (0-2) | Yes, the final inspection is conducted by state services. Yes, the external engineer presents a report on final inspection. | 2.0 | No recommendations for improvement. |
| Are the legally prescribed final inspections being conducted in practise? (0-1) | Final inspections are always conducted in practise. | 1.0 | No recommendations for improvement. |
| **Liability and insurance regimes index (0-2)** | **2.0** | | **Problem description** |
| Which parties (where any) are legally accountable for any shortages or problems identified inside the building, after its use has commenced? (0-1) | An architect or engineer; a professional responsible for surveillance; Construction company. | 1.0 | No recommendations for improvement. |
| Which parties (where any) are legally obliged to obtain the insurance policy to cover possible construction shortages or problems identified inside the building after its use has commenced? (0-1) | An architect or engineer; a professional responsible for surveillance; Construction company. | 1.0 | No recommendations for improvement. |
| **Professional certifications index** | **4.0** | | **Problem description** |
| Which are the qualifications required for the responsible expert in charge of verifying architectural designs and drawings, in line with the regulations relating to building and civil engineering? (0-2) | Minimum length of service; university degree in architecture or civil engineering; license; passed professional examination; | 2.0 | No recommendations for improvement. |
| Which are the qualifications required for the responsible expert supervising the construction works at site? (0-2) | Minimum length of service; university degree in architecture or civil engineering; license; passed professional examination. | 2.0 | No recommendations for improvement. |

## Getting electricity connection

*Table 8: Description of issues relating to getting connected to the electrical grid following the methodology and case study of the World Bank*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **EFFICIENCY** | | | | |
| **#** | **Procedure** | **Duration** | **Costs** | **Description of problem** |
| 1 | Filing the application for location requirements and/or requirements for designing and connections using the CIS | 28 calendar days | 1.254.418,7 RSD | In order to reduce the number of procedures for getting electricity connection to the electrical grid, the consolidated procedure conducted at the end of 2017, introduced amendments to the Rulebook on the procedure for implementing the consolidated procedure using electronic means ("Official Gazette of the Republic of Serbia" No. 113/15, 96/16 and 120/17) and the Regulation on Location Requirements ("Official Gazette of RS", No. 35/15, 114/15 and 117/17), the Regulation on Amendments to the Regulation on the Requirements for Supply and Distribution of Electricity adopted in 2018 ("Official Gazette of RS" No. 91/18), whose full implementation is expected to reduce the number of procedures required for connection.  The implementation should be monitored so as to adopt any improvement of the procedure by amending these regulations. |
| 2 | The distribution system operator “EPS Distribution (hereinafter: DSO) prepares the design for connections in the building, obtains required approvals and conducts works to install connections for the building.  DSO prepares the design and conducts works to install connections and provides the required material. DSO obtains all the required approvals for the customer. | 89 calendar days | 0 RSD |  |
| 3\* | Internal check of indoor installations of a building by the Distribution System Operator | 4 calendar days | 0 RSD | In keeping with the Law on Energy (“Official Gazette of RS”, no. 145/14 and 95/18 - state law), internal check of indoor installations of a building is not the obligation of the Distribution System Operator. |
| 4 | Signing the Electricity Supply Contract | 1 calendar day | 0 RSD |  |
| 5 | Connecting the building to the infrastructure through CEOP | 7 calendar days | 0 RSD |  |
|  | **5 procedure** | **125** calendar days | **212.1 % income per capita** | |

\* Conducted in parallel with the other procedure

|  |  |  |
| --- | --- | --- |
| **RELIABILITY OF SUPPLY AND TRANSPARENCY OF TARIFF INDEX** | | |
| **Reliability of supply and transparency of tariff index (0-8)** | **5** | **Problem description** |
| **Total duration and frequency of outages per consumer in a year (0-3)** | **1** |  |
| System average interruption duration index (SAIDI) | 4.3 | No recommendations for improvement. |
| System Average Interruption Frequency Index (SAIFI) | 4.1 | No recommendations for improvement. |
| What is the minimum of interruption of supply (expressed in minutes) considered by the distributor when calculating SAIDI/SAIFI? | 3.0 |  |
| **Tools to monitor power outages (0-1)** | **1** |  |
| Does the distributor use automatized tools for monitoring interruptions? | Yes |  |
| **Tools to restore power supply (0-1)** | **1** |  |
| Does the distributor use automatized tools to reconnect the power supply? | Yes |  |
| **Regulatory monitoring (0-1)** | **1** |  |
| Does the regulatory body – being an entity fully independent from the distributor – monitor performances of distributors in the field of supply reliability? | Yes |  |
| **Financial deterrents aimed at limiting outages (0-1)** | **0** |  |
| Does the distributor pay compensation or faces penalties by the regulatory body (or both) when the interruptions exceed certain threshold? | No |  |
| **Transparency and adjustments of tariffs (0-1)** | **1** |  |
| Have the effective tariffs been available online? | Yes |  |
| Link leading to the webpage, where available online | http://www.eps-snabdevanje.rs/ | |
| Have the consumers been notified about the change in the tariff before the collection cycle? | Yes |  |

## Registering property

*Table 9: Problem description relating to the registration of title following the methodology and case study of the World Bank*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **EFFICIENCY** | | | | |
| **No.** | **Procedure** | **Duration** | **Costs** | **Problem description** |
| 1 | Obtaining the excerpt from the Business Registers Agency (APR) | 1 day | RSD 3.400; (RSD 1.700 per excerpt/company) | Law on the Registration Procedure with the Cadastre of Real Estate and Utilities (“Official Gazette of RS”, no. 41/18 and 95/18, hereinafter: Law on Cadastre) lays down the rules for the registration into the cadastre of real estate and utilities, their maintenance, subject-matter and types of registration under this procedure and rules of the procedure for issuing the excerpts from the specified registers. The Law on Cadastre has prescribed a broader responsibility of notaries public and other holders of public authority adopting, drafting, acknowledging or certifying the documents constituting the legal grounds for the entry into the cadastre of real estate and introduction of electronic window for the exchange of documents between the Real Estate Cadastre Office and professional users, courts, other bodies, notaries public, enforcement officers and other holders of public powers.  The new legislation framework enabled the reduction in the number of procedures, so that parties may fully accomplish the property registration with the notary, without going to the Real Estate Cadastre or tax authorities. The implementation of the Law on Cadastre has reduced the number of days required for registering the property, so that in the fourth quarter of 2018, the average number of days required for the entry reached 4.74 days.  The Notary Public Rules of Procedure requires changes (“Official Gazette of RS”, no. 62/16, 66/17, 48/18 and 54/18) so that the notary public would make primary inspection of public records, unless such records are unavailable. |
| 2 | Conclusion of Sale and Purchase Contract (preparation of Contract and its authentication)  Note: Law on Notary Public Activities (“Official Gazette of RS”, no. 31/11, 85/12, 19/13, 55/14-state law, 93/14-state law, 121/214, 6/15 and 106/15) provides that in cities and/or municipalities that have no notaries public appointed, until the appointment of notaries public, the activities of authentication of documents whose authentication is exclusively prescribed to be made by notaries public, will be conducted by basic courts, in line with the law. | 1 day | RSD 66.000 in line with the notary public tariff | The adoption of the Law on Cadastre has resulted in the reform of the entire system of making the registration into the real estate and utility cadastre. The New procedure would be titled “Preparation of contracts and authentication and admission of registration certificateˮ. Following the contract authentication, any information are being forwarded via e-windows to the Real Estate Cadastre Office and the Tax Authority, including the local tax administration. The Real Estate Cadastre Office then has 5 days to issue the certificate of registration and send it to the parties by regular mail, to their mailing addresses. |
| 3 | Filing applications for registration with the Republic Geodetic Authority (hereinafter: RGZ) | 1 day | RSD 5.000 | With the adoption of the Law on Cadastre, this procedure has been eliminated considering that the notary public now forwards all the required information for the registration electronically. |
| 4 | Filing applications to competent tax authorities to approve transaction values and payment of taxes to the transfer of absolute rights | 2 days | No charges | With the adoption of the Law on Cadastre, this procedure has been eliminated and parties may submit their tax returns to the notary public upon the authentication of contracts. The Notary public will forward it to tax authorities who will send their decisions to parties by regular mail, to their mailing addresses.  This procedure is not a precondition for registering the property, as confirmed by the Constitutional Court by its Decision.  It is necessary to proceed with simplifying the tax return forms and introduce electronic exchange of data. |
| 5 | Paying taxes to the transfer of absolute rights | 1 day | RSD 739.286,93 (specifically, 2.5 % of estimated value of property by Tax Authorities) | Paying taxes is not the precondition for property registration, as confirmed by the Constitutional Court by its Decision. |
| 6 | Cadastre – adopting the decision on real estate registration | 15 calendar days | RSD 660 | With the adoption of the Law on Cadastre, this procedure has been eliminated and parties at this point have no communication with the RGZ. |

|  |  |  |  |
| --- | --- | --- | --- |
| **Quality index for land administration** | | | |
| **Quality index for land administration (0-30)** | **Answer** | **18.0** | **Problem description** |
| **1. Reliability of infrastructure index (0-8)** | **5.0** | | **Problem description** |
| Which institution is responsible for real estate register? | RGZ – Real Estate Cadastre Office | |  |
| Which format are the majority of data about the ownership and changes to real estate in the capital city kept – in a hard copy or a computerized format (scanned or digital)? | Computerized/Scanned | 1 |  |
| Is there an electronic database for verifying the encumbrance (claims, mortgages or such)? | Yes | 1 |  |
| Which institution is responsible for detailed regulation plan in the capital? | RGZ – Real Estate Cadastre Office | |  |
| In which format are the majority of maps showing the parcels in the capital city kept – in a hard copy or a computerized format (scanned or digital)? | Computerized/Scanned | 1 |  |
| Is there an electronic database for the registration of the border lines of parcels, verification of plans and providing of cadastral information? (geographic information system) | Yes | 1 |  |
| Are the information about real estate registered by RGZ kept in a unique database in different but connected databases or in separate ones? | Separate databases | 0 |  |
| Does RGZ use a unique number for each real estate in its real estate records, cadastre or maps? | Yes | 1 |  |
| **2. Transparency of information index (0–6)** |  | **4.0** | **Problem description** |
| Who has access to the information about the ownership over a real estate in the Geodetic Authority in the capital city? | Free access to all | 1 |  |
| Is the list of documents required for any transaction with real estate publicly available and if yes, in which form? | Yes, online | 0.5 |  |
| Link for online access: | <http://www.rgz.gov.rs/usluge/usluge-katastranepokretnosti/upis-imaoca-pravana-nepokretnostza-parceluobjekat-iposeban-deozgrade-stanposlovni-prostori-gara%C5%BEa> | | |
| Is the list of appropriate fees for any transaction with real estate in the capital city publicly available and if yes, in which form? | Yes, online | 0.5 |  |
| Link for online access: | http://www.rgz.gov.rs/usluge/izvodiz-zakona-orepubli%C4%8Dk  imadministrativnimtaksama | | |
| Does the RGZ undertake the obligation to submit the legally binding document proving ownership over the real estate, in a specific timeframe and if yes, in which way is the communication carried out? | Yes, online | 0,5 |  |
| Link for online access: | http://rgz.gov.rs/content/Datoteke/Dokumenta/01%20Zakoni/Zakon%20o%20drzavnom%20premeru%20i%20katastru%20-%2002.12.2015.pdf | | |
| Is there a specific and special mechanism in place for filing a report on any issue that may occur within the real estate register? | No | 0 |  |
| Are there publicly available statistics on the official number of real estate transactions conducted by the RGZ? | Yes | 0.5 |  |
| Number of real estate transactions in the capital in 2017: | 27705 | | |
| Who is allowed to have access to the map of parcels in the capital, in order to obtain information? | Any person that pays the fee | 0.5 |  |
| Is the list of appropriate fees for the access to the parcel map publicly available and if yes, in what form? | Yes, online | 0.5 |  |
| Link for online access: | <http://www.rgz.gov.rs/usluge/izvodiz-zakona-orepubli%C4%8Dkimadministrativnimtaksama> | | |
| Does the RGZ undertake the obligation to submit updated maps in the specific time schedule and if yes, in which way the communication is being maintained? | No | 0 |  |
| Link for online access: | / |  |  |
| Is there a specific and special mechanism for reporting an issue that occurs within the segment relating to the cadastre and land survey? | No | 0 |  |
| **3. Geographic coverage index**  **(0–8)** | **4** | | **Problem description** |
| Have all the parcels in private ownership within the entire economy been registered into the Real Estate Cadastre? | No | 0 |  |
| Have all the parcels in private ownership in the capital been registered into the Real Estate Cadastre? | Yes | 2 |  |
| Are all the parcels in private ownership within the entire economy included in official maps? | No | 0 |  |
| Are all the parcels in private ownership in the capital included in official maps? | Yes | 2 |  |
| **4. Land dispute resolution index (0–8)** | **5** | | **Problem description** |
| Does the law require that all real estate sale transactions are entered into the real estate register in order to be valid for third parties? | Yes | 1.5 |  |
| Is the real estate cadastre system guaranteed by the state or private entities? | Yes | 0.5 |  |
| Is there a special compensation mechanism in place covering the losses of a party that entered a real estate transaction that turned out to be based on false information that had been formally authenticated by the real estate cadastre? | No | 0 |  |
| Does the legal system require checking the legitimacy of a documents required for a real estate transaction (such as, checking whether the contract complies with the law)? | Yes | 0.5 |  |
| If yes, who is responsible for checking the legality of the documents? | Real estate cadastre; notary public;  attorney-at-law | |  |
| Does the legal system require the verification of identity of the parties entering a real estate transaction? | Yes | 0.5 |  |
| If yes, who is responsible for checking the identity of contracting parties? | Real estate cadastre; notary public. | |  |
| Is there a public database that could confirm with certainty the identity of documents? | No | 0 |  |
| Which court would be competent in the first instance standard form of land title dispute involving two local companies, with the land value of 50 times the gross domestic product per citizen (GNI) and located in the capital? | Commercial Court | |  |
| How much time is necessary for obtaining a decision of the first instance court in such case (without an appeal)? | Between 1 and 2 years | 2 |  |
| Is there a statistics of the number of land related disputes before the first instance court? | No | 0 |  |
| Number of land related disputes in the capital, in 2017: | / |  |  |
| **5. Equal access to property rights index (-2–0)** | **0** | | **Problem description** |
| Do couples in a common-law marriage and unmarried women have equal ownership over the real estate? | Yes | 0 | No recommendations for improvement. |
| Do married men and women have equal ownership over the real estate? | Yes | 0 | No recommendations for improvement. |

## Getting credit

*Table 10: Problem description relating to getting a credit, following methodology and case study of the World Bank*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **INDEX OF CREDIT INFORMATION AVAILABILITY** | | | | | |
| **Depth of credit information index (0-8)** | **Private credit register** | **Public credit bureau** | **Score** | | **Problem description** |
| Are the data available both for the companies and individuals? | Yes | No | 1 | |  |
| Are both the positive and negative data available? | Yes | No | 1 | |  |
| Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed ? | No | No | 0 | |  |
| Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component)? | Yes | No | 1 | |  |
| Are data on loan amounts below 1% of income per capita distributed? | Yes | No | 1 | |  |
| By law, do borrowers have the right to access their data in the credit bureau or credit registry? | Yes | No | 1 | |  |
| Can banks and financial institutions access borrowers’ credit information online (for example, through an online platform, a system-to-system connection or both)? | Yes | No | 1 | |  |
| Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers? | Yes | No | 1 | |  |
| Score: yes -1, no- 0 |  |  | **7** | |  |
|  | | | | | |
| **INDEX OF LEGAL RIGHTS (0-12)** | | | | | |
| **Legal rights Index** | **Answer** | | | **Problem description** | |
| Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy? | No | |  | | |
| Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? | Yes | |  | | |
| Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral? | No | |  | | |
| May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets? | Yes | |  | | |
| Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered? | No | |  | | |
| Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? | Yes | |  | | |
| Does a notice-based collateral registry exist in which all functional equivalents can be registered? | No | |  | | |
| Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party ? | No | |  | | |
| Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? | Yes | |  | | |
| Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? | Yes | |  | | |
| Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors’ rights by providing clear grounds for relief from the stay and sets a time limit for it? | No | |  | | |
| Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? | Yes | |  | | |
| Total score (Number of YES answers) | **6** | |  | | |

## Protecting minority investors

*Table 11: Problem description relating to acquiring protection of minority shareholders following the methodology and case study of the World Bank*

|  |  |  |  |
| --- | --- | --- | --- |
| **Protection of minority investors** | **Republic of Serbia** | **Evaluation description** | **Problem description** |
| **1. Conflict of interest regulation index (0-10)** | **5** | | **This index is an average extent of disclosure index (4), extent of director liability index**  **(6) and ease of shareholders suits index (5).** |
| **2. Extent of disclosure index (0-10)** | **4/10** | | **Problem description** |
| Which corporate governance body can provide sufficiently legal approval for the transaction buyer-seller from the case study?  (0-3) | 2 | Supervisory board, excluding director who is in the conflict of interest | In the event of a conflict of interest, a transaction is approved by the Supervisory Board if the corporate governance is bicameral (as shown in the case study), excluding a person with the conflict of interest.  To obtain maximum points, it is necessary that the transaction in this case (if the corporate governance is bicameral) is approved exclusively by the general meeting having a simple majority of the votes of the present shareholders who having no personal interest in that transaction, or a simple majority of votes of all members of the company that do not have a personal interest in the relevant transaction.  No recommendations for improvement. |
| Is the director, having a personal interest in the transaction, obliged to notify the Board of Directors? (0-2) | 1 | There is a conflict of interest without specification | The Law on amendments to the Law on Companies (“Official Gazette of RS” no. 44/18) introduced the obligation for the shareholder of a limited liability company to disclose the notification about the concluded transaction on its webpage or the webpage of the Company Register, that is, to disclose the undertaken legal transaction, with a detailed description of that transaction or deal and all the relevant facts about the nature and scope of personal interest, within three days as of the date of concluding that transaction, that is, of undertaking such legal activity.  No recommendations for improvement. The World Bank needs to be notified in order to report these reforms in its next Report. |
| Are the transactions available in the periodically published reports? (0-2) | 1 | Only the overview of transactions |
| Are the transactions directly disclosed in public and/or to shareholders? (0-2) | 0 | No obligation to disclose them |
| Does the external body have to review the terms and conditions of a transaction before their publishing?  (0-1) | 0 | No | External body will be engaged if the transaction value exceeds certain threshold. No recommendations for improvement. The World Bank needs to be notified in order to report these reforms in its next Report. |
| **3. Extent of director liability index (0-10)** | **6/10** | | **Problem description** |
| Are the shareholders in the possession of 10% of equity of a public joint-stock company, able to directly or indirectly initiate a lawsuit for the damage caused by the buyer-seller transaction? (0-1) | 1 | Yes | No recommendations for improvement. |
| Are the shareholders of a public joint-stock company able to request damages on account of a transaction that involved a director having personal interest in the specific transaction? (0-2) | 1 | Yes, provided that the damage was caused due to negligence or impact on the decision. | No recommendations for improvement. |
| Are the shareholders of a public joint-stock company able to hold liable the members of competent body for approving a transaction, if the company suffers damage by such transaction? (0-2) | 1 | Yes, provided that the damage was caused due to negligence or impact on the decision. | No recommendations for improvement. |
| Does the director having personal interest have to pay the damages caused to the company after a successful lawsuit by shareholders? (0-1) | 1 | Yes | No recommendations for improvement. |
| Does the director having personal interest have to repay the gains after a successful lawsuit by shareholders? (0-1) | 1 | Yes | No recommendations for improvement. |
| Can a director be dismissed after the successful lawsuit? (0-1) | 0 | No | No recommendations for improvement.  Other than the possibility to be dismissed, the director must not be appointed for another year to a managerial position.  The World Bank needs to be notified in order to report these reforms in its next Report. |
| Can a court annul a transaction after the successful lawsuit? (0-2) | 1 | Yes, provided that the damage has been caused by negligence or an influence on the decision. | No recommendations for improvement. |
| **4. Ease of shareholder suits index (0-10)** | **5/10** | | **Problem description** |
| Are the shareholders owning 10% of the share capital allowed to inspect the transaction documents before filing a lawsuit? (0-1) | 1 | Yes |  |
| Is a plaintiff allowed to obtain any documents from the defendant and witnesses in during the trial? (0-3) | 1 | The documents that the defendant referred to | No recommendations for improvement. |
| Is a plaintiff allowed to request categories of relevant documents from the defendant without specifically identifying the required documents? (0-1) | 0 | No | No recommendations for improvement. |
| Is the plaintiff allowed do directly examine the defendant and the whiteness during a trial? (0-2) | 2 | Yes | No recommendations for improvement. |
| Is the level of evidence required for a civil suit lower than that required in the criminal case? (0-1) | 0 | No | No recommendations for improvement. |
| Is the shareholder that lodges a lawsuit recover the costs of trial from the company? (0-2) | 1 | Yes, where successful | No recommendations for improvement. |
| **5. Extent of ownership management index (0-10)** | **6.3** | | **This index is the average value of the Extent of shareholder rights index (6), Governance structure strength index (6) and Extent of corporate transparency index (7).** |
| **6. Extent of shareholder rights index**  **(0-10)** | **6/10** | | **Problem description** |
| Does the sale of 51% of public joint-stock company require approval of shareholders? | 1 | Yes | No recommendations for improvement. |
| Are the shareholders who own 10 % of public joint-stock company equity able to call an extraordinary meeting of shareholders? | 1 | Yes | No recommendations for improvement. |
| Does the public joint-stock company have to obtain the approval of its shareholder upon each issuance of new shares? | 0 | No | The Law on Companies has set forth that the general meeting has to approve any issuing of new shares. The World Bank needs to be notified in order to make a respective adjustment in its next Report. |
| Do all shareholders of a public joint-stock company directly obtain the pre-emption right to buy new shares? | 1 | Yes | No recommendations for improvement. |
| Do the shareholders have to approve the appointment and dismissal of an external auditor? | 1 | Yes | No recommendations for improvement. |
| Is the change of voting rights (in a public joint-stock company) relating to a certain class of shares only possible if approved by the holders of such shares? | 1 | Yes | No recommendations for improvement. |
| In the case of a limited liability company, does the sale of 51% of share require the approval of company members? | 1 | Yes | No recommendations for improvement. |
| In the case of a limited liability company, are the company members who own 10 % of shares able to call an extraordinary meeting of members? | 0 | No | No recommendations for improvement.  The World Bank needs to be notified in order to report these reforms in its next Report. |
| In the case of a limited liability company, do all members have to agree to add a new member? | 0 | No | No recommendations for improvement. |
| In the case of a limited liability company, do all company members directly obtain the pre-emption right to buy new shares? | 0 | No | Article 161 of the Law on Companies lays down that the company members have the pre-emptive right to buy shares to be assigned to a third party, unless such right has been revoked by the Memorandum of Association or by a law. In this respect, it is not clear why the answer is “No“. The World Bank should be notified about the relevant articles of the law evidencing this. |
| **7. Extent of ownership and control index**  **(0-10)** | **7/10** | | **Problem description** |
| Is the CEO prohibited to also discharge the role of Chair of the Board of Directors? | 1 | Yes | No recommendations for improvement. |
| Does the Board of Directors have to include independent members as well? | 1 | Yes, for the listed companies | No recommendations for improvement. |
| Are the shareholders allowed to remove the members of Executive committee without cause, before the expiry of their term of office? | 1 | Yes | No recommendations for improvement. |
| Does the company have to have an independent audit committee? | 1 | Yes | No recommendations for improvement. |
| Does the potential buyer have to make a call for all shareholders after having obtained 50% of shares in the company? | 1 | Yes | No recommendations for improvement. |
| Does the buyer have to pay dividends within a maximum period set out by the law? | 0 | No | The Law on amendments to the Law on Companies (“Official Gazette of RS” no. 44/18) introduced the deadline for the payment of dividends in the case of a joint stock company. The World Bank needs to be notified in order to report these reforms in its next Report. |
| Are the subsidiaries prohibited to acquire shares issued by its parent company? | 1 | Yes | No recommendations for improvement. |
| In the case of a limited liability company, does a buyer have to have a mechanism for solving any misunderstandings between the members? | 1 | Yes | No recommendations for improvement. |
| In the case of a limited liability company, does a potential buyer have to pay out the dividends in keeping with the prescribed deadline? | 0 | No | The Law on amendments to the Law on Companies (“Official Gazette of RS” no. 44/18) introduced the deadline for the payment of dividends in the case of a Ltd company. The World Bank needs to be notified in order to report these reforms in its next Report.  No recommendations for improvement |
| In the case of a limited liability company, does a buyer have to call the other owners for the acquisition of shares after having acquired 50% of shares in a company? | 0 | No | No recommendations for improvement |
| **8. Extent of corporate transparency index (0-10)** | **6/10** | | **Problem description** |
| Do the ownership stakes of a public joint-stock company representing 5% have to be disclosed? | 1 | Yes | No recommendations for improvement. |
| Do, in the case of a public joint-stock company, information about other functions of Board of Directors members and primary employment information have to be available? | 0 | No | No recommendations for improvement.  Information about the management and members of governance bodies are still not transparent in terms of their salaries and other remunerations, they are not disclosed nor available to third parties, such as potential buyers  It is necessary to conduct analysis to verify whether it is desirable to introduce the obligation to disclose additional information about the members of governance bodies, such as fees and provide appropriate recommendations. |
| Do the fees of individual managers of the public joint-stock companies need to be disclosed? | 0 | No |
| Does the detailed notice of general meeting have to be sent 21 days prior to such meeting? | 1 | Yes | No recommendations for improvement. |
| Are the shareholders representing 5% of ownership allowed to propose items of the general meeting agenda? | 1 | Yes | No recommendations for improvement. |
| Do, in the case of a public joint-stock company, annual financial statements have to be audited by an external auditor? | 1 | Yes | No recommendations for improvement. |
| Do the audit reports of a public joint-stock company have to be disclosed and made publicly available? | 1 | Yes | No recommendations for improvement. |
| In the case of a limited liability company, do the members have to meet once a year as a minimum? | 1 | Yes | No recommendations for improvement. |
| In the case of a limited liability company, are the shareholders representing 5% of ownership allowed to propose items of the general meeting agenda? | 0 | No | No recommendations for improvement. |
| In the case of a limited liability company, do the annual financial statements have to be audited by an external auditor? | 0 | No | The mandatory external audit must be ensured for the Ltd. Without limitation with regard to revenue, in order to reach maximum points.  The World Bank should be notified that the Law on Audit (“Official Gazette of RS”, no. 62/13 and 30/18) lays down the obligatory external audit for all legal entities having the annual revenue of more than EUR 4.400.000 in dinar equivalent. |

## 7. Paying taxes

*Table 12: Problem description relating to Paying taxes following the methodology and case study of the World Bank*

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Tax or compulsory contribution** | **No. of payments** | **Notes on payments** | **Time (hours)** | **Tax rate** | **Tax base** | **Total tax rate (% of profit)** | **Notes on ТТР** | **Problem description** |
| Social insurance – employer | 1 | online | 103 | 17.90% | Gross salary | 20.19 |  | The Law on Amendments to the Law on Compulsory Social Insurance Contributions (“Official Gazette of RS” no. 95/18), laid down the reduced rates of contribution for cases of unemployment from 1.5 to 0.75% (this provision has been implemented as of January 1st 2019). This means that the aggregate rate for calculating the contributions paid by the employer has been reduced from 17.90% to 17,15%.  No comments nor recommendations for improvement. |
| Profit tax | 1 | online | 37.5 | 15% | Taxable gains | 12.99 |  | **Issue no. 1:** Review reduction of taxes based on investment into fixed assets. |
| Tax to transfer of absolute rights | 1 |  |  | 2.50% | Selling price | 1.52 |  | Procedure has been optimized, no recommendations for improvement. |
| Property tax | 4 |  | 0 | 0.40% | Value of assets | 1.86 |  | The number of payments is 4, as the law has laid down that there is one tax liability paid in 4 instalments. According to the Doing Business methodology, the number of payments is increasing, although this is a relief for the economy, rather than an aggravating element. These procedures can be reduced to one payment if the possibility of electronic payment is introduced. It is stipulated that this liability can be paid in fewer instalments than legally prescribed, including the one-off payment of a fixed tax until the maturity of the tax liability in each quarter. This option is seen in practice. The rate of property tax is determined by the assemblies of each local self-government units and the real estate of taxpayers who keep books in accordance with the regulations of the Republic of Serbia, it may reach up to 0.40% (i.e. less than 0.40% or 0.40%). |
| Ecology fee | 1 |  |  | RSD 306 | Ton of waste | 0.03 |  | According to the Law on Charges for Usage of Public Goods (“Official Gazette of RS” no. 95/18) no ecology fee has been prescribed, that used to be charged in the amount of RSD 306 per ton of waste.  No recommendations for improvement. |
| Fee for protection and enhancement of environment | 12 |  |  | RSD 2.64 | Sq. meter of business premises | 0.01 |  | According to the Law on Charges, no ecology fee has been prescribed, that used to be charged as the fee for protection and enhancement of environment, to the base that took into account the space of real estate in square meters. Please note that this law laid down the base for running a business activity is the quantity of pollution and/or degree of adverse impact on environment due to business operations that affect the environment. It is necessary to adopt a Decree on the method of establishing the fee, following the principle of the “pollutant pays“  and monitor its implementation in practise. |
| Other municipal charges (other legally prescribed charges) | 12 |  |  | Changeable | Diverse | 0 | Small amount | It is necessary to identify the purpose of these charges and amend the Law on Financing of Local Self-Governments (“Official Gazette of RS”, no. 62/06, 47/11, 93/12, 83/16, 104/16 - state law and 95/18 – state law) in order to unify the payment or eliminate the charge. The number of payments could be unified into one provided that the electronic payment is introduced. |
| Contributions for social insurance of employees | 0 | Integrated payment |  | 19.9% | Gross salaries | 0 | withholding | This procedure has been optimized, there are no remarks, nor recommendations for improvement. |
| Value Added Tax | 1 | online | 85 | 20% | Added value | 0 | Not included | This procedure has been optimized, there are no remarks, nor recommendations for improvement. |
| TOTAL | 33 |  | 225.5 |  |  | 36.6 |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **VAT REFUND TIME INDEX** | | | |
| **VAT refund time index** | **Answer** | **Index** | **Problem description** |
| **VAT refund speed (0-100)** | | **91.09** |  |
| VAT refund | |  |  |
| Is there a VAT? | Yes |  |  |
| Is there a VAT refund process for the case study? | Yes |  |  |
| Limitations in the VAT refund process | none |  |  |
| Probability of revision (tax control) of requests for VAT refund (%) | 75% - 100% |  |  |
| Is there an obligatory timeframe prior to filing a request for VAT refund? | No |  |  |
| Time required for filing a request for VAT refund (hours) | 4.0 | 92.0 |  |
| Time required for VAT refund (weeks) | 14.7 | 77.86 |  |
| **Profit tax –revision (tax control)** | |  |  |
| Is there a corporate profit tax? | Yes |  |  |
| Probability of revision (verification) of income tax | 0% - 24% |  |  |
| Time required for a company to adjust to the profit tax revision (hours) | 4.5 | 94.5 |  |
| Time required for Profit Tax revision (weeks) | No tax audit for the case study script | 100.0 |  |

## Trading across borders

*Table 13: Problem description in the area of cross border trading, following the methodology and case study of the World Bank*

|  |  |  |
| --- | --- | --- |
| **Indicator** | **Value** | **Problem description** |
| Export time: crossing the BCP  (in hours) | 4 | Accession to the Convention on the common transit procedure enables the application of a common transit procedure following the NCTS principles and the submission of an electronic transit document for transit procedures conducted between the countries of the EU, EFTA, the Republic of Turkey and the Republic of Northern Macedonia.  In June 2015, the National Parliament ratified the conventions allowing the introduction of the procedure, and the operational implementation of this system started on 1 February, 2016.    The full implementation of the NCTS procedure has resulted in the reduced time of keeping at the border to perform customs formalities. |
| Export costs: crossing the BCP (USD) | 47 |
| Export time: obtaining documents (in hours) | 2 |
| Export costs: obtaining documents (USD) | 35 |
| Import time: crossing the BCP (in hours) | 4 |
| Import costs: crossing the BCP (USD) | 52 |
| Import time: obtaining documents (in hours) | 3 |
| Import costs: obtaining documents (USD) | 35 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Export documents** | | **Import documents** | | **Problem description** |
| 1. | Convention des Merchandises Routers – CMR | 1. | Convention des Merchandises Routers – CMR | In June 2015, the National Parliament adopted the Law on the Ratification of the Convention on the Common Transit Procedure ("Official Gazette of the Republic of Serbia", No. 13/15), allowing for the introduction of the procedure on the NCTS principles, which includes a single electronic transit document for transiting between the countries of EU, EFTA, the Republic of Turkey and the Republic of Northern Macedonia, and reduces the time of delays at the border for performing customs formalities. |
| 2. | Commercial invoice (5 copies) | 2. | Customs import declaration |
| 3. | Customs export declaration | 3. | Transit document |
| 4. | Transit document (T1) | 4. | EUR 1 Form |
| 5. | EUR 1 Form | 5. | Commercial invoice |
| 6. | Packing List | 6. | Packing List |
| 7. | Parking Receipts | 7. | Parking Receipts |

## Enforcing contracts

*Table 14: Problem description in the area of enforcing contracts following the methodology and case study of the World Bank*

|  |  |  |
| --- | --- | --- |
| **Procedure** | **Duration** | **Problem description** |
| Initiating of enforcement procedure | 30 days | Based on the data collected from the representatives of the business community and the contributor, it was established that these procedures for initiating the process was time consuming in reality. **It is necessary to reduce the number of days to complete this procedure.** |
| Trial and judgement | 495 days | **Issue no. 1:** Based on the data presented by the representatives of the Ministry of Justice, it was concluded that the problem of compliance with legal deadlines in the implementation of court proceedings is partially caused by the insufficient capacity of courts (lack of employees, insufficient technical equipment, overloading with a large number of cases, lack of professional development plan for employees). Therefore, it is necessary to introduce measures for improving the capacity of the courts.  **Issue no. 2:** Based on data obtained from the contributor (attorney), it was established that the duration of the preparatory hearings in practice is much longer than the maximum deadline prescribed by the Civil Procedure Law ("Official Gazette of RS", No. 72/11, 49/13 -US, 74/13-US, 55/14 and 87/18) (30 days from the day when the plaintiff received the answer to the lawsuit or expiry of the deadline for submitting an answer to the complaint).  **Issue no. 3:** The fee for filing a proposal to introduce an injunction has been prescribed by the Law on Court Fees ("Official Gazette of RS", No. 28/94, 53/95, 16/97, 34/01-state law, 9/02, 29/04, 61/05, 116/08-state law, 31/09, 101/11, 93/12, 93/14, 106/15 and 95/18) laying down an amount that is too high, which discourages the enforcement creditors to seek their imposition and therefore additionally affects the percentage collected claims.  **Issue no. 4:** Based on the insight into the deadlines for submission of court decisions after the completion of proceedings, presented by the contributors, it was noted that the courts almost never abide by the legal deadline for delivering a judgment after the disclosure (8 days and 15 days in more complex cases).  **Issue no. 5:** Court decisions are only submitted to the parties to the proceedings and they are not publicly available while providing an insight to all interested parties, would improve transparency of court proceedings and enable uniform treatment among the courts.  **Issue no. 6:** In proceedings managed upon the appeals against decisions of first instance courts, the exchange of documents between the first instance and the higher court takes too long, causing the prolongation of the proceedings. |
| Judgement enforcing | 110 days | **Issue no. 1:** According to the Law on Enforcement and Security Proceedings ("Official Gazette of RS", No. 106/15, 106/16-authentic interpretation and 113/17-authentic interpretation), an objection based on a draft as a credible document does not stay enforcement, and in practice as a rule, the proceedings are suspended and the parties are referred to a lawsuit, which contributes to the unnecessary prolongation of the enforcement proceedings.  **Issue no. 2:** The provisions of the Law on Enforcement and Security Proceedings set forth the unconscientious work of a judge only in case of a failure to act within the deadlines prescribed by law, which arbitrarily limits the scope of cases in which the judge's unconscious work should be taken into consideration.  **Issue no. 3:** Much effort has been done to appoint all public enforcement officers throughout territory of the Republic of Serbia, including the adoption of the Rulebook on Initial Training for Public Enforcement Officers ("Official Gazette of RS" No. 29/18). In order to completely eliminate this problem, it is necessary that the Minister of Justice appoints all public enforcement officers, once all preconditions are met.  **Issue no. 4:** The current procedure for service of process (through mail) is not adequate from the point of view of expeditiousness, since such delivery is done exclusively during working hours (when recipients are not at the address of residence or place of residence), and as a rule, it is necessary to attempt such delivery more than once, which causes unnecessary prolongation of proceedings.  **Issue no. 5:** More than three judges decide on complaints and appeals in the enforcement proceedings. The length of the enforcement procedure and the speed of settlement of creditors is affected by the fact that judges usually interrupt the enforcement procedure after introducing the legal remedy and in the event that the remedy does not postpone the enforcement (enforcement based on the bill of exchange or utility services). Judges do not reject any legal remedies even if they do not have all the elements prescribed by law, so the cases from enforcement are sent for the lawsuit, although they are not supported nor accompanied by any evidence that would justify a legal remedy, whereas the creditor is obliged to conduct a lawsuit in order to prove its right presented in an enforceable or valid document and only after that to resume the enforcement. |
| Costs (% of property value) | **40.8** |  |
| Legal fees (% of property value) | 14.5 | A functional analysis of the World Bank made in October 2014 pointed to problems in the way the bar fee has been structured, due to which the adoption of a new tariff was recommended, to comply with European standards. |
| Court fees (% of property value) | 13.9 | Costs have been adequately structured, there are no proposals for any improvements or enhancements. |
| Enforcement costs  (% of property value) | 12.4 | **Issue no. 1**: In cases where the creditor proposes the enforcement procedure through a public enforcement officer, it shall pay court fees to initiate this procedure, set up as a percentage of the claim value, as well as the fee and remuneration for the work of the public enforcement officer, as provided by the Public Enforcement Tariff ("Official Gazette of RS" No. 59/16) . This makes the creditor initiating the enforcement unreasonably burdened with the excess amount to be paid for conducting the enforcement through a public enforcement officer. |

|  |  |  |  |
| --- | --- | --- | --- |
| **QUALITY OF JUDICIAL PROCESS INDEX** | | | |
| **Quality of judicial process index**  **(0-18)** | **13** |  | |
| **Question** | **Answer** | **Score** | **Problem description** |
| **Court structure and proceedings index (0-5)** | **5** | |  |
| Is there a court or a judicial council exclusively dealing with court disputes? | Yes | 1.5 | . |
| Small claims court |  | 1.5 |  |
| Is there a small claims court in place? | Yes |  |  |
| If yes, is it possible that the party represents itself in such dispute? | Yes |  |  |
| Is it possible to seek the pretrial attachment? | Yes | 1.0 |  |
| Are the new cases allocated to judges randomly? | Yes | 1.0 |  |
| Does a woman’s testimony carry the same evidentiary weight in court as a man’s? | Yes | 0.0 |  |
| **Case management index (0-6)** | **4,5** | |  |
| Timeline standards |  | 1.0 |  |
| Are there any laws defining the overall deadlines for hearings in a litigation proceedings? | Yes |  |  |
| If yes, have there been deadlines determined for minimum three hearings? | Yes |  |  |
| Are the deadlines complied with in more than 50 % of cases? | Yes |  |  |
| Adjournment |  | 0.5 |  |
| Does the law prescribe the maximum number of permitted adjournments? | No |  |  |
| Are these adjournments limited to unpredicted and extraordinary circumstances? | Yes |  |  |
| If the provisions about adjournments exist, are they complied with in more than 50 % of cases? | Yes |  |  |
| Can two of the following four reports be generated by the competent court?: (i) a report on the duration of the proceedings until the delivery of a final judgment; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report? | Yes | 1.0 |  |
| Is the competent court able to summon the pretrial procedure? | Yes | 1.0 |  |
| Are there any electronic case management tools in place within the competent court for use by judges? | Yes | 1.0 |  |
| Are there any electronic case management tools in place within the competent court for use by lawyers? | No | 0.0 |  |
| **Court automation (0-4)** | **1.5** | |  |
| Can the initial complaint be filed electronically through a dedicated platform within the competent court? | No | 0.0 |  |
| Is it possible to conduct the process electronically for claims filed before the competent court? | No | 0.0 |  |
| Can court fees be paid electronically within the competent court? | Yes | 1.0 |  |
| Publication of judgements |  | 0.5 |  |
| Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website? | No |  |  |
| Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website? | Yes |  |  |
| **Alternative dispute resolution (0-3)** | **2** | |  |
| Arbitration |  | 1 |  |
| Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects? | Yes |  |  |
| Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration? | Yes |  |  |
| Are valid arbitration clauses or agreements usually enforced by the courts? | Yes |  |  |
| **Mediation/Conciliation** | **1.0** | |  |
| Is voluntary mediation or conciliation available? | Yes |  |  |
| Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects? | Yes |  |  |
| Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)? | No |  | The Law on Amendments to the Law on Court Fees (“Official Gazette of RS” no. 95/18) laid down the the parties are released from payment of fees if the litigation is finalized by the date of concluding the first hearing for main trial by mediation, court settlement, recognition of the plaintiff’s claim or renouncing the claim.  The World Bank and the contributors should be notified and about the amendments in order to amend the answer. |

## Resolving insolvency

*Table 15: Problem description in this area following the methodology and case study of the World Bank*

|  |  |  |  |
| --- | --- | --- | --- |
| **STRENGTH OF INSOLVENCY FRAMEWORK INDEX** | | | |
| **Strength of insolvency framework index (0-16)** | **13,5** | |  |
| **Question** | **Answer** | **Score** | **Problem description** |
| **Commencement of proceedings index**  **(0-3)** | **2,5** | |  |
| What procedures are available to a debtor when commencing insolvency proceedings? | (a) Debtor may file for both bankruptcy and reorganization | 1 |  |
| Does the insolvency framework allow a creditor to file for insolvency of the debtor? | (b) Yes, but a creditor may file for liquidation only | 0,5 | The answer is not well translated into the report because the liquidation is defined by the Law on Companies and represents a completely different procedure. Article 55 of the Bankruptcy Law ("Official Gazette of RS", No. 104/09, 99/11 - state law, 71/12 - CS, 83/14, 113/17, 44/18 and 95/18) prescribes that the bankruptcy proceedings are initiated at the proposal of the creditor, the debtor and the liquidation manager. |
| What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? | (c) Both (a) and (b) options are available, but only one of them needs to be complied with | 1 |  |
| **Management of debtor’s assets index (0-6)** | **6** | | **Problem description** |
| Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor? | Yes | 1 |  |
| Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts? | Yes | 1 |  |
| Does the insolvency framework allow avoidance of preferential transactions? | Yes | 1 |  |
| Does the insolvency framework allow avoidance of undervalued transactions? | Yes | 1 |  |
| Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings? | Yes | 1 |  |
| Does the insolvency framework assign priority to post-commencement credit? | (б) Yes over ordinary unprivileged creditors but not over privileged creditors | 1 |  |
| **Reorganization proceedings index (0-3)** | **3** | | **Problem description** |
| Which creditors vote on the proposed reorganization plan? | б) Only creditors whose rights are affected by the proposed plan | 1 |  |
| Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation? | Yes | 1 |  |
| Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally? | Yes | 1 |  |
| **Creditor participation index (0-4)** | **2** | | **Problem description** |
| Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative? | No | 0 | In the Republic of Serbia, the legal framework is such that the bankruptcy administrator is appointed on the basis of a random election, and on the proposal of the Creditors’ Committee, the bankruptcy judge discharges and at the same time appoints a new bankruptcy administrator (quarterly majority) - Article 32, paragraph 3 of the Bankruptcy Law. The Law on Amendments to the Law on Bankruptcy ("Official Gazette", No. 113/17) stipulates that the Creditors’ Committee does not have to respect any deadlines and submit explanations if it wishes to replace the administrator.  The National Parliament adopted the Law on Amendments to the Law on Bankruptcy ("Official Gazette of RS" No. 95/18). Article 20 was amended by introducing an exception in respect of the method of selecting a bankruptcy administrator and it is envisaged that a bankruptcy judge, when selecting a bankruptcy administrator, considers the proposal of the creditor to appoint a bankruptcy administrator, if the bankruptcy procedure is initiated at the proposal of the creditor and if it contains a proposal for appointment of a bankruptcy administrator. Furthermore, by amending Article 32, paragraph 3 of the Bankruptcy Law, by prescribing that the Creditors’ Committee, and upon completion of the examination hearing, influences the election of the Bankruptcy Administrator. Amendments to Art. 35 and 56 of the Law, have enabled the creditor to also propose a bankruptcy administrator from the list of active bankruptcy administrators along with the proposal for initiating the bankruptcy proceeding, for the area of the competent court jurisdiction.  No recommendations for improvement. Implementation needs to be monitored. |
| Does the insolvency framework require approval by the creditors for sale of assets of the debtor? | Yes | 1 | Depends on the method of sale. When the sale is conducted under the auction and sold by public bidding, no approval is required, whereas when the sale is conducted by a direct agreement, the approval of creditors is required. |
| Does the insolvency framework provide that a creditor has the right to request information from the bankruptcy administrator? | No | 0 | The Law on Amendments to the Law on Bankruptcy ("Official Gazette of the Republic of Serbia" No. 95/18), Article 10 of the Law was supplemented with paragraph 2, which specifically entitles all creditors to request and receive from the bankruptcy administrator all information that refer to the bankruptcy debtor, on the course of the bankruptcy proceedings and on the property and management of the assets of the bankruptcy debtor. In this way, every bankruptcy creditor, irrespective of the amount of its claim, was given the opportunity to be informed about the current financial standing of the bankruptcy debtor. On the other hand, if the bankruptcy administrator fails to act accordingly, the protection is ensured by way of the provisions on disciplinary liability of the bankruptcy administrators. The adopted amendments provide for an improved transparency in the exchange of data between the bankruptcy administrator and the creditor.    No recommendations for improvement. Implementation needs to be monitored. |
| Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims? | Yes | 1 |  |

## Final provisions

The Action Plan for Improving the Republic of Serbia’s Ranking on the World Bank Doing Business List in the period 2019-2020, constitutes the integral part of this document.

This Program shall be published on the webpage of the Government, at the e-Governance portal and the website of the Ministry of Construction, Traffic and Infrastructure.

This Program shall be published in the “Official Gazette of the Republic of Serbia”.

05 No.: 48-2319/2019-2

Belgrade, 14 March 2019

GOVERNMENT

PRIME MINISTER

Ana Brnabić, sgd.

**Action Plan for Improving the Republic of Serbia’s Ranking on the World Bank Doing Business List in the period 2019-2020**

|  |  |  |  |
| --- | --- | --- | --- |
| **OBJECTIVE:** | **IMPROVING CONDITIONS FOR DOING BUSINESS** | | |
| Previously related document JP | PROGRAM FOR IMPROVING THE REPUBLIC OF SERBIA’S RANKING ON THE WORLD BANK DOING BUSINESS LIST IN THE PERIOD 2019-2020 | | |
| Objective Indicator: Improvement of the Republic of Serbia ranking on the *Doing Business* list | | Base year: 2018 (World Bank Report on *Doing Business for the year 2019*) | Year: 2019, 2020 |
| Value: Ranking 40 | Value: Ranking 32 (2019, DB 2020); Ranking 30 (2020, DB 2021) |
| Source of verification: | | World Bank Report on *Doing Business for the years 2020 and 2021* | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Goal 1: | | | Improving efficiency and procedures for the incorporation of companies | | | | | | | | | | | |
| Goal achievement indicators: Number of days, cost, number of procedures | | | Base year: 2018 (World Bank Report on *Doing Business for the year 2019*) | | | | | | | | Year of implementing the goal: 2019, 2020 | | | |
| Value: 5,5 days, 2.2 cost (% of GDP), 5 procedures | | | | | | | | Value: 4,5 days, 1,8 cost (% of GDP), 4 procedures | | | |
| Source of verification: | | | World Bank Report on *Doing Business for the years 2020 and 2021* | | | | | | | | | | | |
| **Action 1.1: Alignment and reduction of costs relating to the company incorporation process** | | | | | | | | | | | | | | |
| Outcome indicator: Cost of incorporating a company (expressed in percentages relative to the GDP per capita) | | | | | | | | | | | | | | |
| Base (initial) value: 5,5 days, 2.2 cost (% of GDP), 5 procedure | | | | | | | Target value: value: 4,5 days, 1,8 cost (% of GDP), 4 procedures | | | | | | | |
| Source of verification: World Bank Report on Doing Business for the years2020 and 2021 | | | | | | | | | | | | | | |
| Type of action  (R, F, IUO, IE) | | Institution responsible for the action implementation | | Implementation partners | | Budget– Program budget line | | | International Assistance instrument | | | | Legal framework of the action implementation | Action implementation deadline |
| Р | | Ministry of Economy, Ministry of Finance, Business Registers Agency (hereinafter: APR) | | Ministry of Justice, Ministry of Economy, Ministry of Finance, APR, National Bank of Serbia (hereinafter: the NBS), Ministry of Trade, Tourism and Telecommunications, Association of Serbian Banks (hereinafter: ASB), Office for Information Technologies and E-Government (hereinafter: KITEU),  Delivery Unit, Joint Group, NALED | | Regular budget funds | | |  | | | | Law on Companies, Law on the Procedure of Registration with the Business Registers Agency,  Rulebook on the Content of Company Register and Documents Required for Registration, Decision on Detailed Conditions and Manner of Opening, Maintaining and Closing of Current Accounts | 2019, 2020 |
| Operating activities | Institution responsible for the action implementation | | | | Implementation partners | Implementation indicator | | Sources of verification | | | | Relevant Negotiating Chapter | | Implementation deadline |
| 1.1.1 Implementation of legal opportunity to incorporate companies using the certified signature on the Incorporation Act by applying for the qualified e-signature | Ministry of Economy | | | | APR | Introduction of technical capacities to electronically incorporate multi member companies | | Report on the work of the Joint Group  Official Gazette of RS  APR Report | | | | - | | 2nd Quarter of 2019 |
| 1.1.2. Enable electronic submission of registration application to incorporate multi-member companies filed with the APR | APR | | | | Ministry of Economy, Joint Group,  Delivery Unit | Implemented electronic system  Enabled registration | | APR Webpage  Official Gazette of RS  APR Report | | | | - | | 2nd Quarter of 2019 |
| 1.1.3. Perform an analysis of the legal and software capacities of software integration of e-registration for the foundation of companies and the records of beneficial owners under one procedure with recommendations for the implementation | Ministry of Economy | | | | APR | Analysis with recommendations completed | | Report on activities of the Ministry of Economy and the Joint Group | | | |  | | 4th Quarter of 2019 |
| 1.1.4. Elimination of the use of seal | Ministry of Economy | | | | KITEU,  Ministry of Finance,  Joint Group,  NBS, NALED | All forms requesting the use of seal changed, AP of the Government implemented | | | | Contact Centre of the Government for support to abolition of seals | |  | | 1st Quarter of 2019 |
| 1.1.5. Accelerate the procedure of opening the bank account and enabling electronic exchange of documents between APR and the banks | Ministry of Finance | | | | Ministry of Economy, NBS, APR, Bank Association of Serbia | Amended Regulations laying down the prevention of money laundering and terrorist financing in order to optimize the process of opening the accounts, primarily when the account is opened on behalf of a company whose owners are exclusively nationals- natural persons | | | | Official Gazette of RS | | - | | 2nd Quarter of 2019 |
| 1.1.6. Make the records required for fulfilling the preconditions for the registration of companies, available to the public. | APR | | | | The competent authorities issuing permits, consents and acts that represent the precondition for registration of economic entities, institutions that have not enabled public access to the data from their official records, and institutions that keep official records for data which by their nature ca not be publicly disclosed, enable the authorities to inspect them through the e-Government Information System (е-ZUP) | Records made available to APR | | | | Websites of Ministries and special organizations,  APR and Joint Group Report | |  | | 4th Quarter of 2019 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Goal 2: | | | Accelerated issuance of construction permits by introducing the electronic system (from location requirements to real estate registration in the land registry) | | | | | | |
| Goal achievement indicator:  Number of days, cost, number of procedures | | | Base year: 2018 (World Bank Report on *Doing Business for the year 2019*) | | | | Year of implemented goal: 2019, 2020 | | |
| Value: 106 days, 1,7 cost (% warehouse value), 11 procedure, quality control index 14 | | | | Value: 100 days, 1,5 cost (% warehouse value), 10 procedure, quality control index 15 | | |
| Verification source: | | | World Bank Report on Doing Business for the years 2020, 2021 | | | | | | |
| **Action 2.1: Accelerated issuance of construction permits by introducing the electronic system (from location requirements to real estate registration in the land registry)** | | | | | | | | | |
| Outcome indicator: Number of days required for obtaining the permits | | | | | | | | | |
| Base (initial) value: 106 | | | Target value: 100 | | | | | | |
| Verification source: World Bank Report on Doing Business for the years – 2020 and 2021 | | | | | | | | | |
| Type of action  (R, F, IUO, IE) | Institution responsible for the action implementation | | Implementation partners | Budget – Program budget line | | International Assistance instrument | | Legal framework underlying the action | Implementation deadline |
| Р | MCTI | | RGZ, APR, NALED, Secretariat for Urban Planning and Construction, holders of public authority, City of Belgrade | Regular budget funds | |  | |  | 2019 |
| Operating activities | Institution responsible for the action implementation | | Implementation partners | Implementation indicator | | Sources of verification | | Relevant Negotiating Chapter | Implementation deadline |
| 2.1.1. Improvement of Software in line with the requirements of the integrated procedure | MCTI | | APR, NALED | Enhanced software version developed | | Report with the enhancement overview | | - | 4th Quarter of 2019 |
| 2.1.2. Enabling electronic exchange of data between two software – connecting of APR with real estate cadastre | MCTI | | RGZ, APR, NALED | Introduced communication between two software (RGZ and APR) | | Installed appropriate software, sites [www.apr.gov.rs](http://www.apr.gov.rs) and [www.rgz.gov.rs](http://www.rgz.gov.rs), Report on the work of Joint Group | | - | 4th Quarter of 2019 |
| 2.1.3. Shorten the time for issuing the location requirements | MCTI | | RGZ, APR,  NALED, Secretariat for Urban Planning and Construction, holders of public authority, City of Belgrade | Signed Agreement between the City of Belgrade and holders of public authority; Enhanced acting of the  Secretariat for Urban Planning and Construction City of Belgrade; Upgrading the Software of central integrated procedure records | | Reports of MCTI and NALED | |  | 4th Quarter of 2019 |
| 2.1.4. Conduct an analysis on the elimination of parafiscal charges in procedures for obtaining conditions by the holder of public authorizations for design and connections | MCTI | | NALED, Joint Group | Analysis with recommendations completed | | Work report of MCTI and the Joint Group | |  | 4th Quarter of 2019 |
| Goal 3: | | | Introduction of tools for efficient connecting to the electrical grid according to the actual connection costs | | | | | | |
| Goal achievement indicator: number of days, cost, number of procedures | | | Base year: 2018 (World Bank Report on *Doing Business for the year 2019*) | | | | Year of implemented goal: 2019, 2020 | | |
| Value: 125 days, 212.1 % GDP per capita, 5 procedures | | | | Value: 93-97 days, 180% GDP per capita, 4 procedures, with additional effort to achieve three procedures | | |
| Verification source: | | | World Bank Report on Doing Business for the years  *2020 and 2021* | | | | | | |
| **Action 3.1: Establishing the tools for efficient connecting to electricity grid, according to the actual connection costs** | | | | | | | | | |
| Outcome indicator: Number of days required for connection, number of procedures | | | | | | | | | |
| Base (initial) value: 125 days, 5 procedure | | | | | Target value: 93-97 days, 4 procedures, with additional effort to achieve three procedures | | | | |
| Verification source: World Bank Report on Doing Business for the years 2020 и 2021 | | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | | Implementation partners | Budget – Program budget line | | International Assistance instrument | | Legal framework underlying the action | Implementation deadline |
| ИУО | Ministry of Mining and Energy (hereinafter: МРЕ),  MCTI ,  City of Belgrade | | MCTI , МРЕ, City of Belgrade, PE “EPS”, DSO, APR, АЕРС, NALED, | Regular budget funds | | - | | Law on Energy,  Law on Planning and Construction,  Rulebook on the procedure for the implementation of integrated procedures using electronic system,  Rulebook on content, method and procedure for the preparation and method of control of technical documentation in keeping with the classes and designation of buildings | 2019. |
| Operating activities | Institution responsible for the action implementation | | Implementation partners | Implementation indicator | | Sources of verification | | Relevant Negotiating Chapter | Implementation deadline |
| 3.1.1. Upgrade the CIS software to enable monitoring of MME statistics and authorities in terms of the duration of the procedure and the cost of the procedure for connecting the object to the DSEE including other statistics | MCTI | | МРЕ, APR, NALED, PE EPS, DSO, АЕРС | Upgrading the CIS software | | Report on upgrading the CIS software | | - | 4th Quarter of 2019 |
| 3.1.2. Ensure better cooperation between the holders of public authority (in mutual cooperation agreements, reducing the deadline for submitting the conditions for matching and parallel management of infrastructure facilities and establishing the obligation of the IJO to submit statistics (quarterly) to the Joint Group regarding terms of delivery of conditions) | | City of Belgrade | MCTI , МРЕ, NALED, PE EPS, DSO, City of Belgrade, holders of public authority, | Agreements signed between the holders of public authority | | Signed agreements, Agreement published on the website of the City of Belgrade MCTI and MME | | - | 1st Quarter of 2019 |
| 3.1.3. Monitoring the implementation of the agreement under 3.1.2. between holders of public authority within the territory of the City of Belgrade and DSO and proposing actions for improvement | | City of Belgrade | МРЕ, PE EPS, DSO, NALED, MCTI | Presentation of statistics regarding the conduct of the holder of public authority in setting up the conditions for matching and parallel management of the DSO | | Quarterly reports to the Joint Group on the average time for submitting conditions for matching and parallel management of holders of public authority | |  | 2nd Quarter of 2019 |
| **Action 3.2: Efficient monitoring of the process of issuing the conditions and connections to electricity grid** | | | | | | | | | |
| Outcome indicator: Number of days required for connection, costs of connections | | | | | | | | | |
| Base (initial) value: 125 days, 212.1 % GDP per capita, 5 procedures | | | | | Target value: 93-97 days, 4 procedures, with additional effort to achieve three procedures | | | | |
| Verification source: World Bank Report on Doing Business for the years 2020 and 2021 | | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | | Implementation partners | Budget – Program budget line | | International Assistance instrument | | Legal framework underlying the action | Implementation deadline |
| ИУО | МРЕ | | PE EPS, АЕРС, NALED, Joint Group | Regular budget funds | | - | | Law on Energy,  Law on Planning and Construction,  Rulebook on the procedure for the implementation of integrated procedures using electronic system,  Rulebook on content, method and procedure for the preparation and method of control of technical documentation in keeping with the classes and designation of buildings | 2019. |
| Operating activities | Institution responsible for the action implementation | | Implementation partners | Implementation indicator | | Sources of verification | | Relevant Negotiating Chapter | Implementation deadline |
| 3.2.1. Regular updating of pricelists used by DSO in making customer connection specification costs | МME | | PE EPS – DSO, АЕРС, NALED | Pricelists published on the DSO website | | Link for the pricelist | | - | 2nd Quarter of 2019  continuing |
| 3.2.2. Aligning the procedure of DSO (IMS quality system) PR-INV-01- Connection of the customer’s building to DSEE with the changed regulations and Rulebooks on implementation of integrated procedures using the electronic system | МME | | PE EPS – DSO | Aligned:  Procedures of DSO (IMS quality system) PR-INV-01- Connection of the customer’s building to DSEE | | DSO Report on activity implementation | | - | 1st Quarter of 2019 |
| 3.2.3. Installation of the single system at the DSO level– OpenDoc within the distribution area of Belgrade | | МРЕ | PE EPS – DSO | Single OpenDoc software installed | | DSO Report on activity implementation | | - | 2nd Quarter of 2019 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Goal 4: | | | | Enhancement of property registration | | | | | | |
| Goal achievement indicator:  Property registration into the land register | | | | Base year: 2018 (World Bank Report on *Doing Business for the year 2019*) | | | | Year of implemented goal: 2019, 2020 | | |
| Value: 21 days, 2.8 % of the value of property, 6 procedures, land administration quality index 18/30 | | | | Value: 5 days, 2,5% value of property, 2 procedures, land administration quality index 26/30 | | |
| Verification source: | | | | World Bank Report on Doing Business for the years  *2020, 2021* | | | | | | |
| **Action 4.1: Reduced time required for property registration** | | | | | | | | | | |
| Outcome indicator: Number of days required for property registration | | | | | | | | | | |
| Base (initial) value: 21 days, 2.8 % of property value, 6 procedure | | | | | | Target value: 5 days, 2,5% of property value, 2 procedures | | | | |
| Verification source: World Bank Report on Doing Business for the years 2018 | | | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | | Implementation partners | | Budget – Program budget line | | International Assistance instrument | | Legal framework underlying the action | Implementation deadline |
| Р | MCTI , Ministry of Justice, RGZ | | NALED, RGZ, Tax Administration (hereinafter: TA), KITEU,  Ministry of Justice, Ministry of Finance, Joint Group, NIGP Council | | Regular budget funds | |  | | Law on State Survey and Cadastre, Law on Cadastre, Law on National Geospatial Data Infrastructure | 2019. |
| Operating activities | Institution responsible for the action implementation | | Implementation partners | | Implementation indicator | | Sources of verification | | Relevant Negotiating Chapter | Implementation deadline |
| 4.1.0. Correction of the practical scope of the application of the Notary Public Tariff based on data from regulations and World Bank practice | Ministry of Justice | | NALED, Joint Group | | Reviewing the amount of Notary Public tariffs by inspecting the Notary Public documents | | Representative sample of Notary Public documents | |  | 1st Quarter of 2019 |
| 4.1.1. To form the inter-sectoral Work Group that would discuss proposed amendments to regulations by a legal analysis | MCTI | | NALED, Ministry of Justice, Joint Group | | Inter-sectoral Work Group formed | | Report on the work of MCTI and the Joint Group | |  | 1st Quarter of 2019 |
| 4.1.2. Enhancement of already established one-stop-shop for the entry into the real estate cadastre, filing a tax return for transfer of absolute rights, property tax return and electronic submission of decisions | | KITEU | MCTI , RGZ, Ministry of Finance, Ministry of Justice, PA, NALED, Chamber of Notaries Public | | Introduced IT system (linking of e-windows, the software for real estate trading, TA, MoI, LPA) in line with the functional specification within the project of enhancing the registration process, altered tax returns, aligned regulations in keeping with the legal analysis | | Report on the work of Joint Group | |  | 2nd Quarter of 2019 |
| 4.1.3. Established application of address registry and the register of spatial units with the central database | | RGZ | MCTI | | System put into operation | | Report on the work of Project Implementation Units (PIU) “Enhancement of land administration | | - | 4th Quarter of 2019 |
| 4.1.4. Established central information system of real estate cadastre, priority comprising of all data from RGZ regional centres in Belgrade and Novi Sad | | RGZ | MCTI | | System put into operation | | Report on the work of Project Implementation Units (PIU) “Enhancement of land administration | | - | 4th Quarter of 2020 |
| 4.1.5. Ensure full support to the implementation of the Law on Cadastre, primarily with respect to submitting the complaints and observing the deadlines | | RGZ | MCTI, Ministry of Justice, Chamber of Notaries Public, Joint Group, NALED, TA | | Statistics of RGZ presented to PA, as the statistics of PIS for acting of notaries public in the process of registration of real estate into the cadastre. Operating task force for cadastre monitors the implementation of the Law on Cadastre and solves open issues from the practise at joint meetings | | Report on the work of Joint Group | |  | 1st Quarter of 2019 |
| 4.1.6. Enabling electronic data exchange of RGZ with tax authorities using a modern ICT system | | ПУ | Ministry of Finance, RGZ | | Electronic exchange of data enabled to RGZ with tax authorities | | Report on the work of Joint Group | |  | 1st Quarter of 2019 |
| 4.1.7. System upgrading (Standards, technologies and resources) for better efficiency and effectiveness of using the geospatial data | | RGZ | NIGP Council | | Adopting the NIGP strategy and subordinate legislation pursuant to the deadlines from the NIGP Law | | Report on the work of Joint Group | | - | 2nd Quarter of 2019 |
| 4.1.8.Ensure wide use of geospatial data in line with the INSPIRE Directive, the “open source” concept and international standards | | RGZ | MCTI | | Feasibility study completed including the implementation plan of the “open dataˮ;  Regional centre formed | | Report on the work of Joint Group | | - | 4th Quarter of 2019 |
| 4.1.9. Migrate the property information over real estate into a digital format | | RGZ | NALED | | Introduced digital database | | Report on the work of Joint Group | |  | 1st Quarter of 2020 |
| 4.1.10. Provide and publish statistics on the average number of days to register in the Real Estate Cadastre | | RGZ |  | | Statistics on the average number of days for entry into the real estate cadastre. | | Report on the work of Joint Group, RGZ website | |  | 1st Quarter of 2019 |
| 4.1.11. Ensure the monitoring of statistics on the number of first instance court proceedings in commercial disputes to determine ownership over a land and publish it on the website of the competent ministry | | Ministry of Justice | NALED, Joint Group | | Statistics on the number of first instance court proceedings publicly available | | Report on the work of Joint Group, website of the Ministry of Justice | |  | 1st Quarter of 2019 |
| 4.1.12. Promote the scores achieved with improving the Land Administration Index | | RGZ | NALED, Joint Group | |  | | Report on the work of Joint Group | |  | 1st Quarter of 2019 |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Goal 5: | | Improvement of conditions for getting credit | | | | | | |
| Goal achievement indicator:  Getting credit | | Base year: 2018 (World Bank Report on *Doing Business for the year 2019*) | | | | Year of implemented goal: 2019, 2020 | | |
| Value: Depth of credit information index7/8, Legal Framework Index 6/12 | | | | Value: Depth of credit information index8/8, Legal rights Index 10/12 | | |
| Verification source: World Bank Report on Doing Business for the years 2020, 2021 | | | | | | | | |
| **Action 5.1: Enhancement of the scope of information on encumbrances of a party requesting the loan** | | | | | | | | |
| Outcome indicator: Scope of the depth of credit information (0-8) | | | | | | | | |
| Base (initial) value: 7 | | | | Target value: 8 | | | | |
| Verification source: World Bank Report on Doing Business for the years – 2019, 2020 | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | Implementation partners | Budget – Program budget line | | International Assistance instrument | | Legal framework underlying the action | Implementation deadline |
| Р | Ministry of Finance, Ministry of Justice | Ministry of Justice, Ministry of Economy, Ministry of Trade, Tourism and Telecommunications, TA, Joint Group,  NBS, UBS, Committee for drafting the Civil Code, RSJP | Regular budget funds | |  | | Law on security interest on moveables, entered into the register | 2019 |
| Operating activities | Institution responsible for the action implementation | Implementation partners | Implementation indicator | | Sources of verification | | Relevant Negotiating Chapter | Implementation deadline |
| 5.1.1. Extension of the scope of information for the credit bureau, in particular:  data on indebtedness to mobile operators;  data managed ex officio by  TA and public utility companies | Ministry of Finance | Ministry of Justice,  Ministry of Trade, Tourism and Telecommunications, ПУ, Joint Group,  NBS, УБС | Adopt appropriate regulations for the implementation of technical actions and ensuring the extension of the coverage of the information of the credit bureau. Create a model of agreement between users and mobile operators to obtain consent of customers to use the personal data kept by the Credit Bureau.  Work Group formed to deal with the issue of enhancing the scope of information about debtors in line with the database list | | Official Gazette of RS  Report of the Joint Group and the Ministry of Finance | | - | 2nd Quarter of 2019 |
| **Action 5.2: Enhancement of legal and institutional framework relating to the transparency of information about the security instruments** | | | | | | | | |
| Outcome indicator: Strength of legal rights (0-12) | | | | | | | | |
| Base (initial) value: 6 | | | | Target value: 10 | | | | |
| Verification source: World Bank Report on Doing Business for the years - 2020 | | | | | | | | |
| Operating activities | Institution responsible for the action implementation | Implementation partners | Implementation indicator | | Sources of verification | | Relevant Negotiating Chapter | Implementation deadline |
| 5.2.1. Introduction of unified legal framework in relation with the lien | Ministry of Justice | APR,  Ministry of Economy,  NALED | Introduced unified legal framework; amendment to the Law on security interest on movables entered into the register | | Official Gazette of RS  Report on the work of Ministry of Justice | | - | 1st Quarter of 2019 |
| 5.2.2. Enabling entry of lien on property without the obligation of specific entry of the lien | Ministry of Justice | Ministry of Economy, APR, Joint Group | Amendment to the Law on security interest on movables entered into the register | | Official Gazette of RS  Report on the work of Ministry of Justice | | - | 1st Quarter of 2019 |
| 5.2.3. Introducing legal prerequisites for establishing an online system for registration, monitoring, changing the status, cancelling and searching all types of collaterals by amending the regulations governing the registration process and the contents of the register | Ministry of Economy | APR, Ministry of Economy | Amendments to the Law on Registration Procedure with the Business Registers Agency and amended Rulebooks regulating the content of the Register of security interest and Register of financial leasing and documents required for registration of data therein | | Official Gazette of RS  Report on activities of the Ministry of Economy and APR | |  | 3rd Quarter of 2019 |
| 5.2.4. Enabling the registration of sales agreements with the retention of the property right and the contract on the security interest with the transfer of the object of the lien possession within the Register of security interest | APR | APR, Ministry of Economy | Software solution that enables e-filing of applications for registration of contracts put into operation | | Report on the work of  APR | |  | 4th Quarter of 2020 |
| 5.2.5. Introduction of online system for data registration into the Registry of Financial leasing and Register of pledges | APR | APR, Ministry of Economy | New software solution developed, to enable e-filing of applications | | Report on the work of  APR | |  | 4th Quarter of 2020 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Goal 6: | | Improving the protection of rights of minority investors | | | | | | | | |
| Goal achievement indicator:  Protection of minority investors | | Base year: 2018 (World Bank Report on *Doing Business for the year 2019*) | | | | Year of implemented goal: 2019, 2020 | | | | |
| Value: Conflict of interest regulation index5/10, Extent of disclosure index 6,3/10 | | | | Value: Conflict of interest regulation index7/10, Extent of disclosure index8/10 | | | | |
| Verification source: World Bank Report on Doing Business for the years 2020,2021 | | | | | | | | | | |
| **Action 6.1: Improving the rights of minority investors** | | | | | | | | | | |
| Outcome indicator: Level of protection of minority investors rights | | | | | | | | | | |
| Base (initial) value: 4;6;5;6;7;6; per indicators | | | | Target value: 8;7;7;7;8;8 per indicators | | | | | | |
| Verification source: World Bank Report on Doing Business for the years – 2020, 2021 | | | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | Implementation partners | Budget – Program budget line | | International Assistance instrument | | Legal framework underlying the action | | | Implementation deadline |
| Р | Ministry of Economy | APR, NALED | Regular budget funds | |  | | Law on Companies,  Law on Capital Market | | | 2019 |
| Operating activities | Institution responsible for the action implementation | Implementation partners | Implementation indicator | | Sources of verification | | Relevant Negotiating Chapter | | | Implementation deadline |
| 6.1.1. Extend the scope of publicly disclosed information about directors of public joint stock companies, including the amount of total remuneration received by a director, if the conducted analysis shows the justification for the publication of information on their remuneration | Ministry of Economy | NALED, APR | Accomplished analysis of the need for publishing director's fees was made, the amended Law on Companies, if the analysis proved to be justified | | Law on Companies,  Official Gazette of RS,  Report on the work of Joint Group | |  | | | 2nd Quarter of 2019 |
| Goal 7: | | Improvement of tax payment system | | | | | | | | |
| Goal achievement indicator: Number of payments (in the course of the year), time required for payment (hours, annually), overall tax rate (%) | | Base year: 2018 (World Bank Report on *Doing Business for the year 2019*) | | | | Year of implemented goal: 2019, 2020 | | | | |
| Value: 33 payments, 225.5 hours, 39.7 %  (of corporate income), VAT refund time 91,09/100 | | | | Value: up to 30 payments, 225 hours, 35%  (of corporate income), VAT refund time 95/100 | | | | |
| **Action 7.1: Reducing the tax and administrative burdens** | | | | | | | | | | |
| Outcome indicator: Number of payments (within a year), time required for payment (hours, annually), overall tax rate (%) | | | | | | | | | | |
| Base (initial) value: 33 payments, 225.5 hours, 39.7 %  (of corporate income) | | | | Target value: up to 30 payments, 225 hours, 35%  (of corporate income), VAT refund time 95/100 | | | | | | |
| Verification source: World Bank Report on Doing Business for the years 2020, 2021 | | | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | Implementation partners | Budget – Program budget line | | International Assistance instrument | | Legal framework underlying the action | | Implementation deadline | |
| Р | Ministry of Finance, KITEU | Ministry of Finance, TA, Joint Group, Ministry of Public Administration and Local Self-government (hereinafter: MPALSG) | Regular budget funds | |  | | Law on Corporate Income Tax, Law on Value Added Tax,  Law on Property Tax | | 2019, 2020 | |
| Operating activities | Institution responsible for the action implementation | Implementation partners | Implementation indicator | | Sources of verification | | Relevant Negotiating Chapter | | Implementation deadline | |
| 7.1.1. Preparation of the model for reduction of taxes and contributions to earnings | Ministry of Finance | Joint Group | The amended Law on Personal Income Tax, the Law on Pension and Disability Insurance, the Law on Health Insurance, the Law on Compulsory Social Insurance | | Official Gazette of RS | | - | 4th Quarter of 2019 | | |
| 7.1.2. Establishment of filing an electronic tax return for property tax e-solution delivery and e-payment | KITEU | Ministry of Finance, TA | Introduced central LPA system with the accompanying functionalities | | Report on the work of Joint Group | |  | 1st Quarter of 2019 | | |
| 7.1.3. Preparation of the review aimed at cancelling the communal tax paid for displaying company name and the method of making up for these budget funds or its integration under the corporate income tax in order to avoid two payment procedures | Ministry of Finance | Joint Group  МДУЛС | Recommendations for cancelling the communal tax paid for displaying company name or its integration under the corporate income tax; Amended Law on Financing the Local Self Governments if the conclusions of the review turn out to be justifying | | Report on the work of Joint Group  Law on Financing of Local Self-Governments | | - | 2nd Quarter of 2019 | | |
| 7.1.4. Automation /  shortening the time for VAT refund | Ministry of Finance | TA, Joint Group | Reducing the procedures for VAT refund within the legal deadline | | Joint Group Report | | - | 2nd Quarter of 2019 | | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Goal 8: | | Enhancement of customs clearance procedure | | | | | | |
| Goal achievement indicator: Trading across borders | | Base year: 2018 (World Bank Report on *Doing Business for the year 2019*) | | | | Year of implemented goal: 2019, 2020 | | |
| Value: Export time, border crossing (hours) – 4; Costs of export, border crossing (USD) – 47; Time of exit, providing of documents (in hours) – 2; Costs of export, providing of documents (USD) – 35; Time of entry, border crossing (hours) – 4; Import costs, border crossing (USD) – 52; Time of exit, providing of documents (in hours) – 3; Costs of export, providing of documents (USD) – 35; | | | | Value: Export time, border crossing (hours) – 2; Costs of export, border crossing (USD) – 47; Time of exit, providing of documents (in hours) – 1; Costs of export, providing of documents (USD) – 35; Time of entry, border crossing (in hours) – 2; Import costs, border crossing (USD) – 52; Time of exit, providing of documents (in hours) – 1; Costs of export, providing of documents (USD) – 35; | | |
| Verification source: World Bank Report on Doing Business for the years 2020, 2021 | | | | | | | | |
| **Action 8.1: Enhancement of the procedure for preparation and filing of customs documents** | | | | | | | | |
| Outcome indicator: Time required for export; Time required for import, costs of import | | | | | | | | |
| Base (initial) value: Export time, border crossing (hours) – 4; Costs of export, border crossing (USD) – 47; Time of exit, providing of documents (in hours) – 2; Costs of export, providing of documents (USD) – 35; Time of entry, border crossing (hours) – 4; Import costs, border crossing (USD) – 52; Time of exit, providing of documents (in hours) – 3; Costs of export, providing of documents (USD) – 35; | | | | Target value: Export time, border crossing (hours) – 2; Costs of export, border crossing (USD) – 47; Time of exit, providing of documents (in hours) – 1; Costs of export, providing of documents (USD) – 35; Time of entry, border crossing (in hours) – 2; Import costs, border crossing (USD) – 52; Time of exit, providing of documents (in hours) – 1; Costs of export, providing of documents (USD) – 35; | | | | |
| Verification source: World Bank Report on Doing Business for the years – 2020 and 2021 | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | Implementation partners | Budget – Program budget line | | International Assistance instrument | | Legal framework underlying the action | Implementation deadline |
| Р | Ministry of Finance, Customs Administration | Ministry of Finance, Customs Administration | Regular budget funds | | IPA 2013 | | Customs Law | 2019, 2020 |
| Operating activities | Institution responsible for the action implementation | Implementation partners | Implementation indicator | | Sources of verification | | Relevant Negotiating Chapter | Implementation deadline |
| 8.1.1. Preparation for introduction of electronic customs clearance system for import and export | Ministry of Finance | Customs Administration | Report on activities to prepare the system for electronic customs clearance for import and export | | Official Gazette of RS  [www.mfin.gov.rs](http://www.mfin.gov.rs) | | 29 | 4th Quarter of 2020 |
| 8.1.2. Working on the preparation of all subordinate legislation bylaws based on the Customs Law that came into force on 16th December 2018 | Ministry of Finance | Customs Administration | Report on activities relating to introducing the paperless business operations for all types of cross border trade | | Official Gazette of RS  www.mfin.gov.rs | | 29 | 2nd Quarter of 2019 |
| 8.1.3. Development of administrative procedures, reorganization of the CA, strategy for testing ICS, ECS and Customs / authorization decision information systems | Customs Administration | Ministry of Finance | Report on the preparations for introducing the mentioned procedures into the system | | Report on the work of the Ministry of Finance | | 29 | 4th Quarter of 2020 |
| 8.1.4. Activities aimed at providing hardware and software for application implementation, system integration, business architecture design, network and consolidation of communication infrastructure, and implementation of security policy | Customs Administration | Ministry of Finance | Report on the preparatory activities for introducing the appropriate hardware and software | | Report on the work of the Ministry of Finance | | 29 | 4th Quarter of 2020 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Goal 9: | | Enhancement of court settlement of claims | | | | | | | |
| Goal achievement indicator: Number of days, costs of proceedings (% of the claim value), number of procedures | | Base year: 2018 (World Bank Report on *Doing Business for the year 2019*) | | | | | Year of implemented goal: 2019, 2020 | | |
| Value: 635 days, 40,8 % (of the claim value), quality of judicial process index 13/18 | | | | | Value: 400 days, 32,6 % (of the claim value), quality of judicial process index 16/18 | | |
| Verification source: World Bank Report on Doing Business for the years – 2020 and 2021 | | | | | | | | | |
| **Action 9.1: Enhancement of efficiency with initiating the procedure for court settlement of claims** | | | | | | | | | |
| Outcome indicator: Duration procedures (in days required for the completion of the procedures) | | | | | | | | | |
| Base (initial) value: 30 | | | | Target value: 20 | | | | | |
| Verification source: World Bank Report on Doing Business for the years – 2020 and 2021 | | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | Implementation partners | Budget – Program budget line | | International Assistance instrument | | | Legal framework underlying the action | Implementation deadline |
| IUO | Ministry of Justice, Work Group formed by the Commission to implement the National Justice Reform Strategy for the period 2013-2018 | NALED, Other institutions indicated in the AP NG 23 | Regular budget funds | |  | | | Law on the Organization of Courts,  Law on court fees,  Law on Civil Procedure | 2019 |
| Operating activities | Institution responsible for the action implementation | Implementation partners | Implementation indicator | | Sources of verification | | | Relevant Negotiating Chapter | Implementation deadline |
| 9.1.1. Establishment of a centralized electronic notice board in the executive procedure | Ministry of Justice | USAID ROL | Introduced electronic notice board posted on the website of the Ministry of Justice | | Report on the work of Ministry of Justice | | |  | 4th Quarter of 2019 |
| 9.1.2. Changes to the AVP system and introduction of a central register of levied court fees in the part of collecting the court fees in basic and higher courts, with the aim to introducing a timely and more efficient collection of court fees and relieve the judges from the burden of administration related work concerning the court fees | Ministry of Justice | USAID ROL | Adjustment of AVP and establishment of the register of levied court fees | | Reports in line with the implementation tools of AP NG 23 | | | 23 (1.3.3.1, 1.3.4.1. и 1.3.5.1.) | 4th Quarter of 2019 |
| 9.1.3. Further enhancement of the judicial network infrastructure, infrastructure management and appropriate procedures, based on the scores of the mid-term assessment of activities 1.3.3.1, 1.3.4.1. and 1.3.5.1. AP 23 (9.2.1) | Ministry of Justice | Other institutions indicated in AP NG 23, NALED | Already initiated reforms with the view to improving the structure of the judicial network, the implementation of infrastructure and internal procedures, based on the results of the judiciary network assessment | | In keeping with Item 9.2.1. | | |  | 3rd Quarter of 2019 |
| 9.1.4. Preparation and adoption of amendments to the law regulating the mediation procedure in dispute resolution (mediation), conditions for mediation, rights and duties of mediators and training programs for mediators | Ministry of Justice | Government | Amendments to the Law adopted in accordance with the standards of mediation contained in the acts of the United Nations, the European Union and the Council of Europe, and in accordance with the objective of Directive 2008/52/ЕC on certain aspects of mediation in civil and commercial matters (“establishing a balanced relationship between mediation  and judicial proceedings “) | | IPA 2015 Project of support to the Ministry of Justice  ИПА 2016 Project of support to the Supreme Court of Cassation | | | 23 (1.3.6.17.) | 4th Quarter of 2019 |
| 9.1.5. Conducting the feasibility study on the accession to the Singapore Mediation Convention on the enforceability of agreements reached in international economic mediation and accession to this Convention, if proven to be appropriate by the analysis | Ministry of Justice | Government | Feasibility study made on the possible accession to the Singapore Mediation Convention | | Report on the work of Ministry of Justice | | |  | 4th Quarter of 2019 |
| **Action 9.2: Enhancement of efficiency and enforcement procedures** | | | | | | | | | |
| Outcome indicator: Duration procedures (in days required for the completion of the procedures) | | | | | | | | | |
| Base (initial) value: 110 | | | | Target value: 90 | | | | | |
| Verification source: World Bank Report on Doing Business for the years – 2020, 2021 | | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | Implementation partners | Budget – Program budget line | | International Assistance instrument | | | Legal framework underlying the action | Implementation deadline |
| R | Ministry of Justice  Chamber of Public Enforcement Officers | NALED, the Chamber of Public Enforcement Officers, the Government, the National Assembly, the Judicial Academy, the public authorities, the holders of public authority, other legal entities and entrepreneurs who, pursuant to Article 31 of the Law on Enforcement and Security, are obliged to provide to the court and the public enforcement officer free data about the enforcement debtor | Regular budget funds | |  | | | Law on Court Fees,  Law on Civil Procedure | 2019. |
| Operating activities | Institution responsible for the action implementation | Implementation partners | Implementation indicator | | Sources of verification | | | Relevant Negotiating Chapter | Implementation deadline |
| 9.2.1 Enhancement of legal framework relating to the efficiency of enforcement procedure by way of amending the Law on Enforcement and Security | Ministry of Justice | NALED, Chamber of Public Enforcement Officers, Government, National Parliament | Amend the Law on Enforcement and Security in order to establish a legal framework and to introduce the sale of assets through the E-platform "E-auctions" in order to enable the transparency of the procedure | | Official Gazette of RS | | | 23 (1.3.7.1., 1.3.7.2.) | 2nd Quarter of 2019 |
| 9.2.2. Monitoring the implementation of electronic data warehousing platform with the aim of enabling the implementation of the Rulebook on the Manner of Keeping Records of Enforcement Procedures and Securities and Financial Operations of the Public Enforcement Officer, Reporting Method, Content of the Report on the Work of the Public Enforcement Officer and the Way of Maintaining the Archives ("Official Gazette of RS" 37/16 and 50/18) and the Rulebook on Oversight of the Work of Public Enforcement Officers (“Official Gazette of RS” no. 32/16) for the purpose of conducting the office/indirect oversight | Ministry of Justice |  | It is necessary to monitor the implementation of the electronic platform and to enable office oversight. A Commission has been established to perform the oversight | | Electronic platform | | | 23 (1.3.6.1, 1.3.6.19.) | 4th Quarter of 2019 |
| 9.2.3. Establishment of a mechanism for the exchange of information between commercial courts and all participants in the phase I | Ministry of Justice | Chamber of Public Enforcement Officers | A functional specification has been developed, to include commercial courts, public enforcement officers, lawyers and parties to the proceedings, electronic payment of fees at commercial courts | | Report on the work of Ministry of Justice | | | 23 (1.2.1.9) | 4th Quarter of 2019 |
| 9.2.5. Amendments to the Court Rules of Procedure in order to prescribe provisions that would require that, where the case files are submitted to the second instance court, decisions on appeals against decisions that are not subject to judging on the merits, and do not affect the further course of the proceedings, are submitted to the appellate court, while the first-instance court would draft an auxiliary file and proceed with the first instance proceedings. | Ministry of Justice |  | Amended Rules of Procedures of the Court | | Report on the work of Ministry of Justice | | | - | 2nd Quarter of 2019 |
| 9.2.6. Making an analysis of the current state according to the plan of making available to the general public judgments and transparency of court decisions, taking into consideration the entire relevant legal framework, including the Rules on the replacement and omission (pseudonymization and anonymization) of data in court decisions, passed by the Supreme Court of Cassation | Ministry of Justice | NALED | Analysis conducted | | Report on the work of Ministry of Justice | | |  | 3rd Quarter of 2019 |
| **Action 9.3: Reducing the costs of enforcement procedure** | | | | | | | | | |
| Outcome indicator: Costs of enforcement procedure (in percentages relevant to overall receivables) | | | | | | | | | |
| Base (initial) value: 12,4 | | | | Target value: 11 | | | | | |
| Verification source: World Bank Report on Doing Business for the years – 2020, 2021 | | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | Implementation partners | Budget – Program budget line | | | International Assistance instrument | | Legal framework underlying the action | Implementation deadline |
| R | Ministry of Justice | Ministry of Finance, NALED |  | | |  | | Law on Court Fees  Rulebook on  Remuneration Tariffs and Reimbursement for the work of public enforcement officers | 2019 |
| Operating activities | Institution responsible for the action implementation | Implementation partners | Implementation indicator | | | Sources of verification | | Relevant Negotiating Chapter | Implementation deadline |
| 9.3.1. Enforcement of the Law on Amendments to the Law on Court Fees for the purpose of facilitating the application of alternative dispute resolution and relief and reduction of court fees in cases of dispute settlement in an alternative way when the court procedure is already initiated (provision of financial incentives (exemption / reduction of court fees) by mediation, after initiating court proceedings, at different stages of the proceedings | Ministry of Justice | Ministry of Finance, NALED | To monitor the implementation of the Law on Court Fees offering financial incentives for resolving the disputes by mediation | | | Report on the work of the Ministry of Justice | | 23 | 1st Quarter of 2019 |
| 9.3.2. Amendments to the Public Enforcement Tariffs in order to achieve a greater degree of certainty and eliminate any unjustified grounds for collecting fees for certain individual actions | Ministry of Justice | Chamber of Public Enforcement Officers | Adjusted Public Enforcement Tariff | | | Official Gazette of RS | |  | 2nd Quarter of 2019 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Goal 10: | | Increasing efficiency of bankruptcy procedures | | | | | | | |
| Goal achievement indicator:  Efficiency of bankruptcy procedures | | Base year: 2018 (World Bank Report on *Doing Business for the year 2019*) | | | | | Year of implemented goal: 2019, 2020 | | |
| Value: Rate of return (cents to dollars) – 34.5; time (years) – 2; Costs (%of property value) – 20; Regulatory framework Index 13.5/16 | | | | | Value: Rate of return (cents to dollars) – 44; time (years) – 1,5; Costs (% of property value) – 18; Regulatory framework Index 15/16 | | |
| Verification source: World Bank Report on Doing Business for the years 2020 and 2021 | | | | | | | | | |
| **Action 10.1: Improving the role of creditors in selecting the bankruptcy administrator** | | | | | | | | | |
| Outcome indicator: Increased rights of creditors in the bankruptcy procedure (0-4) | | | | | | | | | |
| Base (initial) value: 2 | | | | | Target value: 3 | | | | |
| Verification source: World Bank Report on Doing Business for the years – 2020, 2021 | | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | Implementation partners | Budget – Program budget line | | | International Assistance instrument | | Legal framework underlying the action | Implementation deadline |
| R | Ministry of Economy | Agency for licencing the bankruptcy administrators (hereinafter: ALSU), Joint Group,  Ministry of Justice | Regular budget funds | | |  | | Amendments to the Law on Bankruptcy | 2019 |
| Operating activities | Institution responsible for the action implementation | Implementation partners | Implementation indicator | | | Sources of verification | | Relevant Negotiating Chapter | Implementation deadline |
| 10.1.1. The list of bankruptcy administrators should be adjusted to the size of a company undergoing bankruptcy and the complexity of the particular case | Ministry of Economy | ALSU | It is necessary to amend the Rulebook  on the conditions and method of appointing the bankruptcy administrators by the random selection method | | | Official Gazette of RS | |  | 2nd Quarter of 2019 |
| 10.1.2. Information campaign on the rights and duties of creditors in bankruptcy proceedings | Ministry of Economy | Joint Group,  Ministry of Justice | Media campaigns, seminars, consultations, round tables with judges | | | Report on activities of the Ministry of Economy | | - | 1st Quarter of 2019 |
| **Action 10.2: Enhancement of transparency of bankruptcy procedures** | | | | | | | | | |
| Outcome indicator: Increased rights of creditors in the bankruptcy procedure (Creditor participation index (0-4)) | | | | | | | | | |
| Base (initial) value: 2 | | | | | Target value: 3 | | | | |
| Verification source: World Bank Report on Doing Business for the years – 2020, 2021 | | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | Implementation partners | Budget – Program budget line | | | International Assistance instrument | | Legal framework underlying the action | Implementation deadline |
| R | Ministry of Economy | ALSU | Regular budget funds | | |  | | Amendments to the Law on Bankruptcy | 2019 |
| Operating activities | Institution responsible for the action implementation | Implementation partners | Implementation indicator | | | Sources of verification | | Relevant Negotiating Chapter | Implementation deadline |
| 10.2.1. Conducting the analysis of the introduction of penalties for non-disclosure or untimely disclosure of information by the bankruptcy administrator, including the analysis of the prescribing the guidelines to judges to order the advance payment on the basis of legal criteria | Ministry of Economy | ALSU | Prepared analysis with the proposed recommendations | | | Report on activities of the Ministry of Economy | | - | 2nd Quarter of 2019 |
| **Action 10.3: Reducing the costs of bankruptcy procedures** | | | | | | | | | |
| Outcome indicator: Share of costs of bankruptcy procedures in the overall amount of claims by the creditors | | | | | | | | | |
| Base (initial) value: 20% | | | | | Target value: 18% | | | | |
| Verification source: World Bank Report on Doing Business for the years – 2019, 2020 | | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | Implementation partners | | Budget – Program budget line | | International Assistance instrument | | Legal framework underlying the action | Implementation deadline |
| F | Ministry of Economy | Ministry of Finance, Ministry of Justice, ALSU, Joint Group | | Regular budget funds | |  | | Amendments to the Law on Bankruptcy  Law on Corporate Income Tax | 2019 |
| Operating activities | Institution responsible for the action implementation | Implementation partners | | Implementation indicator | | Sources of verification | | Relevant Negotiating Chapter | Implementation deadline |
| 10.3.1 Revision of mechanism for establishing the amount of advance for initiating the bankruptcy procedure | Ministry of Economy | Ministry of Finance,  Ministry of Justice, ALSU | | The subordinate legislation needs to be adopted to define the method of establishing the advance payment relative to grades set forth by the Law | | Report on the work of the Working Group for amendments to the Law on Bankruptcy | | - | 2nd Quarter of 2019 |
| 10.3.2 Reducing the cost of bankruptcy procedures by changing the manner of acting by the bankruptcy administrators and reducing the fees and charges within the procedure | Ministry of Economy | ALSU, Joint Group | | Implementation of proposals based on rendered cost analysis  Preparation of AP for cost cutting  Implementation of AP | | Report on the work of Joint Group and ALSU | |  | 4th Quarter of 2019 |
| **Action 10.4: Improving efficiency in initiating the bankruptcy procedure** | | | | | | | | | |
| Outcome indicator: Increased level of settlements made to creditors (in percentages relevant to overall receivables) | | | | | | | | | |
| Base (initial) value: 32,5% | | | | | Target value: 35% | | | | |
| Verification source: World Bank Report on Doing Business conditions – 2020,2021 | | | | | | | | | |
| Action type  (R, F, IUO, IE) | Institution responsible for the action implementation | Implementation partners | Budget – Program budget line | | | International Assistance instrument | | Legal framework underlying the action | Implementation deadline |
| R | Ministry of Economy | Joint Group, ALSU | Regular budget funds | | |  | | Amendments to the Law on Bankruptcy | 2019, 2020 |
| Operating activities | Institution responsible for the action implementation | Implementation partners | Implementation indicator | | | Sources of verification | | Relevant Negotiating Chapter | Implementation deadline |
| 10.4.1. Shortening the deadlines for acting by bankruptcy administrators | Ministry of Economy | ALSU, Joint Group | Implementation of Rulebook for establishment of national standards for administering the bankruptcy estate; National Standard no. 5 within this Rulebook | | | Report on the work of Joint Group and ALSU | |  | 3rd Quarter of 2019 |
| 10.4.2. Introducing incentives for debtors in terms of the Law on Bankruptcy to initiate bankruptcy at the earliest stage | Ministry of Economy | - | Appropriate regulations adopted to introduce additional incentives to encourage the “early” bankruptcy | | | Official Gazette of RS | | - | 4th Quarter of 2019 |

1. According to the Doing Business Report for 2019 [↑](#footnote-ref-2)