

Serbia

Authors

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Ownership

What is the land registration system?	Serbia operates a land registry system known as the Real Estate Cadastre (“Cadastre”), which is managed by the Republic Geodetic Authority. The Real Estate Cadastre serves as the primary public record for real estate and the rights associated with it. Property data and associated rights are entered into the Cadastre in accordance with the provisions of the Registration Procedure in the Real Estate Cadastre and Infrastructure Cadastre Act.
What rights over real property are required to be registered?	—
What legal steps are necessary to obtain ownership of a property as a foreign investor?	The primary right that must be registered in the Cadastre is the ownership right over the property. In addition, other real estate rights are also subject to registration, including rights of use, designation of the user in legally specified cases, easements, mortgages, and other real property rights as prescribed by law. Moreover, contractual rights, such as rights of first refusal, lease agreements, and other obligations concerning real estate, including court orders and administrative measures, may also be registered in the Cadastre.
What forms of entity do foreign investors customarily use in your jurisdiction?	When investing in real estate in Serbia, foreign investors typically establish Limited Liability Companies (“LLCs”, in Serbian “ društvo sa ograničenom odgovornošću – DOO ”) or Joint Stock Companies (“JSCs”, in Serbian “ akcionarsko društvo – AD ”), opting for limited shareholder exposure to the company’s debt. LLCs are the most common structure due to their flexibility, allowing one or more founders and requiring a modest minimum share capital, making them an accessible option. However, certain businesses are required by law to adopt the JSC form, such as banks and insurance companies.
Which contracts / duties are transferred from the owner/seller to the buyer by law when acquiring real estate?	When transferring ownership rights from the seller to the buyer, a process known as universal succession occurs, meaning the buyer assumes all rights and obligations that the seller held in relation to the property. In addition to ownership rights, this may require the buyer to assume specific obligations associated with the property, such as existing lease agreements (if recorded in the Cadastre), easements, mortgages, and other

	encumbrances registered in the Cadastre. In other words, the seller cannot relieve the buyer of these burdens if the seller was also subject to them, in accordance with the nemo plus iuris principle. However, obligations related personally to the owner, such as taxes, charges, or overdue utility costs, are not transferred to the buyer.
What types of liability does an owner of real estate face?	<p>Property owners in Serbia are liable, inter alia, for the following:</p> <ul style="list-style-type: none"> • Tax obligations; • Compliance with building regulations; • Actions that interfere with the use of neighboring properties (such as smoke, unpleasant odors, heat, soot, vibrations, noise, or wastewater runoff) or cause significant damage; • Participation in the costs of managing and maintaining the building; • Adherence to the established house rules.
Any special factors for a foreign investor to consider an investment in this jurisdiction?	<p>Foreign investors should consider the following:</p> <ul style="list-style-type: none"> • A straightforward process for obtaining ownership with predictable costs; • Commercial benefits of investing in Serbia's rapidly growing real estate market across all sectors; • The potential for state incentive schemes aimed at encouraging direct investments; • The existence of bilateral investment treaties with over 50 jurisdictions; • Ongoing efforts to improve legislation and general infrastructure in Serbia.
Are there exchange control issues if a non-resident invests in a property in your jurisdiction?	There are no exchange control restrictions that limit or burden non-residents investing in property. Non-residents can freely purchase real estate, and the process typically involves transferring funds through authorized banks. Furthermore, real estate purchases are exempt from the mandatory payment in Serbian dinars (RSD), allowing payments to be made in foreign currencies.
Is it possible to buy Real Estate via private contracts?	No, the valid title for the registration of ownership is limited to notarized sale agreements, while private contracts are considered null.
Is it possible to obtain legal financing through the investment in a real estate project?	Yes, banks in Serbia offer finance products for real estate projects, typically in the form of mortgage loans or project finance loans. Additionally, financing through private equity partnerships and even digital assets is available. Finally, occasional government programs may support specific initiatives, primarily aimed at less developed regions in Serbia.
Are there any investment vehicles specifically aimed for Real Estate?	There are no investment vehicle specifically aimed for real estate. Investors, however, can engage in real estate projects through closed-end investment funds, private equity funds, joint ventures, special purpose vehicles (SPVs), and other corporate structures aimed at real estate development.
Do I need authorization to develop a project?	There are no specific authorizations required for investing in project development (such as licenses obtained pre-incorporation). However, construction involves strictly regulated, multi-step process, requiring multiple permits and compliance with various administrative procedures.
Is it mandatory to register Real Estate before the Property Registry?	Yes, in Serbia, it is mandatory to register real estate transactions with the Cadastre, as ownership is legally obtained at the moment of registration.
Is the registration system a notice system?	

No, the registration system operates as a constitutive system, rather than a notice system, meaning that proprietary rights are acquired only upon registration.

Taxes

What are the main taxes associated with commercial real estate ownership and transfer of commercial real estate?

In Serbia, the main taxes associated with the ownership of commercial real estate include property tax, which is determined and collected by the local municipality.

For the transfer of commercial real estate, the applicable taxes depend on the specifics of the transaction and the identity of the transferor. The most common taxes include the transfer tax on absolute rights or value-added tax (VAT). Future transfers of the real estate may also be subject to capital gains tax.

Are there any tax benefits or exemptions when acquiring a property?

Tax benefits associated with acquiring property are typically reserved for residents. However, non-residents may still access benefits through state incentives schemes for direct investments.

Are there any taxes for financing?

There are no specific taxes on financing, as banks are exempt from VAT. However, if financing is obtained from a non-resident bank, the resident may be subject to withholding tax on interest, unless otherwise provided under a double taxation treaty.

Leases

What are the common terms of commercial leases?

The legislative framework for leases in Serbia is generally flexible, allowing the parties to tailor the lease term to their specific arrangement, without a distinction between commercial and personal leases.

In addition to basic lease terms, it is common for parties in commercial leases to stipulate provisions for security deposits, maintenance and repair responsibilities, common area charges (if applicable), utilities and services, rent adjustment or indexation, currency exchange fluctuations, subletting options, fit-out and alteration rights, insurance, and more complex termination clauses.

Generally, commercial leases are long-term, offering tenants protection from early eviction, except in the case of a contract breach.

What are the common terms of personal leases?

Personal leases are generally less regulated than commercial leases. It is more common for personal leases to be for an indefinite period with cancellation options. However, personal lease contracts typically address the tenant's obligations regarding maintenance, preservation of the property, payment of utilities, and compliance with house rules.

While it is uncommon for personal leases to include subletting options, this is not excluded under the law.

Which are the rules for termination of a lease contract?

Either party may terminate the lease agreement if the duration is not fixed, by providing written notice to the other party, with the notice period usually specified in the agreement. If the notice period is not defined by the contract, applicable law, or local customs, it defaults to eight days, provided that termination cannot be given at an inappropriate time.

Unilateral termination is possible under certain conditions and as provided by the contract itself. Grounds for termination may include breaches of contract, such as failure to pay rent or non-compliance with agreed-upon terms. A landlord may ter-

	minate the lease if the tenant fails to pay rent within a specified timeframe or uses the property contrary to the lease conditions.
What types of liability does a tenant of real estate face?	In addition to contractual liability to the landlord, tenants are responsible for damage to the property, day-to-day maintenance and repairs, health and safety compliance, third-party injuries, unauthorized alterations, and breaches of the house rules.
Are there regulatory controls on the terms of leases?	No.
Are there any special termination rights in case of insolvency of the landlord?	Unless otherwise provided in the lease agreement, the bankruptcy administrator may choose to continue the lease; however, the lease may not extend beyond the sale of the leased assets.
Is rent variation possible during a lease contract?	Rent variations are possible only if explicitly stated in the contract.
Is it usual or mandatory to register lease agreements?	It is not mandatory, but it is possible and recommendable to register long term leases.
Are there taxes applicable on renting a personal property and commercial property?	Yes, rental income for private individuals is subject to personal income tax, while rental income for companies is taxed under corporate income tax.
Are there foreign ownership requirements with respect to leases?	No.
Can non-resident entities and individuals lease real estate?	Yes, there are no restrictions of that kind.
Are there planning restrictions/requirements for long-term leases (e.g. 99 year terms)?	Long-term leases in Serbia are subject to urban planning, zoning, and regulatory compliance, particularly for state-owned land or special categories of property, such as agricultural land. To ensure legal protection, the lease must be registered with the Cadastre. However, there are no absolute prohibitions on long-term leases, and they are generally regarded as a viable option for both domestic and foreign investors.
Is there a specific type of regulation for dwellings intended to be rented for tourists?	Yes, properties intended for short-term leases to tourists must be registered with the tourist organization and comply with categorization requirements, zoning and urban planning regulations. Leasing the property for this purpose also involves tourist tax payment, and other applicable local regulations.
Are there rent controls in place to limit increases in rent for residential and commercial properties?	No.

Construction

Which are the most common structures used to price a construction project?	In Serbia, the most common pricing structure is the lump sum fee. However, other models are also present in the market, including cost-plus contracts with a fixed fee or percentage, and unit price contracts. Larger projects are typically structured as design and build agreements or follow appropriate FIDIC models.
Which are the most common clauses over construction risk?	One of the most frequent clauses is the force majeure clause, which covers unforeseen events beyond the parties' control, such as natural disasters or political unrest, allowing for contract adjustments or extensions. Additionally, contractors typically agree on other critical clauses, such as payment terms and milestones, delay and liquidated damages, change orders, defects liability, insurance, performance bonds and other secu-

	<p>rities, termination and indemnity, risk allocation and escalation, site conditions, and dispute resolution clauses.</p>
<p>What are the specific laws for construction?</p>	<p>There are multiple regulations governing construction in Serbia, with the most notable being the Planning and Construction Act, which outlines the principal construction rules and requirements. The Contracts and Torts Act also plays a significant role, providing the legal framework for construction contracts, warranties, and liabilities between the parties involved in a project. Additionally, energy and environmental laws set further requirements for the realization of construction projects.</p>
<p>Is the developer liable for contingencies or damages arising from the executed works/constructions?</p>	<p>Yes, the contractor (developer) is liable for contingencies or damages arising from the executed works or constructions, particularly concerning defects, safety, environmental issues, and contractual obligations. Their liability is governed by both the terms of the contract and Serbian law, which includes statutory protections for clients regarding construction quality and compliance with building regulations.</p>
<p>Are there regulations to control or limit development, construction, or use of real estate or protect existing structures?</p>	<p>The Planning and Construction Act provides the framework for urban planning, land use, and construction permitting. The Act mandates that all development projects must comply with urban plans, zoning regulations, and environmental standards. The Cultural Property Protection Act safeguards historical and cultural structures, requiring special permits and approvals for any modifications or construction near these sites.</p>
<p>Is there a zoning regime or a planning process in place for real estate?</p>	<p>There are spatial and urban plans at the national, regional, and municipal levels, defining specific zones for residential, commercial, industrial, agricultural, and other uses. Each zone has its own set of regulations governing building density, permitted activities, construction standards, and environmental considerations.</p> <p>Before commencing any construction, developers must obtain a construction permit for a design based on compliance with these plans.</p>
<p>Is it mandatory for developers to subscribe insurance policies with regards to the planned works?</p>	<p>Yes, developers are required to subscribe to professional liability insurance before beginning construction. This insurance typically covers risks such as damage to the construction site, materials, and third-party liability for any harm caused during the construction process.</p>

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Food and Non-Alcoholic Beverages

Is it regulated?	Yes, food and non-alcoholic beverages are regulated in Serbia.
What are the regulatory agencies and what do they regulate?	<p>(i) The Ministry of Agriculture, Forestry, and Water Management – and two bodies within the ministry.</p> <ul style="list-style-type: none"> • Inspections within this ministry – various inspections (agricultural, veterinary, and phytosanitary) that carry out control and monitoring of food production and trade; <p>Inspections within the Ministry of Agriculture, Forestry, and Water Management control and monitor food production, processing, trade (wholesale and retail), import and export of food and non-alcoholic beverages.</p> <p>Specifically these inspections monitor food safety for human consumption and have the authority to initiate recalls if food is deemed unsafe, they monitor the availability of information to consumers, including international certifications and other documents accompanying food in commerce, as well as labeling information related to the prevention of specific harmful effects of certain types or categories of food on human health, and oversees the compliance of companies and government entities with applicable regulations.</p> <ul style="list-style-type: none"> • The Directorate for National Reference Laboratories – responsible for analyzing food and controlling its quality and safety. <p>The Directorate for National Reference Laboratories performs tasks in the field of food safety, milk quality and safety control, testing of prohibited, unauthorized, harmful, and undesirable substances in food and animal feed, plant health, seeds and planting material, and plant gene banks.</p> <ul style="list-style-type: none"> • Expert Advisory Board for Risk Assessment in the Field of Food Safety <p>The Expert Advisory Board for Risk Assessment in the Field of Food Safety is a body established by the Ministry of Agriculture,</p>

Forestry, and Water Management (with the consent of the Ministry of Health) to address issues related to risk assessment in the field of food safety.

(ii) The Ministry of Health, specifically the **Sanitary Inspection** within this Ministry – responsible for food safety in the area of public health protection.

Unlike the inspection under Ministry of Agriculture, Forestry, and Water Management, the Sanitary inspection only control specific categories such as: dietary supplements, food for specific groups such as young children, food additives, enzymes, flavoring, etc.

The Sanitary inspection controls the hygiene conditions of personnel and objects, tools, etc., and control, monitor food safety for human consumption and have the authority to initiate recalls if food is deemed unsafe and general compliance with the applicable regulation. Sanitary inspection can ban advertising and labeling food which can confuse consumers, and may recall the food if its unsafe.

(iii) Organizations for the inspection and certification of organic production

Additionally, in Serbia, there are currently six accredited organizations that are authorized to certify and monitor organic production. Without their certification, products cannot be labeled as organic in Serbia. The Ministry of Agriculture, Forestry, and Water Management issues licenses for the authorization of organizations to monitor and certify organic production. These licenses last for one year, and organizations can reapply to the Ministry of Agriculture, Forestry, and Water Management, to extend the duration of the authorization.

What are the relevant statutes/regulations?

The main acts/regulations governing food and non-alcoholic beverages are as follows:

- **Food Safety Act** – The primary law that provides the framework for all aspects of food safety in Serbia. It covers conditions for food production, processing, transportation, and distribution, as well as for monitoring and controlling food safety.
- **General Product Safety Act** – regulates the safety of products (food, beverages, etc.) in the absence of regulation in the Food Safety Act.
- **Sanatory Supervision Act** – regulates the rights and obligations of the sanatory inspection, as well as the sanatory inspection procedures.
- **Organic Production Act** – regulates the criteria for organic food production.
- **Act on the Supervision of Food Products of Plant-Based Origin**– regulates the conditions for the production and quality of food products of plant-based origin.
- **Genetically Modified Organisms Act** – regulates the classification of genetically modified organisms, and prohibits the trade of genetically modified organisms.
- Various bylaws which regulate specific food and non-alcoholic beverage categories, such as cocoa, and chocolate products, fruit products, spices, etc., bylaws which regulate hygiene conditions, advertising, etc.

Any unique aspects of regulation?	The Expert Advisory Board for Risk Assessment in the Field of Food Safety is required to apply and utilize the recommendations, guidelines, and information available from the European Food Safety Authority (EFSA).
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Alcoholic Beverages

Is it regulated?	Yes, alcoholic beverages are regulated in Serbia.
What are the regulatory agencies and what do they regulate?	The Ministry of Agriculture, Forestry, and Water Management – the Agricultural Inspection within the Ministry of Agriculture, Forestry, and Water Management, namely its Department of Agricultural Inspection for Wine, Rakija, Alcoholic and Non-Alcoholic Beverages is the. For more information on its scope of activities, please see above.
What are the relevant statutes/regulations?	<p>The main laws/regulations governing alcoholic beverages are:</p> <ol style="list-style-type: none"> 1. Strong Alcoholic Beverages Act – This is a specific legal regulation that focuses on the production, trade, distribution, and control of strong alcoholic beverages, such as rakija (brandy), whiskey, gin, rum, rum-based alcoholic drinks, and other beverages with high alcohol content. While similar principles apply to all types of alcoholic drinks, the Strong Alcoholic Beverages Act includes specific provisions regarding the production and trade of spirits. 2. Beer Act – This law regulates the conditions for the production and service filling of beer, the quality and control of the quality of raw materials used in beer production, the quality, quality control, packaging, labeling, and marketing of beer, as well as the supervision of the implementation of this law. 3. Wine Act – This law regulates: the production, processing, quality, and trade of grapes intended for wine production; the production, processing, and quality of wine and other products made from grapes, must, and wine used in wine production; the labeling of wine with a geographical indication; the trade of grapes, wine, and other products made from grapes, must, and wine used in wine production, as well as other issues important for grapes, must, wine, and other products made from grapes, must, and wine used in wine production. 4. Consumer Protection Act – regulates the sale of alcoholic beverages to underage persons. 5. Regulation on methods of sampling and conducting chemical and physical analyses of alcoholic beverages – regulating alcohol sampling procedures.
Any unique aspects of regulation (including whether a license is needed for manufacturing/wholesale/retail and what is the timeline for issuance)?	<p>In Serbia, the regulation of alcoholic beverages involves a variety of legal requirements, particularly regarding manufacturing, wholesale, retail, and distribution of alcoholic beverages. To manufacture alcoholic beverages, businesses must be registered for the production of alcoholic beverages from the Ministry of Agriculture, Forestry, and Water Management. The registration is necessary for the production of all types of alcohol, whether beer, wine, or spirits, however, each of them has their own register.</p> <p>Additionally, producers must register with the Tax Administration to handle excise taxes on alcoholic beverages, which are a significant part of the production and sales costs.</p> <p>Serbia is also a member of the Central European Free Trade Agreement (CEFTA), which impacts alcohol trade with neighboring countries and can provide certain regulatory advantages for businesses engaged in international trade.</p>

