

## HIGHLIGHTS OF THE SECOND QUARTERLY REPORT FOR 2021

### Highlights of the Regulatory Activity in the second quarter of 2021

The second quarter of 2021 was marked by increasingly intense regulatory activities, especially when it comes to entrepreneurship, employment and fair competition, as well as e-government and e-business.

The new edition of the Quarterly Report on the Status of Regulatory Reforms presents the key amendments to regulations in the second quarter of 2021, of which we highlight the following:

- On May 28, 2021, the **Law on the Protection of Trade Secrets** was adopted to provide the legal protection of trade secrets from illegal acquisition, use and disclosure. The new law also protects business investments aimed at acquiring, developing and applying the knowledge and experience and other information that provides them with an advantage over the competition;
- The adoption of the **Law on Amendments to the Law on Excise Duties ("Official Gazette of the RS", No. 53/2021)** eliminated the difference in the excise burden between domestic producers and importers of strong alcoholic beverages after almost two decades of waiting. The amendment to the law, which is in accordance with the relevant EU Directive, stipulates that the amount of excise duty on strong alcoholic beverages is determined based on the percentage of pure alcohol (ethyl alcohol) contained in a particular beverage;
- Taxation of personal income by means of self-assessment and cutting the costs of administration of this type of tax liability are regulated by the **Law on Amendments to the Personal Income Tax Law ("Official Gazette of the RS", No. 44/2021)** and the **Law on Amendments to the Law on Mandatory Social Security Insurance Contributions ("Official Gazette of the RS", No. 44/2021)**. The amendments introduced two methods to calculate this type of tax liability: the first refers to income generated from 2015 to the end of September 2021, while the second focuses on income that will be generated starting from the fourth quarter of 2021;
- For freelancers, but also other representatives of non-standard forms of income generation (copyright and related rights), income taxes and contributions, generated in the period from the beginning of 2015 to the end of September 2021, will be assessed by the tax authority;
- Pension and disability insurance of freelancers, or self-employed insured persons is more closely defined by the **Law on Amendments to the Law on Pension and Disability Insurance ("Official Gazette of the RS" 62/21)**. The law specifies that the insurance period also includes the time during which the insured person generated the agreed compensation for which the contribution was paid. This applies to insured persons who work for a foreign employer in the Republic of Serbia without a registered representative office in Serbia and who have no other basis of insurance except income generated in this fashion;

- The **Law on Electronic Invoicing** was adopted with an aspiration to establish greater control and visibility over a wide range of transactions between public sector entities, between private and public sector entities, as well as between private sector entities included in the electronic invoicing system, as well as to increase legal certainty and consistency of the national legal framework;
- The **Law on Amendments to the Law on Electronic Document, Electronic Identification and Trust Services in Electronic Business (“Official Gazette of the RS”, No. 52/2021)** was adopted in May and entered into force on June 1, 2021. Representatives of the Ministry of Trade, Tourism and Telecommunications held several meetings with members of the e-Government Alliance to discuss innovations provided by the new legal language. During the public debate, the main observation made by NALED members that the article which provided for unilateral recognition of qualified trust services by EU member states and third countries with which the EU has signed an agreement should not be adopted was upheld. Instead, a bilateral agreement signed between the Republic of Serbia and the European Commission, mutually recognizing qualified trust services, would still remain a requirement;
- The **Law on the Seal of State and Other Authorities (“Official Gazette of the RS”, No. 101/2007 and 49/2021)** in addition to the provisions concerning the seal in the form of an imprint on a paper document, provides for the form, content, manner of handling and application, action to be taken in case of replacement, disappearance or loss of electronic seals attached to electronic documents issued by state and other authorities;
- The **Law on the Registry of Administrative Procedures** was adopted to govern the establishment, management and maintenance, content, manner of use and other issues of importance for the management of the Registry of Administrative Procedures;
- The **Action Plan for 2021 for the implementation of the Public Procurement Development Programme in the Republic of Serbia for the period 2019-2023 was adopted** with four objectives within its goal to create a modern and efficient public procurement system, which are as follows: to increase efficiency and economy of public procurement procedures, strengthen market competition, reduce the risk of misconduct in the public procurement system, promote and encourage the environmental and social perspective of public procurement and innovation;
- The **Nature Protection Programme of the Republic of Serbia** for the period 2021-2023, within the Action Plan for the implementation thereof and based on the state of biological and geological diversity and landscape diversity, defines goals and objectives and measures aimed at improving the nature protection system and biodiversity conservation that are specific, measurable, acceptable, realistic and time-bound.

Sincerely,  
**NALED**