

# the Law on Centralised Register of Beneficial Owners

The Law on Centralised Register of Beneficial owners has been adopted on 25 May 2018 and came into force on 8 June 2018 (hereinafter „the Law“). The Law introduces the obligation for legal entities and other registered subjects in the Republic of Serbia, apart from public joint stock companies (hereinafter “Registered subjects”) to identify, file and record data on the beneficial owners in the Central Register to be set up with the Serbian Registers Agency.

## Definition of Beneficial Owner

- 1) A natural person, who, directly or indirectly, holds 25% or more shares, voting rights or other rights, by virtue of which it participates in the management or the capital of the Registered Subject with 25% or more shares;
- 2) A natural person who directly or indirectly has a predominant influence on the conduct of business and decision-making;
- 3) A natural person who directly provides or secures funds to the Registered Subject and therefore has a significant influence on the decision-making of the Registered Subject's management bodies when deciding on financing and business operations;
- 4) A natural person who is a founder, a trustee, a protector, a beneficiary - if as such determined, and a person who has a dominant position in the trust management or in other entity of foreign law;
- 5) A natural person registered to represent cooperatives, associations, foundations, endowments and institutions if the authorised person for representation has not registered another natural person as the Beneficial Owner.

If it is not possible to determine/identify a natural person as the Beneficial Owner, the Beneficial Owner of the Registered Subject is the natural person registered for representation, or the person who is registered as a member of that body.

The Law prescribes the obligation of the existing Registered Subjects to identify, no later than July 8, 2018, the Beneficial Owners of the Registered Subject (which includes collection and safekeeping of the relevant documentation), as well as to make these data and documents available to the competent state authority and the National Bank of Serbia, upon their request.

The Central Register of the Beneficial Owners will be established with the Serbian Registers Agency by December 31, 2018 and the authorised persons of the Registered Subjects shall be obliged to file all data on the Beneficial Owners as well as the ground on acquiring of such capacity in the Central Register no later than January 31, 2019.

The persons who deliberately conceal the Beneficial Owner by failing to file data on the Beneficial Owner of the Registered Subject, or filing incorrect data on the Beneficial Owner or changing or deleting correct data about the Beneficial Owner may be subject to criminal offence punishable by imprisonment for a term of three months to five years. In addition

Registered Subjects and their responsible persons may be subject to a misdemeanour liability with monetary fines ranging from RSD 500.000 to 2.000.000 in the event of failure to record or update the data of the Beneficial Owners in the Central Register or failure to safe keep adequate, accurate and up-to-date documentation of the Beneficial Owners.

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