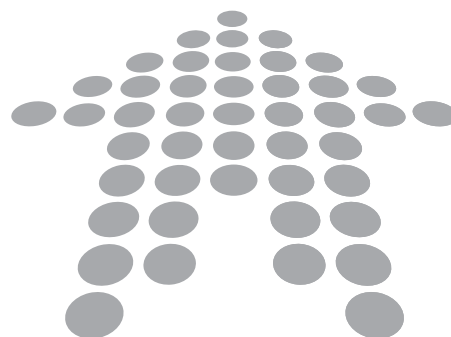




GREY BOOK 18

*Recommendations for removing administrative
obstacles to doing business in Serbia 2026/2027 - summary*





NALED

Izvršni odbor
Executive Board



British Embassy
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FOREWORD



Vladislav Cvetković
President of the Managing Board
NALED

Dear members and partners,

In this anniversary year, as NALED marks two decades since its establishment, we are pleased to present the new, 18th edition of the Grey Book, which testifies to the continuity of our work despite numerous changes in our environment. Traditionally, our “regulatory Bible” brings 100 concrete proposals for reducing unnecessary bureaucracy and improving the predictability of business conditions in Serbia. Since the previous edition, institutions have fully resolved three and partially resolved an additional five recommendations, which represents a significantly better result in comparison with 2024, when only two recommendations were partially resolved. We expect that the new edition will further accelerate the pace of reforms so that it reaches at least the previous average of 12 fully or partially implemented recommendations per year.

What distinguishes the previous reform cycle is the more visible progress in implementing the priority recommendations of the Grey Book. In the meantime, some of NALED’s key initiatives have been implemented, including the introduction of electronic sick leave, enabling electronic payment of all non-tax charges and establishing a carbon taxation system aligned with the European Union’s CBAM mechanism. Among the partially resolved recommendations are two additional priorities - the introduction of targeted validation for establishing property rights and the acceleration of the legalization process for illegally constructed buildings (the “Home and Dry” initiative). In addition, progress has been made in abolishing unnecessary court fees, improving the transparency of bankruptcy proceedings, and assessing the environmental impact of mobile telephony base stations. As many as 15 recommendations – four more than last year – have been marked as “Initiated”, indicating that institutions increasingly recognize the proposed reforms as important for business and the people of Serbia.

Grey Book 18 contains nine new and 91 previous recommendations, of which 16 have been revised and improved. A total of 22 recommendations carry an “EU badge” due to their particular importance for Serbia’s EU integration. For nine recommendations, we have retained the designation related to cashless payments due to their importance for combating the grey economy and further developing eGovernment and eBusiness, while additionally highlighting 37 recommendations based on digitalization.

A novelty in this edition is six recommendations labelled as “gender-sensitive”, which is the result of our Year of Equality campaign in 2025. Among these measures, particularly noteworthy are the adoption of the Programme for the Development of Social Entrepreneurship and the equalization of the status of self-employed women with that of employed mothers.

Over the past 18 years, including this edition, we have presented nearly 350 unique recommendations through our Grey Book, more than half of which have been partially or fully implemented. Behind each proposal and every successfully implemented reform stands a partnership between the private, public, and civil sectors, embedded in the very essence of our organization. On behalf of the Managing Board, I would like to take this opportunity to thank all NALED members and partners for their contribution and cooperation, especially the British Embassy in Belgrade, as well as the institutions that have demonstrated openness to dialogue and readiness to respond to the needs of the economy. I would also particularly highlight our expert team, which year after year continues to push the boundaries in preparing and implementing NALED’s ambitious reform agenda.

Finally, I call on the competent institutions to accelerate the implementation of Grey Book recommendations in the interest of all of us who live, work, and invest in Serbia. NALED remains a reliable partner on the European path, as together we have been making a difference for 20 years.

TEN PRIORITY RECOMMENDATIONS

GREY BOOK 18: TEN PRIORITY RECOMMENDATIONS



N°	RECOMMENDATION	LINE INSTITUTION
1.12	Optimize thresholds and procedures related to the taxation of lump-sum taxpayers	Ministry of Finance
3.2	Establish a unified electronic health record and healthcare resources registry	Ministry of Health
3.10	Improve the procedure for including medicinal products on the reimbursement list	Ministry of Health
4.3	Regulate flexible and seasonal forms of employment	Ministry of Labour, Employment, Veteran and Social Affairs
5.6	Establish an efficient mechanism for determining and registering property rights and for cadastral registration of legacy cases	Ministry of Construction, Transport and Infrastructure
8.1	Establish the Green fund as a separate legal entity	Ministry of Environmental Protection
8.2	Improve primary waste sorting and introduce a deposit-return system for beverage packaging	Ministry of Environmental Protection
9.1	Digitalize change of residence and enable automatic updating of personal documents	Ministry of the Interior
15.9	Facilitate and accelerate foreign trade procedures	Multiple institutions
15.10	Ensure the functioning of a unified register of non-tax revenues	Multiple institutions

OVERVIEW OF REFORMS IMPLEMENTED IN 2025/2026

According to data from NALED's Quarterly Reports on the Status of Regulatory Reform, legislative activity accelerated in 2025, despite the period from January to April being marked by a caretaker government. A total of 230 laws, by-laws, and strategic documents were adopted, which is 38 regulations (20%) more than in 2024, representing a return to 2023 levels.

Ongoing turbulent socio-political developments, both domestically and internationally, continue to shift the focus away from economic reforms toward addressing other pressing issues. Nevertheless, this year's Grey Book presents a somewhat more positive outlook compared to the previous year, with 10 recommendations fully or partially resolved, and 15 recommendations whose implementation has been initiated. Below is an overview of regulatory activity by institutions during 2025 and in the first few months of 2026, primarily related to business conditions in Serbia.

Electronic payment of all fees and charges enabled

Since the beginning of the year, the ePlati system has enabled electronic payment of all fees and charges in Serbia, as part of a comprehensive reform of parafiscal charges that NALED has advocated for over a decade. This reform addresses long-standing issues related to the lack of structure in the system of non-tax levies and the large number of unjustified (parafiscal) fees and charges prescribed in more than 500 national and 400 local regulations. The implementation of this measure is also envisaged in the Reform Agenda of the Republic of Serbia under the EU Growth Plan for the Western Balkans, and it resolves priority recommendation 1.8 Enable electronic payment of all non-tax charges from Grey Book 17.

Introduction of a national carbon tax

At the same time, a tax on greenhouse gas (GHG) emissions was introduced, applying to large industrial emitters, as well as a tax on imports of carbon-intensive products. The collection of these taxes began at the start of the year, at the same time as the EU's implementation of its Carbon Border Adjustment Mechanism (CBAM). The introduction of a national carbon pricing mechanism represents a step toward reducing the burden of CBAM on domestic companies exporting to the EU market. With this measure, priority recommendation 8.8 Introduce a national carbon pricing mechanism complementary to the EU CBAM from Grey Book 17 may be considered resolved.

Introduction of electronic sick leave

Through the adoption of the Law on the Exchange of Data, Documents and Notifications, and the development of the "eSick Leave – Employer" software solution, a centralized system for electronic data exchange in the process of exercising the right to sick leave has been established, eliminating the use of paper documentation. The success of this reform was ensured through cooperation between relevant institutions, including the Ministry of Health, Ministry of Labour, Employment, Veteran and Social Affairs, the Republic Health Insurance Fund, the Office for IT and eGovernment, and NALED. The implementation of this system is expected to reduce administrative burdens, accelerate procedures, and improve legal certainty. With its implementation from the beginning of 2026, priority recommendation 3.7 Introduce an eSick Leave system from Grey Book 17 is considered resolved.

Amendments to court fees

Amendments to the Law on Court Fees changed both fee amounts and the minimum value of disputes used as a basis for calculation. The obligation to pay court fees for filing a claim now arises at the conclusion of the preparatory hearing or the first main hearing, while the obligation for responding to a claim arises upon delivery of the final court decision. These changes eliminate double charging and encourage faster and amicable dispute resolution. Therefore, recommendation 6.1 Reduce high and abolish unnecessary court fees is considered partially resolved.

Improved conditions for mobile network base stations

The adoption of regulations on non-ionizing radiation sources and exposure limits, along with the removal of mobile base stations from the list of projects requiring environmental impact assessment screening, has improved administrative procedures and predictability for 5G network development. This partially resolves recommendation 15.6. Amend the system for assessing the environmental impact of mobile telephony base stations from Grey Book 17. The Rulebook on Minimum Conditions for Issuing Individual Licenses for the Use of Radio-Frequency Spectrum Based on a Conducted Public Auction has enabled the procedure of public bidding for three licenses for the provision of public electronic communications services. This has allowed operators to develop and deliver modern 5G services.

Improved conditions for property registration (Home and Dry)

The adoption of the Law on Special Conditions for the Recording and Registration of Property Rights has enabled the registration in the cadastre of a large number of houses, apartments, and other structures, as well as further disposal of such property, including legal connection to utility infrastructure and other benefits for owners. The centralized registration procedure is carried out via a digital platform established and managed by the Agency for Spatial Planning and Urbanism of the Republic of Serbia (APPURS), on the IT infrastructure of the Republic Geodetic Authority (RGZ), which performs

OVERVIEW OF REFORMS IMPLEMENTED IN 2025/2026

the registration of ownership rights in the real estate cadastre based on a certificate issued by the Agency, on a priority basis and without conducting an administrative procedure.

It should be recalled that, following comprehensive analysis and extensive public-private dialogue, NALED developed in 2023 a conceptual model for the universal registration of real estate and ownership in the cadastre (Framework Proposal for a Comprehensive Reform of Real Estate Management and Disposal in Serbia), which served as the basis for certain solutions incorporated into the new law. During 2025, NALED provided expert support to the institutions preparing the reform and the Home and Dry campaign. Given that the implementation of this regulation is still in its initial phase, priority recommendation 5.1 Accelerate and digitalize the legalization process from Grey Book 17 is considered partially resolved.

Introduction of Targeted Convalidation

A large portion of inherited property-law issues in Serbia is not related to disputes over ownership rights, but rather to formal deficiencies (e.g. specific cadastral requirements for registration). The adoption of the Law on State Survey and Cadastre represents the normative implementation of a recommendation long advocated by NALED, concerning the introduction of targeted convalidation—the registration of ownership rights based on available, albeit incomplete, documentation in cases where there is no dispute regarding ownership itself.

The relaxation of formal requirements for registration is expected to significantly contribute to the acceleration and simplification of procedures before the cadastre. However, given that the law is still in the early stages of implementation, priority recommendation 5.6 Establish an efficient mechanism for determining and registering property rights from Grey Book 17 is considered partially resolved.

Increased Transparency of Bankruptcy Proceedings

Amendments to the Bankruptcy Law aim to improve the transparency and oversight of insolvency proceedings by introducing an additional obligation for bankruptcy administrators to prepare and submit reports on the debtor's financial status to the court and creditors. The role of professional supervision over the work of bankruptcy administrators has also been further specified, with the objective of ensuring compliance with applicable regulations and standards, thereby increasing transparency and trust in the process.

However, these amendments do not eliminate barriers to access to documentation, as proof of legal interest is still required for access to case files. Therefore, recommendation 15.7 Ensure publicity and transparency of bankruptcy proceedings and out-of-court settlement from Grey Book 17 is considered partially resolved.

Accelerated Foreign Trade Procedures

With the aim of simplifying and accelerating foreign trade procedures, the Law on the National Single Window for Foreign Trade has been adopted. Through the “single window” system, businesses will be able to submit all necessary documentation for the import, export, and transit of goods in one place, without the need to address multiple institutions separately.

The system will enable greater transparency of procedures, real-time tracking of application status, and more efficient implementation of customs and other controls. Its full implementation is planned for mid-2027. With the introduction of this solution, initial steps have been taken toward addressing recommendation 15.12 Facilitate and accelerate foreign trade procedures from Grey Book 17, and its status is therefore assessed as Initiated.

Postponement of Automatic Preliminary VAT Return

Amendments to the Law on Electronic Invoicing and the VAT Law have postponed the automatic generation of preliminary value-added tax (VAT) returns, based on data from the eInvoice system, until January 2027.

The introduction of automatic VAT return generation will fulfil recommendation 1.4 Abolish the obligation to prepare and submit the POPDV form from Grey Book 17; however, given the postponement, this recommendation is still assessed as Initiated.

Further Implementation of the eHealth Record

In accordance with the Law on Health Documentation and Records in the Field of Healthcare, and the adopted by-laws further defining the content of the eHealth Record, the eHealth Record was launched at the beginning of 2026 as a pilot project in four healthcare institutions. The objective is to enable easier storage of medical documentation and tracking of treatment history, to improve diagnostics and healthcare delivery for patients, and to ensure more efficient use of data by physicians. Patients can access their eHealth Record data via the Ministry of Health portal using eID.

Given that the eHealth Record has not yet been implemented nationwide, priority recommendation 3.2 Establish a unified electronic health record and healthcare resource registry from Grey Book 17 is still assessed as Initiated.

Facilitated Import of Dual-Use Goods

The procedure for importing dual-use goods intended for research and development purposes has been simplified, and a National Control List of Dual-Use

OVERVIEW OF REFORMS IMPLEMENTED IN 2025/2026

Goods has been introduced through the adoption of the new Law on Export and Import of Dual-Use Goods. The adoption of this law also fulfils the Grey Book of Innovations recommendation 4.9 Automate the procedure for issuing permits for the import and export of dual-use goods.

Serbia's Accession to SEPA

In May 2025, Serbia became a member of the Single Euro Payments Area (SEPA), becoming the 41st participant in the system. This accession enables more efficient, secure, and EU-aligned euro payments. According to the National Bank of Serbia, banks in Serbia have been operationally ready to execute SEPA payments since May 2026, meaning that euro transfers to SEPA member countries have become faster and cheaper, payments from Serbia function under the same conditions as in other member states, and remittances from abroad arrive more quickly with lower transaction costs.

However, this does not affect obligations arising from foreign exchange regulations; therefore, recommendation 16.2 Improve and liberalize foreign exchange regulations from Grey Book 17 is not considered fulfilled.

Improved Waste Management Regulations

The Regulation on the Adoption of the Packaging Waste Reduction Plan for the period 2025 - 2029 has introduced stricter requirements for packaging waste streams and established a mandatory percentage for the collection of packaging from municipal waste. This measure encourages primary waste separation and imposes additional obligations on operators, public utility companies, and businesses.

Amendments to the Law on Waste Management introduced the concepts of “food waste” and “waste holder” (while the term “waste owner” has been removed from use) and enabled the collection from end users of waste that becomes hazardous after use, in line with proposals from NALED's Environmental Protection Alliance. In addition, the law defines exemptions for the import of certain types of non-hazardous waste used for energy purposes. Changes are also evident in the provisions governing exemptions from permitting requirements for waste management, with a particular focus on the activities of regional waste management centres.

Changes in Air Quality Monitoring

The previous system of three air quality zones has been replaced with a classification into first and second categories, with the complete abolition of the concept of tolerance values under the new Law on Air Protection. Furthermore, the law stipulates that monitoring of air quality in the state network is exclusively the responsibility of the Environmental Protection Agency and authorized legal entities, while the Republic Hydrometeorological Service is no longer competent in this area.

The objective of the new law is to improve the system of air quality management, protection, and enhancement through the fulfilment of international obligations and further harmonization with EU regulations.

Introduction of Electronic Visas

Foreign nationals may now submit visa applications electronically and obtain an eVisa in accordance with the Rulebook on the Form and Detailed Conditions for Issuing Visas in Electronic Format. Visa applications are submitted online, without the need to visit diplomatic or consular missions, while the electronic visa is issued as a PDF document with security features, including an electronic signature, seal, and QR code for authenticity verification.

Advancements in Information Security

The establishment of an Office for Information Security has been prescribed, with operations set to begin on 1 January 2027. Until then, its functions will be temporarily performed by the Office for Information Technologies and eGovernment (ITE), with the aim of strengthening the protection of critical infrastructure, improving incident response and introducing a registry of priority and important ICT system operators of special significance.

The law is fully aligned with the EU NIS2 Directive and defines the obligations of operators of critical ICT systems in key sectors, including risk management, adoption of security and risk assessment acts, and mandatory reporting of high and very high-level incidents within 24 hours in cases that significantly threaten information security.

Extension of the Cap on Tax Base Growth for Lump-Sum Taxpayers

The cap on annual growth of the tax base for lump-sum taxpayers has been extended to 10% until the end of 2027. This extension provides notable relief for more than 170,000 lump-sum-taxed self-employed persons in Serbia, providing greater predictability and stability in business operations. This measure is one of the recommendations actively advocated by NALED's Small Business Council in its dialogue with the Ministry of Finance.

More Transparent Disclosure of Beneficial Ownership

The adoption of the Law on the Central Register of Beneficial Owners introduced an obligation to ensure more transparent disclosure of the ownership structure of legal entities through a database maintained by the Serbian Business Registers Agency (APR).

OVERVIEW OF REFORMS IMPLEMENTED IN 2025/2026

STATUS OF IMPLEMENTATION OF RECOMMENDATIONS IN GREY BOOK 17

N°	INSTITUTION	NUMBER OF RECOMMENDATIONS	RESOLVED	PARTIALLY RESOLVED	UNRESOLVED	INITIATED*
1	Ministry of Finance	20	1	0	19	1
2	Ministry of Economy	5	0	0	5	0
3	Ministry of Health	10	1	0	9	3
4	Ministry of Labour, Employment, Veteran and Social Affairs	9	0	0	9	1
5	Ministry of Construction, Transport and Infrastructure	6	0	2	4	1
6	Ministry of Justice	6	0	1	5	0
7	Ministry of Agriculture, Forestry and Water Management	7	0	0	7	3
8	Ministry of Environmental Protection	9	1	0	8	0
9	Ministry of the Interior	2	0	0	2	2
10	Ministry of Culture	1	0	0	1	0
11	Ministry of Information and Telecommunications	3	0	0	3	3
12	Ministry of Domestic and Foreign Trade	1	0	0	1	0
13	Ministry of Public Administration and Local Self-Government	3	0	0	3	0
14	Ministry of Mining and Energy	2	0	0	2	1
15	Multiple institutions	12	0	2	10	0
16	National Bank of Serbia	3	0	0	3	0
17	Local Government Units	1	0	0	1	0
TOTAL		100	3	5	92	15

*Recommendations with the status Initiated are included in unresolved recommendations.

SCIENTIFIC COUNCIL'S OVERVIEW

After Daron Acemoglu, James A. Robinson and Simon Johnson were awarded the Nobel Prize in 2024 for their contribution to understanding the institutional foundations of growth, and subsequently Joel Mokyr, Philippe Aghion and Peter Howitt in 2025 for their analysis of innovation and technological change as preconditions for long-term economic growth, a clear continuity of a central economic message is reaffirmed: growth is not the result of short-term interventions, but of the quality of institutions, predictable rules, and an economy's capacity to foster innovation.

In the contemporary context of global geopolitical tensions, strengthening trade barriers, and accelerated technological transformation – including the development of artificial intelligence – the focus of regulators inevitably returns to the fundamental prerequisites of sustainable development: a stable and efficient business environment, with clear rules of the game and low administrative burdens, which encourages entrepreneurship and innovation. For Serbia, this issue carries additional weight given the slowdown in GDP growth from 4% in 2024 to around 2% in 2025, accompanied by weaker inflows of foreign investment.

It is precisely at this intersection of theory and practice that the Grey Book is positioned, offering concrete recommendations for improving the business environment and the conditions for the development of entrepreneurship, innovation, and investment in Serbia. Its value lies in the consultative process through which knowledge and experience from a wide range of stakeholders are gathered, enabling a more precise identification of problems and formulation of appropriate solutions. In this way, the “tyranny of experts,” as described by William Easterly in his book of the same title, is avoided – where theoretically grounded solutions may fail in practice.

Each edition is limited to 100 key recommendations that reflect the viewpoints and priorities of the private, public, and civil sectors. To date, no edition of the Grey Book has been identical – even when recommendations recur across multiple editions, their wording evolves, as the descriptions of problems and proposed solutions adapt to changes in the regulatory framework, economy, public administration and broader social environment. As a result, the recommendations must evolve in order to remain relevant in a rapidly changing context.

*To the extent possible, the descriptions of problems and proposed solutions are supported by data and estimated effects on businesses, the state, and the population, drawing on officially available sources, external analysis and research, as well as analysis conducted by NALED itself. Particular inspiration is drawn from comparative practices in European Union countries and the region, thereby contributing to Serbia's EU integration process through the adoption of the *acquis communautaire*.*

As in previous years, all recommendations can be divided into four categories:

- 1. Recommendations ready for immediate implementation, formulated with a high degree of precision and grounded in empirical and theoretical analysis, with detailed assessment of their effects and support from all key stakeholders.*
- 2. Recommendations that have different effects on specific groups of economic actors and therefore require additional consideration and alignment of different interests.*
- 3. Recommendations that require more detailed elaboration of solutions and implementation of activities such as training and capacity building in the public administration and the business sector affected by the proposed measures.*
- 4. Recommendations of a general nature, assessed as having significant potential to improve business conditions and stimulate economic development, but requiring additional analysis.*

In addition to nine proposals introduced for the first time in this publication, 91 previous recommendations have been re-examined, 16 of which have been substantially improved considering new or changed circumstances in the relevant areas. We believe that the implementation of recommendations from the 18th edition Grey Book would have significant effects on Serbia's economy, particularly with regard to reducing the grey economy, encouraging entrepreneurship, innovation, new investment and employment, improving the healthcare system, developing sustainable agriculture, and strengthening environmental protection.

SCIENTIFIC COUNCIL'S OVERVIEW

GREY BOOK 18: OVERVIEW OF RECOMMENDATIONS BY LINE INSTITUTION

Nº	LINE INSTITUTION	NUMBER OF RECOMMENDATIONS	NEW	OLD	EU BADGE	DIGITALIZATION	CASHLESS PAYMENTS	GENDER EQUALITY
1	Ministry of Finance	23	2	21	3	9	6	2
2	Ministry of Economy	5	0	5	0	1	0	0
3	Ministry of Health	13	4	9	3	4	0	0
4	Ministry of Labour, Employment, Veteran and Social Affairs	7	0	7	0	2	0	1
5	Ministry of Construction, Transport and Infrastructure	6	0	6	0	3	0	0
6	Ministry of Justice	6	0	6	1	3	1	0
7	Ministry of Agriculture, Forestry and Water Management	6	0	6	2	1	0	0
8	Ministry of Environmental Protection	8	0	8	2	1	0	0
9	Ministry of Internal Affairs	2	0	2	1	2	1	1
10	Ministry of Culture	1	0	1	0	0	0	0
11	Ministry of Information and Telecommunications	3	0	3	2	2	0	0
12	Ministry of Science, Technological Development and Innovation	1	1	0	0	1	0	0
13	Ministry of Public Administration and Local Self-Government	3	0	3	0	3	0	0
14	Ministry of Mining and Energy	2	0	2	2	1	0	0
15	Multiple institutions	11	2	9	5	4	1	1
16	National Bank of Serbia	3	0	3	1	0	0	1
TOTAL		100	9	91	22	37	9	6

1. MINISTRY OF FINANCE

1.12 OPTIMIZE THRESHOLDS AND PROCEDURES RELATED TO THE TAXATION OF LUMP-SUM TAXPAYERS



PROBLEM DESCRIPTION

Pursuant to the Personal Income Tax Law (Article 40, paragraph 2, item 4), the upper threshold for income (turnover) that the lump-sum-taxed self-employed may generate while remaining within the lump-sum taxation regime is RSD 6 million per calendar year. This threshold has remained unchanged since 2013, even though consumer prices have increased by nearly 70% on average during that period, while the average net salary has increased by 120%. Consequently, this threshold now corresponds to 44 average annual net salaries, whereas at the time the law entered into force it corresponded to 99 average net salaries.

On the other hand, total turnover exceeding RSD 8 million represents the threshold for mandatory entry into the VAT system. Unlike the lump-sum threshold, this threshold is not tied to the calendar year but to the preceding 12 months of business activity.

Therefore, it is possible for an entrepreneur to exceed the RSD 8 million threshold without yet exceeding the RSD 6 million threshold, since the same time periods are not observed. In such a case, a lump-sum taxpayer would be required to enter the VAT system and would consequently lose the right to remain under lump-sum taxation and would have to start maintaining accounting books.

An additional issue is that the self-employed may change their taxation regime only by submitting a notification of such intent to the Tax Administration by 15 December of the current year for the following year, exclusively in electronic form via the ePorezi portal. In this regard, the Tax Administration's application allows only two types of change in the method of settling tax liabilities: (a) a taxpayer who was subject to lump-sum taxation in the current year may opt to settle tax liabilities through self-assessment in the following year; and (b) a taxpayer who settles tax liabilities through self-assessment in the current year may opt to settle tax liabilities through payment of personal salary in the following year.

The platform does not allow a lump-sum taxpayer to opt for payment of personal salary in the following year, although this was the most used option prior to the introduction of the ePorezi application. At the beginning of 2020, the Ministry of Finance adopted the position in Opinion No. 430-00-7/2020-04 that a self-employed person who loses the right to lump-sum taxation during the year cannot opt for payment of personal salary.

PROPOSED SOLUTION

We propose an amendment to the Personal Income Tax Law to align the upper threshold of total turnover for lump-sum taxed entrepreneurs – applicable to the year preceding the year for which the tax is assessed, or to the projected turnover at the commencement of business activity – with the threshold for entry into the VAT system, i.e. to increase it from RSD 6 million to RSD 8 million. A similar approach exists in countries in the region, such as Croatia and Montenegro. In addition, the position of the International Monetary Fund is that aligning the upper turnover threshold for lump-sum taxpayers with the VAT registration threshold is economically rational and can have a positive impact on reducing development constraints for small businesses.

Furthermore, we propose an amendment to Article 33a of the Personal Income Tax Law to allow a lump-sum-taxed self-employed person who loses the right to lump-sum taxation during the tax year to opt for payment of personal salary, subject to the obligation to submit a notification of such choice electronically via the Tax Administration portal within 15 days of the date of loss of the right to lump-sum taxation, with the choice taking effect from the date of such loss; all other deadlines and the prohibition of changing the choice during the period should be retained, with the possibility of de-registration by 15 December with effect from 1 January of the following year.

REGULATIONS

Personal Income Tax Law (Official Gazette of the Republic of Serbia, No. 24/2001, ..., 6/2026)

3. MINISTRY OF HEALTH

3.2 ESTABLISH A UNIQUE ELECTRONIC HEALTH RECORD AND MATERIAL RESOURCES RECORD IN HEALTHCARE

PROBLEM DESCRIPTION

The new Law on Health Documentation and Records in the Field of Healthcare, adopted in 2023, established a basis for further digitalization of the healthcare system and prescribed the introduction of the eHealth Record as a unified and centralized register of data on each patient. This regulation stipulates that the Ministry of Health shall establish and maintain the Republic Integrated Health Information System (RIZIS), which encompasses all electronic services for patients and public healthcare institutions, including the electronic health record of the patient. At present, the electronic health record does not include data from private practices, including private laboratories, resulting in incomplete data and making it difficult to track a patient's medical history. Additionally, some physicians continue to maintain part of the documentation in paper form rather than in the information system, which leads to only partial information on a patient's health status being available in the system. Furthermore, the law provides for the establishment of a central register of healthcare resources, through which data would be available in real time to the management of healthcare institutions, the Ministry of Health, and the Government of the Republic of Serbia, in order to enable more efficient management of healthcare policy. The central register of resources is intended to include data on human resources, as well as material resources (equipment, medicines, ICT resources, etc.) and infrastructure, thereby ensuring that all relevant information on the healthcare system is available to decision-makers and public policy makers. The first phase of development of the Healthcare System Resources system, covering human and material resources, has been completed and is ready for use; in subsequent phases, it could be further upgraded to include registers of buildings, IT infrastructure, and medicines and medical devices.

PROPOSED SOLUTION

In order to ensure full implementation of the Law on Health Documentation and Records in the Field of Healthcare, the following measures are required:

- Adopt implementing by-laws that more precisely define the content of health documentation and records, reports and registers, as well as the modalities of access to data within RIZIS, and other areas prescribed by the Law;
- Enable physicians at all levels of healthcare to access a patient's medical record through their local systems, ensuring availability of comprehensive data on examinations, diagnoses, and prescribed therapies that may affect treatment decisions;
- Provide training to people responsible for maintaining basic medical documentation, in line with the obligation to keep such documentation in electronic form, as stipulated by the Law on Health Documentation and Records in the Field of Healthcare (Article 10).

In order to enable effective management of healthcare resources, it is also necessary to implement and further develop a technological solution for a centralized, real-time updated registry of all material resources across primary, secondary, and tertiary healthcare (the initial phase covering human and material resources has been developed; further upgrades are required to include registers of buildings, IT infrastructure, and medicines and medical devices).

Finally, consolidated and up-to-date data in RIZIS and the central healthcare resources register could also serve as a basis for planning and conducting clinical studies, as they would provide transparent insight into institutional capacities and the available patient population. This would position Serbia as a more competitive destination for international clinical trials, while enabling faster decision-making regarding the inclusion of domestic centres in global projects.

In January 2021 following several years of advocacy by NALED, the Government of the Republic of Serbia established the Coordination Body for the Digitalization of the Healthcare System with the aim of ensuring a strategic approach to the development of eHealth. Based on the work of the Coordination Body and the working groups established, the Programme for the Digitalization of the Healthcare System in the Republic of Serbia was adopted in 2022 along with its accompanying Action Plan. Subsequently, in line with the Programme, a new Law on Health Documentation and Records in the Field of Healthcare was adopted in October 2023, which provides inter alia for the establishment of the electronic patient record and lays the groundwork for further digitalization in healthcare. Certain implementing by-laws have also been adopted, further defining the content of the electronic health record. At the beginning of 2026, the electronic patient record (eHealth Record) was launched; however, it remains in a pilot phase involving four healthcare institutions. Significant progress has also been made through the enhancement of the eZdravlje portal, facilitating easier access for patients to their health data.



REGULATIONS

- Law on Health Documentation and Records in the Field of Healthcare (Official Gazette of the Republic of Serbia, No. 92/2023)

3. MINISTRY OF HEALTH

3.10 IMPROVE THE PROCEDURE FOR THE INCLUSION OF MEDICINAL PRODUCTS ON THE REIMBURSEMENT LIST

PROBLEM DESCRIPTION

The availability of innovative therapies in the Republic of Serbia significantly lags behind the level observed in European Union countries, resulting in an unequal position of Serbian patients in comparison with those in more developed healthcare systems. Innovative medicinal products are a key factor in extending life expectancy, improving the quality of life and reducing sick leave and the number of hospitalizations, thereby contributing to higher societal productivity and reducing pressure on the healthcare budget in the long term.

The limited availability of such therapies is a consequence of an insufficiently efficient and transparent procedure for including medicines on the Reimbursement List financed by the Republic Health Insurance Fund. The procedure is regulated by the Rulebook on the Criteria, Method and Conditions for Including Medicines on the Reimbursement List. However, this regulation does not clearly define decision-making deadlines nor mechanisms to ensure compliance with such deadlines. It stipulates that the list is adopted at least once per year, which may involve the addition of one or more new medicines; however, there is no guarantee that innovative or newly introduced medicines with an international non-proprietary name (INN) will be included on the list within the current year.

The criteria for prioritizing medicines are not sufficiently transparent and are not clearly linked to public health relevance and cost-effectiveness of therapies, while the status of certain categories of medicines (e.g. orphan drugs) is not specifically regulated.

In practice, the work of the Central Medicines Commission (CMC) lacks transparency – annual schedules, session dates, agendas and conclusions are not published. This reduces the predictability of the process and the ability of pharmaceutical companies to plan, while patients experience delays in accessing new therapies.

PROPOSED SOLUTION

The Rulebook on the Criteria, Method and Conditions for Including Medicines on the Reimbursement List should be amended to:

- introduce an obligation to update the Reimbursement List at least once per year by including a medicinal product with an international non-proprietary name (INN) not currently listed, or a new indication for an existing INN, identified as a priority by the relevant Republic Expert Commission and the Central Medicines Commission;
- further specify evaluation criteria based on a comprehensive analysis and EU good practice;
- establish mandatory transparency of the work of the Central Medicines Commission – annual schedules, agendas, and conclusions to be published at least 7 days prior to each session and made publicly available;
- expand the disclosure of information on submitted applications to include the status of evaluation and dates of consideration;
- mandate public disclosure of each version of the Reimbursement List;
- define specific criteria for orphan medicinal products and medicines for rare diseases in line with ethical principles.

Through these amendments, Serbia would align its procedure with good practice in EU Member States, ensuring greater predictability, transparency and efficiency in decision-making, faster patient access to innovative therapies and more rational management of healthcare budget resources.



NEW

REGULATIONS

· Health Insurance Law (Official Gazette of the Republic of Serbia, No. 25/2019, 84/2021 and 109/2025)

· Rulebook on the Criteria, Method and Conditions for Including Medicinal Products on the Reimbursement List (Official Gazette of the Republic of Serbia, No. 45/2022, 63/2023)

4. MINISTRY OF LABOR, EMPLOYMENT, VETERAN AND SOCIAL AFFAIRS

4.3 REGULATE FLEXIBLE AND SEASONAL FORMS OF EMPLOYMENT



PROBLEM DESCRIPTION

According to the study “Grey Economy in Serbia – Assessment of Scope and Determinants” conducted by NALED in 2024, a significant share of the grey economy is driven by undeclared work (nearly two-thirds of the grey economy originates from the payment of undeclared wages, while slightly more than one-third stems from undeclared profits). In addition to agriculture, sectors with a substantial share of grey economy activity in the domain of informal employment include trade, hospitality, construction, and household and auxiliary services.

According to the results of a public opinion survey conducted by NALED in 2020, an average of 55,877 households in Serbia annually engage workers in household and auxiliary services, the majority of whom are not formally registered. One of the reasons for the higher prevalence of informal employment is the temporary or seasonal nature of such work, where workers are engaged for short periods but with higher intensity. Engaging workers for such jobs is even more complex than hiring permanent employees (particularly the basis for social insurance), while in practice workers are often engaged for only a few days. Additionally, the costs of engaging occasional or temporary workers, in terms of taxes and social security contributions, are disproportionately high.

The Labour Law, which underwent substantial amendments in 2014, did not adequately anticipate changes in the labour market, resulting in insufficient legal regulation of certain forms of work engagement, particularly those outside formal employment relationships. The law provides for the possibility of contracting temporary and occasional work, which constitutes work outside an employment relationship, for a duration of up to 120 working days (close to half a calendar year). However, this type of engagement is frequently subject to misuse through repeated re-engagement of the same worker upon expiry of the statutory limit and is not fully aligned with relevant EU Directives.

Forms of work such as part-time work (two to four hours per day), platform work, job sharing, household and auxiliary services, activities related to the collection of secondary raw materials, supplementary activities in insurance and real estate transactions, etc., are not appropriately regulated by law, and consequently neither the rights of workers nor the obligations of employers in relation to such forms of work are clearly defined.

For example, according to Eurostat data for 2023, part-time work—which is particularly suitable for pregnant women, women on maternity leave, or mothers with young children (who might work two hours per day or one day per week)—is widely present in the EU (the Netherlands 38%, Germany and Austria around 30%), while in Serbia it accounted for approximately 5%.

PROPOSED SOLUTION

Taking into account the positive effects of introducing a simplified electronic system for registering the engagement of seasonal workers in the agricultural sector, we propose extending this worker registration system to other types of work that are by nature temporary, occasional, or seasonal, specifically in the sectors of construction, tourism and hospitality, as well as household and auxiliary services. In addition, consideration should be given to applying this or a similar model of engagement to social enterprises, craftsmen, and associations engaged in delivery services.

In order to prevent misuse of the system, additional safeguards should be introduced beyond those of the existing framework. Primarily, employers should be prohibited from engaging, under this system, a worker whom they have previously dismissed from the same position. Furthermore, the occasional nature of such work should be defined by introducing a limit of a maximum of 15 days of engagement per month in construction, tourism, and hospitality. In these sectors, quotas should also be introduced for the number of such workers relative to the number of permanently employed staff. Finally, the framework should be aligned with Directive (EU) 2019/1152 on transparent and predictable working conditions.

In addition to expanding the scope of legislation governing seasonal work, we propose amending the existing Labour Law, or adopting new regulations, in order to introduce new forms of contracting for work outside employment relationships and work engagement more broadly, and to more precisely regulate part-time work, job sharing, and work performed outside the employer’s premises. Temporary and occasional work, author’s contracts, and other similar contracts should also be redefined to prevent abuse of the rights of workers engaged through them. These amendments should enable more flexible forms of engagement while safeguarding the rights and obligations of both workers and employers, in line with relevant EU directives on workers’ rights.

Amendments to the Labour Law or the adoption of new regulations should be accompanied by changes to the relevant tax legislation, i.e. laws governing the taxation of labour (the Personal Income Tax Law and the Law on Mandatory Social Security Contributions), in order to ensure appropriate tax treatment of new forms of work and to enable the effective exercise of workers’ rights in accordance with the nature and type of engagement.

REGULATIONS

- *Law on Simplified Work Engagement of Seasonal Workers in Certain Activities (Official Gazette of the Republic of Serbia, No. 50/2018)*
- *Labour Law (Official Gazette of the Republic of Serbia, No. 24/2005, ..., 109/2015 – other law)*
- *Personal Income Tax Law (Official Gazette of the Republic of Serbia, No. 24/2001, ..., 6/2026)*
- *Law on Mandatory Social Security Contributions (Official Gazette of the Republic of Serbia, No. 84/2004, ..., 6/2026)*

5. MINISTRY OF CONSTRUCTION, TRANSPORT AND INFRASTRUCTURE

5.6 ESTABLISH AN EFFICIENT MECHANISM FOR DETERMINING AND REGISTERING PROPERTY RIGHTS AND FOR CADASTRAL REGISTRATION OF LEGACY CASES

PROBLEM DESCRIPTION

With the adoption of a package of property-related laws at the end of 2025, the state demonstrated its commitment to addressing the issue of unregistered real estate where ownership rights are based on so-called “legacy documentation.” As of 1 January 2026, it became possible to submit applications for the registration of real estate based on documents that previously had formal deficiencies – such as the absence of an official seal, a statement permitting registration, or a parcel number – but which substantively demonstrate ownership, thereby enabling registration in the real estate cadastre without the need for court proceedings. Significant progress has been achieved in determining and registering property rights through the mechanism of “targeted convalidation”; however, there remains considerable room for further improvement of this system.

The most significant challenge in implementing this reform is the large number of properties with incomplete documentation, i.e. with deficiencies not covered by the cases eligible for “targeted convalidation,” which prevents the registration of rights for a substantial number of properties in accordance with applicable regulations. The legal status of such properties becomes increasingly complex over time, particularly in cases involving transactions or inheritance.

Available documentation is often several decades old and frequently lacks essential elements required for registration, such as the surface area of the property, proper identification of the property, or personal data of the transferor and the acquirer of rights.

In practice, individuals and businesses are unable to correct such deficient documentation through contract annexes or amendments, as the original transferors are often unavailable (e.g. deceased, bankruptcy proceedings concluded, etc.). At the same time, they are unable to obtain a substitute court decision, as court proceedings are excessively lengthy, costly, and based on strict rules regarding the burden of proof. Proceedings related to acquisitive prescription (adverse possession) are also excessively time-consuming.

The inability of individuals to secure the determination and registration of their property rights within a reasonable time frame results in outdated cadastral records and legal uncertainty regarding property rights, which in turn leads to limitations on the disposal of real estate and the enforcement of creditors’ claims against a debtor’s assets.

Amendments to the Law on State Survey and Cadastre adopted on 23 October 2025 introduced the new legal concept of targeted convalidation of legacy documents, facilitating the registration of ownership rights in the real estate cadastre in specifically defined cases; however, these provisions do not cover all practical scenarios involving incomplete documentation.

PROPOSED SOLUTION

Given that no deadline has been prescribed for submitting requests for targeted convalidation, it is necessary to conduct an analysis based on a representative sample to assess the extent to which, within the observed period, registration has been enabled through targeted convalidation and for how many properties, on the basis of documents that were previously considered deficient prior to the amendments to the law. Based on these findings, subsequent legislative amendments should expand the scope of cases to which convalidation applies, in order to enable persons who have a probable right to a property to initiate a procedure for verification of documentation for the purpose of registering their rights in the cadastre, including in situations that go beyond the currently defined cases of targeted convalidation.

“Convalidation” should be established as a distinct legal mechanism that enables the comprehensive verification of legacy documentation, rather than remaining limited to a narrow set of specifically prescribed cases under the 2025 amendments.

This recommendation is considered partially resolved, as it has largely been incorporated through the amendments to the Law on State Survey and Cadastre, which have been applicable since 1 January 2026.

These amendments introduced the so-called targeted convalidation, a new mechanism enabling registration of rights in the cadastre in cases where this had previously not been possible due to formal deficiencies in “old” documentation. Targeted convalidation is intended for all individuals and organizations possessing “old” contracts, court or administrative decisions, and other documents created many years or even decades ago, which could not previously be registered in the cadastre due to the strict formal requirements of the earlier legal framework. The new regime enables such documentation to be reviewed and used as a basis for the registration of rights.

*The amendments introduce two key innovations: a simplified electronic procedure, which private individuals may initiate independently through the portal of the Republic Geodetic Authority without mandatory engagement of a lawyer, and special cases of registration in which rights may be registered even without fulfilling traditional formal requirements (e.g. the absence of a *clausula intabulandi* in very old contracts).*

The procedure covers contracts certified before 1 September 2014 and other documents created before 8 June 2018, without any time limit for their submission. In cases where the documentation cannot serve as a basis for registration, applicants receive a clear explanation and instructions for further action. At the same time, targeted convalidation does not replace the “Home and Dry” procedure, but rather complements it.

In this way, property rights that effectively existed but had not been registered due to formal obstacles can finally be verified and entered into the cadastre in a legally secure and reliable manner.


**PARTIALLY
RESOLVED**

REGULATIONS

- Law on the Procedure for Registration in the Real Estate Cadastre and Infrastructure Cadastre (Official Gazette of the Republic of Serbia, No. 41/2018, ..., 92/2023)
- Law on State Survey and Cadastre (Official Gazette of the Republic of Serbia, No. 72/2009, ..., 91/2025)

8. MINISTRY OF ENVIRONMENTAL PROTECTION

8.1 ESTABLISH THE GREEN FUND AS A SEPARATE LEGAL ENTITY

PROBLEM DESCRIPTION

In the European Commission's regular annual reports on Serbia's progress in the EU integration process, including the latest report for 2025, emphasis is placed on the need to improve the efficiency of investments in the field of environmental protection, and on the public disclosure of official reports and information regarding ongoing infrastructure investments and their environmental impact.

This role was previously performed very effectively by the Environmental Protection Fund (EPF), which functioned as a dedicated financial mechanism for investing in environmental protection projects—waste management, wastewater treatment, pollution reduction, and other environmental initiatives. Its purpose was to provide a stable and transparent source of financing, separated from general budget expenditures, thereby ensuring continuity and predictability of investments in environmental protection.

EPF was abolished through the adoption of the Law Repealing the Law on the Environmental Protection Fund (Official Gazette of the Republic of Serbia, No. 93/2012). Subsequently, by the Decision on the Establishment of the Green Fund of the Republic of Serbia (Official Gazette of the Republic of Serbia, No. 91/2016), it was re-established, but only as an organizational unit within the Ministry of Environmental Protection.

Given that no implementing by-laws have been adopted to ensure the full functioning of the Green Fund, and that all revenues collected from environmental pollution charges continue to flow into the general budget of the Republic of Serbia, the consequences of abolishing EPF are still evident in practice.

The continuity of investments in environmental protection projects has been disrupted, while revenues from environmental fees have been absorbed into the general budget and become subject to shifting fiscal priorities. At the same time, transparency in the allocation of funds has been reduced and the mechanism of public oversight weakened, contrary to the recommendations contained in the European Commission's reports calling for efficient and publicly accessible management of investments in this area.

In addition, institutional and professional capacities for the preparation and monitoring of complex infrastructure projects have been weakened, securing national co-financing and absorption of EU funds has become more difficult, and the "polluter pays" principle has been undermined due to the loss of a clear link between the collection of environmental charges and their use for improving environmental quality. Taken together, these developments have slowed the modernization of the environmental protection system and negatively affected the overall state of the sector.

PROPOSED SOLUTION

While acknowledging the position that "green money" is no different from any other money, ensuring reciprocity between environmental investments and revenues collected through environmental charges is the minimum standard that should be achieved. A Green Fund established as a separate legal entity, project-oriented, with a clearly defined legal framework and a budget reflecting reciprocal investment in environmental protection, is a prerequisite for transparent and sustainable financing of environmental protection measures and projects, and for transparent planning and management of investments in this field.

This requires the adoption of a Law on the Environmental Protection Fund and/or amendments to the Environmental Protection Law stipulating that the Fund shall be established as a legal entity and the central instrument for financing and co-financing activities in the environmental sector, and that revenues collected through environmental pollution charges shall be paid directly into the fund or, as an interim solution, transferred from the general budget in proportion to investments in the sector.

Should the model of direct payment of collected charges into the Fund be accepted, such a solution should be prescribed by the Law on Fees for the Use of Public Goods. Alternatively, under a transitional arrangement, allocations for the Fund should be determined annually through the Law on the Budget. In both cases, close coordination between the Ministry of Environmental Protection and the Ministry of Finance is necessary. The resources of the fund would be used for:

- Financing the preparation, implementation, and development of programmes, projects, and other activities at the national and local levels aimed at the preservation, sustainable use, protection, and improvement of the environment;
- Improving energy efficiency, promoting the use of renewable energy sources, and supporting industrial decarbonization;
- Preserving biological and geological diversity and ensuring the rational use of natural resources and energy as fundamental conditions for sustainable development;
- Ensuring the realization of the right to a healthy environment.

In addition, it is necessary to further develop and strengthen the human resource capacities of public administration in the field of environmental protection, both at the national and local levels, and to establish the fund as an independent body responsible for the preparation, management, and monitoring of projects in this highly demanding area. The establishment of the Green Fund, accompanied by an appropriate reform of environmental charges that would also include new revenues generated under the Law on the Tax on Imports of Carbon-Intensive Products and the Law on the Tax on Greenhouse Gas Emissions, is crucial for establishing sustainable and transparent financing and management of environmental protection projects, and for the decarbonization of the economy.

In its 2025 report, the European Commission reiterates that the Ministry of Environmental Protection should publish official reports and information on ongoing green investments and their environmental impact, noting that public participation and public consultation procedures have not improved in comparison with the previous reporting period. The implementation of this recommendation would contribute to the systematic management and monitoring of all green investments in the country, and to the fulfilment of the European Commission's recommendations under Chapter 27 - Environment and Climate Change.



REGULATIONS

- Environmental Protection Law (Official Gazette of the Republic of Serbia, No. 135/2004, ..., 94/2024 – other law)
 - Legal gap arising from the adoption of the Law on the Dissolution of the Environmental Protection Fund
- Law on Fees for the Use of Public Goods (Official Gazette of the Republic of Serbia, No. 95/2018, ..., 118/2025)
- Law on the Budget of the Republic of Serbia for 2026 (Official Gazette of the Republic of Serbia, No. 108/2025)

8. MINISTRY OF ENVIRONMENTAL PROTECTION

8.2 IMPROVE PRIMARY WASTE SORTING AND INTRODUCE A DEPOSIT SYSTEM FOR THE RETURN OF BEVERAGE PACKAGING

PROBLEM DESCRIPTION

Collected beverage packaging that has so far been gathered and sent for recycling has predominantly originated from businesses, while achieving the EU's specific material-related targets requires significantly more intensive collection of packaging from the public, i.e. end consumers. In addition, it is necessary to identify a mechanism that will make the existing Extended Producer Responsibility (EPR) system more efficient.

EU countries have set a target that by 2030, 70% of packaging waste should be recycled. Without improvement of the existing system, Serbia would require more than 10 years to reach this target. The new EU Regulation on Packaging and Packaging Waste, whose application begins in August 2026, introduces additional obligations, including the requirement that by 2030 at least 10% of alcoholic and non-alcoholic beverages placed on the market by final distributors must be in reusable packaging. Packaging will also have to comply with design-for-recycling criteria, which the European Commission is expected to develop through implementing acts by 1 January 2028, together with recyclability assessment criteria.

The Regulation also introduces minimum recycled-content targets for contact-sensitive plastic packaging other than PET, set at 10% by 2030 and as high as 25% by 2040. This further confirms that, without improving the existing system, Serbia will lag behind the EU by significantly more than 10 years in achieving these objectives.

Namely, pursuant to Article 16, paragraph 4 of the Law on Packaging and Packaging Waste, the Packaging Waste Reduction Plan is adopted by the Government upon the proposal of the ministry responsible for environmental protection, for a five-year period. According to the Regulation establishing the Packaging Waste Reduction Plan for the period 2025–2029, which prescribes national targets for collection, recovery, and recycling of packaging waste, national operators have, since 2024, been required to present targets by material type, including targets related to municipal packaging waste.

The key objectives of the regulation are focused on increasing the recovery of packaging waste from 67% in 2025 to 72% in 2029, and increasing the recycling rate from 60% in 2025 to 65% in 2029. The Regulation also prescribes a gradual increase in recycling targets by material type. Beginning in 2027, specific targets are introduced, most notably the target for recycling PET beverage bottles, which rises from 40% in 2027 to 90% in 2029.

According to the plan established by the regulation, the average recycling rate across all materials in 2029 would remain below 60% (glass and metal 54%, wood 29%, plastic 50%, polyethylene 20%, other plastics 6%, and multilayer beverage cartons 4%), with the exception of PET beverage bottles (90%) and paper and cardboard packaging, for which the target is 80% by 2029.

PROPOSED SOLUTION

We propose introducing a deposit-return system for beverage packaging through amendments to the Law on Packaging and Packaging Waste, and prescribing the establishment of a Deposit Organization managed by the responsible industry (including producers, importers, packers/fillers, and distributors), with appropriate state oversight through participation in governance and supervisory bodies.

It is necessary to prescribe that the period required for establishing the system must be at least three years from the moment of adoption of the complete legislative framework. In addition, implementing by-laws should stipulate that products already on the market at the moment the deposit-return system becomes operational may remain on the market until the expiry of their shelf life, which may exceed three years (provided the products remain within their validity period). Furthermore, we propose prescribing that, in accordance with the law, deposits not refunded to consumers remain the property of the Deposit Organization and may be used for the functioning and further development of the system.

We also believe that representatives of the industry should be involved in the drafting of implementing by-laws, following the same principle applied during the preparation of the law itself. Consideration should also be given to digitalization of the process and the application of Best Available Technologies (BAT), such as the use of a widely accessible infrastructure network for the disposal of packaging waste.

According to an analysis conducted by NALED, the introduction of a Deposit Return Scheme (DRS) in the Republic of Serbia would have a positive impact on society as a whole and on environmental protection, including at least a doubling of recycled packaging quantities and a reduction in landfill waste volume by approximately one-fifth.

Alongside the introduction of the deposit-return system, it is necessary to work in parallel on improving waste separation through primary selection. Support should be provided to the primary waste separation system through the collection of additional separated waste fractions that will not be covered by the deposit-return system.

Such an approach would create the conditions for obtaining higher-quality raw materials and achieving the prescribed specific targets for each material type. The costs of separate collection are justified by the benefits to recycling, as they reduce sorting costs and increase the value of sorted materials for further use, thereby providing a direct contribution to environmental improvement.

Amendments to the Law on Packaging and Packaging Waste aimed at introducing a deposit-return system are also expected in 2026 (according to the NPAA, adoption of the Law had originally been planned for the fourth quarter of 2025), as well as the establishment of an official working group in the Ministry of Environmental Protection, of which NALED would formally become a member.

REGULATIONS

- Law on Packaging and Packaging Waste (Official Gazette of the Republic of Serbia, No. 36/2009 and 95/2018 – consolidated law)
- Regulation on the Adoption of the Packaging Waste Reduction Plan for the Period 2025–2029 (Official Gazette of the Republic of Serbia, No. 21/2025)

9. MINISTRY OF THE INTERIOR

9.1 DIGITALIZE CHANGE OF RESIDENCE AND ENABLE AUTOMATIC UPDATING OF PERSONAL DOCUMENTS



PROBLEM DESCRIPTION

Many people do not report changes of permanent or temporary residence, since the procedure requires visiting the premises of the Ministry of Interior at the place of residence and submitting documentation proving that the person has rented or purchased a property in another city or municipality. According to the latest available data, nearly 135,000 residents of Serbia have gone through the residence change procedure, which imposes significant time and financial costs.

To change their address, residents must first submit an application and pay an administrative fee. They must then submit a request to update the address on their identity card and pay an additional fee. If the identity card does not contain a chip, residents must make another in-person visit to collect the document. Following the update of the identity card, residents are also required to apply for amendments to other personal documents (passport, driver's license, and vehicle registration certificate), which likewise entails waiting in queues, paying fees, and visiting administrative counters to collect the documents.

Residents go through the same procedure when replacing other documents, such as health insurance cards, while the change must also be reported to other authorities (the Republic Geodetic Authority and local tax administrations).

According to the latest data, the cost of issuing a biometric identity card amounts to approximately RSD 1,200. A passport costs RSD 3,600, a driver's license approximately RSD 2,000, while the issue of a vehicle registration certificate, new license plates, and a registration sticker costs approximately RSD 3,000. High monetary penalties, and in some cases prison sentences, are prescribed for non-compliance with these obligations. As a consequence, the state lacks accurate information on how many people permanently or temporarily reside in a particular city or municipality, while inconsistencies remain across official databases. Furthermore, all personal documents are still issued in plastic or paper form, and a digital wallet model for storing, sharing, and using personal documents in electronic format has yet to be developed.

PROPOSED SOLUTION

The Law on General Administrative Procedure stipulates that public authorities are obliged to obtain ex officio access to data contained in official records. It is therefore necessary to ensure that any registered change of residence is automatically reflected across all relevant databases.

One part of the solution is to enable electronic submission of applications for change of residence, following the example of Slovenia. In addition, one-stop administrative service points should be established at police stations / directorates, where residents can simultaneously submit applications for the issue of all personal documents under the jurisdiction of the Ministry of the Interior. It is also necessary to enable notification of other authorities, through the Central Population Register, regarding completed changes of residence.

We further propose abolishing the requirement to display residence information on personal documents where such information is not necessary. In Germany, Switzerland, Finland, Croatia, and Montenegro, residence information is not stated on driver's licenses or passports.

Another possible solution is the establishment of a Digital Identity Wallet containing mobile versions of residents' personal documents. This would enable easier in-person and online identification, facilitate data updates, and provide residents with greater control over the sharing of their personal data.

Digital wallets in Greece and France contain identity cards and driver's licenses, while in Portugal they include health insurance cards. Similar applications also exist in Switzerland and Belgium.

At the end of 2025, a Draft Law was prepared envisaging the establishment of the Digital Identity Wallet of Serbia, modelled on the EU Digital Identity Wallet, in the context of harmonisation with EU Regulation (EU) 2024/1183 – eIDAS 2.0.



In 2025, the competent ministry prepared a draft law providing for the establishment of a Digital Identity Wallet. Its introduction would enable residents to store data from personal documents in electronic form and use such data for identification purposes, both in person and online.

In addition, through the Action Plan for the Implementation of the Government of the Republic of Serbia Programme for the period 2025–2027, the Ministry of the Interior envisaged the establishment of a Digital Identity Wallet for storing residents' personal documents, as well as the establishment of one-stop service counters for updating personal data in official documents.



INITIATED

REGULATIONS

- Law on the Central Population Register (Official Gazette of the Republic of Serbia, No. 17/2019)
- Law on Permanent and Temporary Residence of Citizens (Official Gazette of the Republic of Serbia, No. 87/2011)
- Law on Identity Cards (Official Gazette of the Republic of Serbia, No. 62/2006, 36/2011 and 53/2021)
- Law on Travel Documents (Official Gazette of the Republic of Serbia, No. 90/2007, ..., 81/2019)
- Health Insurance Law (Official Gazette of the Republic of Serbia, No. 25/2019, 92/2023 and 109/2025)
- Law on Electronic Documents, Electronic Identification and Trust Services in Electronic Business (Official Gazette of the Republic of Serbia, No. 94/2017, 52/2021)
 - Rulebook on Insurance Certificates (Official Gazette of the Republic of Serbia, No. 1/2021)
- Rulebook on the Registration of Motor and Trailer Vehicles (Official Gazette of the Republic of Serbia, No. 69/2010, ..., 31/2025)

15. MULTIPLE INSTITUTIONS

MINISTRY OF FINANCE, MINISTRY OF DOMESTIC AND FOREIGN TRADE, AND MINISTRY OF AGRICULTURE, FORESTRY AND WATER MANAGEMENT

15.9 FACILITATE AND ACCELERATE FOREIGN TRADE PROCEDURES



PROBLEM DESCRIPTION

Lengthy waiting times for the completion of foreign trade procedures, i.e. export and import processes, directly affect the operations of domestic companies by increasing costs due to complex procedures, limiting the ability to suitably plan business processes, and creating potential losses caused by failure to meet agreed delivery deadlines with foreign partners. This reduces the competitiveness of domestic companies, particularly on the EU market which accounts for nearly two-thirds of Serbia's exports.

The greatest challenge in exports relates to trucks waiting for hours at border crossings with the EU, especially at the borders with Hungary and Croatia, practically throughout the entire year. Trucks carrying goods often wait for several hours, particularly at the Batrovci and Horgoš border crossings, which in practice increases costs for businesses and diminishes the positive effects of eliminating tariffs and harmonizing standards achieved through the Stabilisation and Association Agreement (SAA).

As regards imports, risk analysis is inadequately applied, resulting in highly frequent sampling of goods by competent inspections and referral for laboratory testing. This complicates and further prolongs the import process, given that some test results take several weeks to obtain.

An additional issue is that the various institutions participating in foreign trade procedures are at different stages of digitalization of their processes. Some still do not provide the possibility of electronic submission of applications and documentation, such as the border sanitary inspection of the Ministry of Health. Electronic systems have been established for the border phytosanitary and veterinary inspections under the Ministry of Agriculture, Forestry and Water Management, while the Customs Administration has made the greatest progress in introducing and using software solutions.

PROPOSED SOLUTION

Given the many hours of delay for goods vehicles at border crossings, particularly with Hungary and Croatia, and the fact that these are external EU borders with enhanced entry controls, we propose that, besides bilateral discussions with representatives of the respective countries, an initiative should also be launched towards the European Commission (EC) with the aim of identifying an appropriate solution, especially regarding infrastructure investment on their side.

It is also necessary to initiate negotiations with the EC on the mutual recognition of Authorized Economic Operators (AEO certificates) between Serbia and the EU, which would accelerate border crossing procedures for companies holding such certificates.

In addition, negotiations with the EC should be intensified regarding the signing of the ACAA Agreement (Agreement on Conformity Assessment and Acceptance of Industrial Products), which aims to facilitate the movement of industrial products between the EU and the Republic of Serbia.

Furthermore, in December 2025, the Law on Official Controls was adopted and is largely harmonized with EU regulations, with the objective of improving the risk assessment system and facilitating imports for companies with good business practices and well-developed internal product safety controls. In this regard, implementation should in practice be monitored in detail (on a quarterly or semi-annual basis) in order to determine whether risk analysis is indeed being applied more intensively in the sampling of goods at the border.

At the same time, it is necessary to ensure that electronic submission of applications and accompanying documentation for all border inspections is further improved and harmonized, in line with the standards prescribed by the adopted Law on the National Single Window for Foreign Trade. Since this law will become operational on 1 January 2027, it is important to ensure in good time all necessary technical, organizational, and legislative conditions to begin implementation within the prescribed time frame.

Full implementation of the single-window approach and further digitalization of foreign trade procedures would contribute to reducing administrative burdens, accelerating procedures, and increasing predictability for businesses.

REGULATIONS

· Legal gap – adoption of a new regulation is required

15. MULTIPLE INSTITUTIONS

MINISTRY OF FINANCE, MINISTRY OF PUBLIC ADMINISTRATION AND LOCAL SELF-GOVERNMENT, PUBLIC POLICY SECRETARIAT OF THE REPUBLIC, AND OFFICE FOR INFORMATION TECHNOLOGIES AND EGOVERNMENT

15.10 ENSURE THE FUNCTIONING OF A UNIFIED REGISTER OF NON-TAX REVENUES



PROBLEM DESCRIPTION

For more than a decade, the business community has highlighted the problem of the insufficiently transparent and unpredictable system for the collection of non-tax charges, primarily fees and levies. NALED's analyses show that there are more than 2,000 different non-tax charges prescribed through more than 500 different regulations at the national level, with some 400 additional local regulations.

Significant steps were made in 2018 towards increasing transparency with the adoption of the Law on Fees for the use of Public Goods, which consolidated fees previously regulated under 18 different laws. An additional improvement followed in 2021 through the development of the ePlati system, which enabled the electronic generation of payment slips with automatically populated data, initially for services of the Ministry of the Interior and one service of the Tax Administration. These measures provided an important foundation for the further improvement of the non-tax charge collection system.

As of January 2026, amendments to a set of regulations entered into force introducing an obligation for all public authorities to enable electronic payment of fees and charges for all of their procedures, together with the obligation to register them through the Unified Registry of Non-Tax Revenues (JENP).

However, the JENP itself has still not been fully operationally established because, among other reasons, the regulation governing the detailed procedure for registering fees and charges has not yet been adopted.

An additional problem is the absence of effective sanctions for authorities that fail to implement the legal obligation to enable electronic payments. Although the obligation has been formally prescribed, the lack of clear and effective monitoring and enforcement mechanisms has resulted in inconsistent implementation.

PROPOSED SOLUTION

In order to ensure full implementation of the obligation to enable electronic payment of fees and charges, and to achieve genuine transparency of the non-tax revenue system, it is necessary to establish clear operational and technical mechanisms for the functioning of the Unified Registry of Non-Tax Revenues (JENP) as soon as possible.

We propose the prompt adoption of the Regulation on Detailed Conditions and the Procedure for Registration of Fees and Charges in the JENP, in order to precisely regulate the roles and responsibilities of all participants in the system, the procedure for data entry and the definition of parameters necessary for the automatic generation of payment slips for physical and legal persons, as well as deadlines for initial entry, amendments, and regular updating of data on fees and charges.

In parallel, it is necessary to carry out technical improvements to the application of the Registry of Administrative Procedures (RAP) in order to enable functional linkage between administrative procedures and the corresponding fees and charges recorded in the JENP. This approach would establish a centralized system for managing data on fees and charges, facilitate data entry and updating by public authorities, and clearly assign responsibility for the accuracy and timeliness of information to the authority competent for adopting the regulation introducing or amending a fee or charge.

Additionally, in order to ensure consistent implementation of regulations in practice, we propose introducing misdemeanour liability through amendments to the Law on Electronic Administration for public authorities and responsible persons within those authorities in cases where electronic payment of fees and charges is not enabled in accordance with the law.



NEW

REGULATIONS

- Law on the Registry of Administrative Procedures (Official Gazette of the Republic of Serbia, No. 44/2021 and 109/2025)
- New regulation: Regulation on Detailed Conditions for the Registration of Fees and Charges, or amendments to the Regulation on the Management, Functioning and Determination of Data Entered into the Registry of Administrative Procedures (Official Gazette of the Republic of Serbia, No. 84/2022)
- Law on Electronic Administration (Official Gazette of the Republic of Serbia, No. 27/2018)

ANNEX 1: SOLVED RECOMMENDATIONS FROM GREY BOOK 17

MINISTRY OF FINANCE: 1.8 ENABLE ELECTRONIC PAYMENT OF ALL NON-TAX CHARGES  

PROBLEM DESCRIPTION

For more than a decade, the business community has highlighted the problem of the insufficiently transparent and unpredictable system for the collection of non-tax charges, primarily fees and levies. NALED's analyses show that there are more than 1,200 different non-tax charges prescribed through more than 500 different regulations at the national level, with some 400 additional local regulations.

A significant step toward increasing transparency was made in 2018 through the adoption of the Law on Fees for the Use of Public Goods, which consolidated fees regulated under 18 different laws. However, this resolved only part of the problem, since fees, which are more numerous, continue to be regulated through many sector-specific regulations.

Nor does the current system for collecting non-tax charges enable the competent authorities to efficiently determine whether all required payments have been made. As a result, individuals and businesses are required to submit proof of payment, contrary to Articles 9 and 103 of the General Administrative Procedure Law, while also creating opportunities for abuse (e.g. adding extra zeros to payment slips).

Additionally, the Treasury Administration faces difficulties when refunding incorrectly paid amounts because it is often unable to identify the payer or determine whether the service for which the refund is requested was actually provided. All of this stems from the absence of a reference number system capable of unambiguously identifying who paid the fee, for which service, and to which authority.

Initial steps toward resolving this issue were taken during 2021 with the development of the ePlati system, which enables electronic generation of payment slips with a unique reference number. This system is currently used for procedures of the Ministry of the Interior and one procedure of the Tax Administration (tax on the transfer of absolute rights in the purchase of used motor vehicles). However, for the remaining more than 1,500 non-tax charges, the problem remains unresolved.

PROPOSED SOLUTION

We propose amending the Budget System Law to prescribe an obligation for all users of public funds to enable electronic calculation and payment of all non-tax charges. The end user, whether an individual or a business entity, would be able to independently choose whether to pay the non-tax charge electronically or at the counters of payment institutions, but in both cases using standardized payment parameters for generating payment slips. From a technical viewpoint, we propose that electronic payment should be enabled through:

- Upgrading the existing ePlati system, or other software solutions, so as to enable the generation of payment slips for all administrative procedures in Serbia and to allow authorities to verify payments without requiring proof of payment from the payer;
- Establishing an up-to-date list of all non-tax charges, including prescribed amounts or formulas for calculating the amount of the fee (a so-called fee and charge calculation generator);
- Linking identified charges to the relevant administrative procedures, thereby enabling both physical and legal persons to familiarize themselves with the amount of the charge before making payment;
- Introducing a unique reference number for each payment, enabling unambiguous identification of which fee is being paid, who is making the payment, for which service, and to which authority. This would eliminate the obligation to submit proof of payment, as authorities would be able to independently verify payments through the ePlati system. It would also simplify the refund procedure for incorrectly paid funds through the Treasury Administration.

As an example of good practice, we highlight Estonia, where each institution publicly publishes lists of all fees and charges it collects, together with all information necessary for generating payment slips (eg. the Medicines Agency). Finally, to encourage electronic payments, we propose introducing a 10% reduction in fees for all procedures conducted electronically and where cashless payment is enabled.

The European Commission's 2025 Report states that efforts to reduce the grey economy have continued, but that para-fiscal charges still remain one of the main factors contributing to its growth.

In 2024, with the aim of improving the business environment and increasing system transparency, the Government of the Republic of Serbia included in Serbia's Reform Agenda as part of the EU Growth Plan for the Western Balkans a reform activity titled "Enabling Electronic Payment of All Public Revenues (Tax and Non-Tax)".

In March 2025, a Working Group was established for the implementation of this activity, consisting of representatives of the Ministry of Finance, the Treasury Administration, the Office for Information Technologies and eGovernment, the Public Policy Secretariat of the Republic, and NALED.



Implementation of the reform began with the adoption of Serbia's Reform Agenda, which envisaged the activity "Enabling Electronic Payment of All Public Revenues (Tax and Non-Tax)" through the work of the Ministry of Finance Working Group. Given the comprehensive nature of the reform, implementation was planned in two phases. During 2025, the first phase of implementation was fully completed and included: a) upgrading the ePlati system so that, from 1 January 2026, individuals and businesses are able to pay all fees and charges electronically using the "electronic general payment slip" option; b) introducing a mandatory reference number structure ensuring the uniqueness of each payment; c) obliging all public authorities, as of 1 January 2026, to verify electronic payments ex officio through the ePlati system. In the second phase of implementation, planned by the end of October 2026, the ePlati system is to be integrated with the Unified Registry of Non-Tax Revenues (JENP) and the Registry of Administrative Procedures (RAP), in order to enable automated completion of payment slips for individuals and businesses. In this regard, the JENP has been legally and technically established, and public authorities have begun entering their fees and charges into the system. The statutory deadlines for the initial population of the JENP are the end of June 2026 for all national administrative fees and the end of October 2026 for all other fees and charges. Since the beginning of 2026, training sessions for public authorities have been conducted, with plans to train more than 50 authorities responsible for the most frequently used procedures by the end of May 2026. The implementation of the reform was enabled through amendments to the following regulations: a) the Regulation on Detailed Conditions for the Establishment of eGovernment; b) the Law on Republic Administrative Fees; c) the Rulebook on the Conditions and Method of Maintaining Accounts for the Payment of Public Revenues and the Allocation of Funds from Those Accounts; and d) the Law on the Registry of Administrative Procedures. In view of the above, the recommendation is considered resolved.

REGULATIONS

· Budget System Law (Official Gazette of the Republic of Serbia, No. 54/2009, ... 94/2024)

· Rulebook on the Conditions and Method of Maintaining Accounts for the Payment of Public Revenues and the Allocation of Funds from Those Accounts (Official Gazette of the Republic of Serbia, No. 16/2016 ... 115/2025)

ANNEX 1: SOLVED RECOMMENDATIONS FROM GREY BOOK 17

MINISTRY OF HEALTH: 3.7 INTRODUCE AN E-SICK LEAVE SYSTEM

PROBLEM DESCRIPTION

The sick leave system in Serbia faces a number of challenges affecting the rights of insured persons, the efficiency of healthcare institutions and employers and the financial sustainability of the system. Under the Health Insurance Law, insured persons are entitled to salary compensation during temporary incapacity for work, with the employer covering the first 30 days and the Health Insurance Fund (RFZO) assuming the obligation from the 31st day onward (Article 101 of the Law). However, inefficient coordination between employers, the RFZO, and healthcare institutions leads to delays in the calculation and payment of salary compensation, resulting in dissatisfaction and additional costs.

In smaller municipalities, the limited operation of RFZO medical commissions is a serious issue. Commissions often meet only a few times per month, meaning that patients seeking an extension of sick leave or an opinion from the commission must travel to other municipalities or RFZO branches. This complicates the exercise of rights, as medical commissions do not have access to electronic medical records of insured persons from other branches. Patients are then required to return to their home branch carrying paper-based opinions for further processing, which additionally prolongs and increases the cost of the procedure.

At the same time, abuse of sick leave, commonly referred to as “false sick leave,” places an additional burden on the system. Article 73 of the Health Insurance Law prohibits the approval of sick leave without medical justification, yet practice shows that the right to sick leave is frequently used contrary to its intended purpose. Such situations cause financial losses to employers and reduce productivity, negatively affecting business operations, particularly in companies with a higher incidence of abuse.

The law allows employers to initiate reassessment procedures regarding employees’ medical fitness for work (Article 156 of the Health Insurance Law and Article 103 of the Labour Law). However, the current legal framework does not prescribe deadlines for conducting such procedures or for submitting reports to employers. This legal gap further complicates the resolution of disputed cases and delays employees’ return to work.

These issues point to the need for a comprehensive reform that would include improvements to information systems, better coordination between institutions, and clearly defined obligations and deadlines for all participants in the process. A more efficient system would not only facilitate the exercise of insured persons’ rights, but also reduce administrative and financial costs for employers and healthcare institutions.

PROPOSED SOLUTION

To improve the efficiency of the sick leave system, reduce administrative costs, and minimize opportunities for abuse, we propose an integrated approach that includes the following measures:

1. Introduction of the “eSick Leave” electronic system
 - Develop an information system enabling the electronic submission and processing of documentation related to sick leave. The system would allow general practitioners, medical commissions, and the Health Insurance Fund (RFZO) to access the insured person’s medical records, thereby reducing the need for physical transfer of documentation.
 - employers would receive information through the system regarding employees’ temporary incapacity for work, eliminating the obligation for employees to personally submit certificates and sick leave reports.
 - Electronic calculation of salary compensation performed by the RFZO would relieve employers of administrative procedures and accelerate payments.
2. Optimization of the work of medical commissions
 - Enable medical commissions in smaller municipalities to access electronic medical records of insured persons from other RFZO branches, in order to avoid sending patients back to their home branches solely for document certification.
 - As an interim solution, simplify the procedure for electronically delivering opinions of medical commissions outside the insured person’s home branch.
3. Specification of obligations and deadlines for reassessment procedures
 - Amend the Health Insurance Law to introduce a maximum deadline of five days for conducting the reassessment procedure for temporary incapacity for work following an employer’s request.
 - Introduce an obligation for healthcare institutions to deliver a report on the employee’s medical fitness to the employer within five days of completion of the assessment procedure.
4. Strengthening oversight and reducing abuse
 - Clearly define the criteria and procedures for approving sick leave, including the obligation to comply with doctors’ instructions and prescribed therapy.
 - Strengthen supervision over the work of physicians and medical commissions, including the introduction of strict sanctions for issuing “false sick leave” without justified medical grounds.
5. Adoption of implementing legislation to support the electronic system
 - Amend or adopt a rulebook regulating in detail the conditions, methods, and procedures for exercising the right to salary compensation through the electronic system, including the ex officio collection of documentation from healthcare institutions and the Tax Administration.

Through the joint efforts of the Ministry of Health, the Republic Health Insurance Fund (RFZO), and the Office for IT and eGovernment and with the support of NALED, this long-standing Grey Book recommendation was implemented and the eSick Leave system became operational on 1 January 2026.

The eSick Leave system enables general practitioners to issue electronic certificates of temporary incapacity for work and electronic sick leave reports within the system, while employers are notified electronically. In this way, the need for submitting paper documents has been abolished, which is of major importance for employees and means one less visit to administrative counters.

For the healthcare system, the benefits are reflected in a reduced administrative burden, elimination of duplicate data entry, and reduction of errors resulting from manual completion of sick leave documentation. The system also brings numerous advantages for employers, including electronic submission of objections and requests, monitoring of sick leave-related information, savings in time and resources, greater reliability and transparency in procedures, and a higher level of legal certainty.

To establish the regulatory framework necessary for this system, the Law on the Exchange of Data, Documents and Notifications in Cases of Temporary Incapacity for Work through the “eSick Leave - Employer” Software Solution was adopted in December 2025. This law, together with the integration of the software solutions, is a key condition for the functioning of the overall eSick Leave system. The software solution connects three information systems: eSick Leave - Health (Ministry of Health), eSick Leave - Employer (Office for IT and eGovernment), and eSick Leave - RFZO. From 1 April 2026, the launch of the second phase of the system is planned, which will enable electronic submission of reimbursement claims in cases where the RFZO is responsible for payment of salary compensation during sick leave.

REGULATIONS

- Health Insurance Law (Official Gazette of the Republic of Serbia, No. 25/2019, 92/2023 and 109/2025)
- Rulebook on the Method and Procedure for Exercising Rights under Mandatory Health Insurance (Official Gazette of the Republic of Serbia, No. 10/2010, ..., 4/2024 – other rulebook)

ANNEX 1: SOLVED RECOMMENDATIONS FROM GREY BOOK 17

MINISTRY OF ENVIRONMENTAL PROTECTION: 8.8 INTRODUCE A NATIONAL CARBON PRICING MECHANISM COMPLEMENTARY TO THE EU CBAM

PROBLEM DESCRIPTION

The European Union Emissions Trading System (EU ETS) was established in 2005 as the first greenhouse gas (GHG) emissions allowance trading market in the European Union. Since the EU imports products from non-member countries, and in order to fulfil obligations arising from the European Green Deal and the Fit for 55 initiative, the Carbon Border Adjustment Mechanism (CBAM) was introduced. CBAM currently applies to products from energy-intensive industries, including aluminium, cement, iron, steel, fertilizers, and electricity, while in the coming years it is planned to expand to cover the entire EU ETS system (noting, for example, that the fertilizer industry in Serbia is not currently recognized as an ETS installation).

For Serbia, the European Union is its key export market, accounting for approximately 70% of total exports. According to the World Bank study Western Balkans Regular Economic Report No. 23, domestic industries in the mentioned sectors are characterized by greenhouse gas emission levels approximately ten times higher than those of EU industries, which are continuously reducing their GHG emission intensity in order to achieve full climate neutrality by 2050.

This difference in emissions directly affects the competitiveness of Serbian products because, through the implementation of CBAM, Serbian companies will be required to pay additional charges when exporting products to the EU market, thereby increasing total costs and product prices. This could directly undermine their competitiveness on the EU market and potentially lead to the suspension of exports whose value amounted to EUR 1.5 billion in 2023.

At the same time, products covered by CBAM are currently imported into the Republic of Serbia from non-EU countries to a value of approximately EUR 1.4 billion, often with a very high carbon footprint, which effectively undermines the efforts of domestic producers to reduce GHG emissions. As a consequence of CBAM-related charges, a sharp increase is expected in imports of products from energy-intensive industries originating from third countries into Serbia, representing a direct threat to the competitiveness of domestic producers unless imported CBAM goods are also covered by a national carbon pricing adjustment mechanism.

Such a mechanism would need to be complementary to the CBAM and approved by the European Commission in order to avoid duplication of administrative costs.

PROPOSED SOLUTION

We propose the establishment of a national carbon pricing mechanism, representing an important step toward reducing the burden of the CBAM on the domestic economy. To ensure equal conditions for all market participants, the national carbon pricing mechanism should also cover CBAM goods imported into Serbia from third countries.

Although the mandatory application of obligations arising from the CBAM is envisaged from 1 January 2026, the Law on Climate Change already contains the regulatory framework necessary for its implementation. A national carbon charging mechanism can be implemented through the existing MRV (monitoring, reporting and verification) IT system.

In parallel with the introduction of a national carbon pricing mechanism, it is necessary within the shortest possible time frame to adopt a regulatory package of measures that would enable energy-intensive industries operating in Serbia to access mechanisms for reducing CO₂ emissions, including the creation of a more favourable energy mix for Serbia.

For the further decarbonization of energy-intensive industries, and to fulfil the obligations of the Republic of Serbia to reduce its GHG emissions by 33.3% by 2030, it is necessary to:

- Through a regulatory package of measures, specifically amendments to national legislation, enable energy-intensive industries to import alternative fuels derived from waste and secure access to alternative raw materials (by-products of other industries and construction and demolition waste) from both domestic and international markets, in order to reduce GHG emissions generated from the use of fossil fuels and natural raw materials;
- Redirect revenues collected through the national carbon tax toward further decarbonization efforts while respecting fair distribution mechanisms through the Green Fund, which should be re-established in accordance with recommendation 8.1 of the Grey Book;
- Establish a national verification and certification system recognized by the EU for carbon emissions within the CBAM framework, thereby ensuring compliance with European standards and making the process more accessible and financially affordable;
- Establish and implement a local standard for green bonds within Serbia's legislative framework, following the guidelines defined under the ICMA (International Capital Market Association) global principles for the issue of green bonds;
- Introduce incentives for green investments as an additional stimulus for energy-intensive companies.

According to the Progress Report published at the end of October 2025, Serbia was invited to introduce a national carbon pricing mechanism aligned with the EU Emissions Trading System (EU ETS). To meet these requirements, NALED, with the support of energy-intensive industries (EII), prepared a CBAM analysis outlining all the implications of introducing a carbon tax in the Republic of Serbia and providing recommendations for supporting the decarbonization of EII and the potential benefits of this approach for the state. Through the adoption of two tax laws – the Law on the Tax on Greenhouse Gas Emissions and the Law on the Tax on Imports of Carbon-Intensive Products – a national carbon pricing mechanism has been established. On the one hand, this mechanism enables domestic companies exporting carbon-intensive products to the European Union market and therefore obliged to pay the corresponding EU carbon charge, to pay part of that amount in the Republic of Serbia, with such payments recognized as a deductible item within the EU mechanism. This creates the possibility for the collected revenues to remain in the Republic of Serbia and to be directed toward the further decarbonization of domestic industry. On the other hand, the Law on the Tax on Imports of Carbon-Intensive Products introduces equal market conditions for energy-intensive industries, particularly in relation to products imported from countries without developed carbon neutrality policies. Through the introduction of this parallel mechanism, the recommendation from the Grey Book has been fulfilled and key conditions have been established for further development of decarbonization in the Republic of Serbia.



REGULATIONS

- Legal gap – adoption of a new regulation was required

ANNEX 2: NEW RECOMMENDATIONS

GREY BOOK 18: NEW RECOMMENDATIONS

N°	RECOMMENDATION	LINE INSTITUTION
1.22	Improve rules on the accrual and adjustment of VAT liabilities to preserve VAT neutrality and align with EU law	Ministry of Finance
1.23	Improve the public procurement system through sustainability, market research and quality	Ministry of Finance
3.10	Improve the procedure for including medicinal products on the reimbursement list	Ministry of Health
3.11	Align regulations on clinical trials of medical devices with EU legislation	Ministry of Health
3.12	Establish a centralized, digital and publicly accessible database on clinical studies in Serbia	Ministry of Health
3.13	Introduce a pilot incentive regulatory framework for clinical investigations of medical devices	Ministry of Health
12.1	Regulate the use of electronic bills of lading for goods in transport	Ministry of Science, Technological Development and Innovation
15.10	Ensure the functioning of a unified register of non-tax revenues	Multiple Institutions
15.11	Enable the implementation of smart contracts within the legal system of the Republic of Serbia	Multiple Institutions

ANNEX 3: RECOMMENDATIONS WITH LABELS

GREY BOOK 18: RECOMMENDATIONS WITH AN EU BADGE ★

Nº	RECOMMENDATION	LINE INSTITUTION
1.1	Reduce the fiscal burden on the lowest wages	Ministry of Finance
1.21	Improve conditions for food donations and abolish VAT on food donations	Ministry of Finance
1.22	Improve rules on the accrual and adjustment of vat liabilities to preserve vat neutrality and align with EU Law	Ministry of Finance
3.4	Improve the procedure for amendments and variations of marketing authorizations for medicinal products	Ministry of Health
3.8	Enable the conduct of clinical trials for advanced therapies in Serbia	Ministry of Health
3.11	Align regulations on clinical trials of medical devices with EU Legislation	Ministry of Health
6.4	Establish a legal framework for debt discharge of natural persons	Ministry of Justice
7.1	Digitalize the management of agricultural field records and the subsidy registry	Ministry of Agriculture, Forestry and Water Management
7.6	Reduce the carbon footprint in agricultural production and support the concept of regenerative agriculture	Ministry of Agriculture, Forestry and Water Management
8.1	Establish the Green fund as a separate legal entity	Ministry of Environmental Protection
8.5	Regulate the management of biodegradable kitchen waste	Ministry of Environmental Protection
9.1	Digitalize change of residence and enable automatic updating of personal documents	Ministry of the Interior
11.2	Enable the use of qualified electronic certificates issued abroad and in Serbia	Ministry of Information and Telecommunications
11.3	Reduce the costs of deploying broadband infrastructure	Ministry of Information and Telecommunications
14.1	Ensure preconditions for further growth of renewable energy production	Ministry of Mining and Energy
14.2	Introduce a ban on the use of fluorescent light sources	Ministry of Mining and Energy
15.1	Simplify procedures related to dietetic products	Multiple institutions
15.2	Improve the system for wastewater treatment and control	Multiple institutions
15.3	Harmonize regulations on the labelling of country of origin for food products	Multiple institutions
15.5	Abolish local restrictions on the installation of radio base stations and confirm competence for inspection supervision	Multiple institutions
15.11	Establish a functional register of genetic and biomedical data	Multiple institutions
16.2	Improve and liberalize foreign exchange regulations	National bank of Serbia

ANNEX 3: RECOMMENDATIONS WITH LABELS

GREY BOOK 18: RECOMMENDATIONS WITH DIGITALIZATION DESIGNATION

N°	RECOMMENDATION	LINE INSTITUTION
1.3	Introduce unified payment of taxes and contributions for the self-employed and automated pension registration	Ministry of Finance
1.9	Ease the administration related to electronic invoices	Ministry of Finance
1.11	Ease and lower the costs for electronic payment of real estate rental tax	Ministry of Finance
1.12	Optimize thresholds and procedures related to flat-rate taxation	Ministry of Finance
1.14	Enable the issue of a consolidated certificate of paid taxes and establish an electronic calculator for default interest calculation	Ministry of Finance
1.16	Improve tax procedures for digital asset transfer transactions	Ministry of Finance
1.17	Enable the issue of fiscal receipts exclusively in electronic form	Ministry of Finance
1.19	Standardize local administrative fees	Ministry of Finance
1.20	Improve the implementation of the law on electronic delivery notes through more precise regulation and alignment with business practice	Ministry of Finance
2.3	Centralize records in the Serbian business registers agency	Ministry of Economy
3.2	Establish a unique electronic health record and material resources record in healthcare	Ministry of Health
3.3	Enable The Use of eReferrals by specialist doctors	Ministry of Health
3.5	Facilitate and accelerate the import of unregistered medications	Ministry of Health
3.12	Establish a centralized, digital and publicly accessible database on clinical studies in Serbia	Ministry of Health
4.3	Regulate flexible and seasonal forms of employment	Ministry of Labour, Employment, Veteran and Social Affairs
4.6	Enable electronic storage and delivery of employment-related documents	Ministry of Labour, Employment, Veteran and Social Affairs
4.9	Enable automatic notification of the labour inspectorate on the commencement of business operations and branches of a business entity	Ministry of Labour, Employment, Veteran and Social Affairs
5.1	Speed up and digitalize the legislation process	Ministry of Construction, Transport and Infrastructure
5.3	Establish a digital platform for the creation and publication of planning documents (eSpace)	Ministry of Construction, Transport and Infrastructure
5.4	Enable a more efficient issue of permits for freight vehicle movement	Ministry of Construction, Transport and Infrastructure
6.2	Enable electronic proceedings in court procedures	Ministry of Justice
6.5	Ensure a unified registry of contracts on the disposal of movable property	Ministry of Justice
6.6	Mandate delivery to a unified electronic mailbox for acts and correspondence in misdemeanour and other court proceedings	Ministry of Justice
7.1	Digitalize the management of agricultural field records and the subsidy registry	Ministry of Agriculture, Forestry and Water Management
8.7	Facilitate and digitalize the procedure for preparing environmental impact assessments	Ministry of Environmental Protection
9.1	Enable simultaneous change of residence in both id cards and other personal documents	Ministry of the Interior

ANNEX 3: RECOMMENDATIONS WITH LABELS

N°	RECOMMENDATION	LINE INSTITUTION
9.2	Introduce cashless payment of monetary fines for traffic offences	Ministry of the Interior
11.1	Enable remote electronic identification for qualified trust services	Ministry of Information and Telecommunications
11.2	Enable the use of qualified electronic certificates issued abroad and in Serbia	Ministry of Information and Telecommunications
12.1	Regulate the use of electronic bills of lading for goods in transport	Ministry of Domestic and Foreign Trade
13.1	Introduce a public electronic registry of institutional opinions	Ministry of Public Administration and Local Self-Government
13.2	Strengthen inspection capacities and mandate the use of the elnspector system	Ministry of Public Administration and Local Self-Government
13.3	Establish a permanent contact centre for inspections and introduce AI solutions	Ministry of Public Administration and Local Self-Government
14.1	Support prosumers and active customers in the energy transition to green energy sources	Ministry of Mining and Energy
15.8	Enable the use of smart contracts in the legal system of the Republic of Serbia	Multiple Institutions
15.9	Facilitate and accelerate foreign trade procedures	Multiple Institutions
15.10	Ensure the functioning of a unified register of non-tax revenues	Multiple Institutions
15.11	Enable the implementation of smart contracts in the legal system of the Republic of Serbia	Multiple Institutions

ANNEX 3: RECOMMENDATIONS WITH LABELS

GREY BOOK 18: RECOMMENDATIONS WITH CASHLESS PAYMENT DESIGNATION

N°	RECOMMENDATION	LINE INSTITUTION
1.9	Ease the administration related to electronic invoices	Ministry of Finance
1.11	Ease and lower the costs for electronic payment of real estate rental tax	Ministry of Finance
1.13	Introduce incentives for the development of cashless payments	Ministry of Finance
1.14	Enable the issue of a consolidated certificate of paid taxes and establish an electronic calculator for default interest calculation	Ministry of Finance
1.17	Enable the issue of fiscal receipts in exclusively electronic form	Ministry of Finance
1.19	Standardize local administrative fees	Ministry of Finance
6.1	Lower high and abolish unnecessary court fees	Ministry of Justice
9.2	Introduce cashless payment of monetary fines for traffic offences	Ministry of the Interior
15.10	Ensure the functioning of a unified register of non-tax revenues	Multiple Institutions

GREY BOOK 18: RECOMMENDATIONS WITH GENDER SENSITIVE DESIGNATION

N°	RECOMMENDATION	LINE INSTITUTION
1.3	Introduce unified payment of taxes and contributions for the self-employed and automated pension registration	Ministry of Finance
1.12	Optimize thresholds and procedures related to flat-rate taxation	Ministry of Finance
4.7	Adopt a programme for the development of social entrepreneurship and ensure conditions for the full implementation of the law	Ministry of Labour, Employment, Veteran and Social Affairs
9.1	Digitalize change of residence and enable automatic updating of personal documents	Ministry of the Interior
15.7	Equalize the status of self-employed women with that of employed mothers	Multiple Institutions
16.3	Enable financing of small businesses by non-bank microfinance institutions	National Bank of Serbia

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