

Law on the Central Registry of Beneficial Owners ("Official Gazette of the RS", No. 19/2025)

The National Assembly of the Republic of Serbia, at its First Session of the First Regular Meeting in 2025, on March 6, 2025, adopted the Law on the Central Registry of Beneficial Owners ("Official Gazette of the RS", No. 19/2025, "the Law"), thereby **repealing** the previous Law on the Central Registry of Beneficial Owners ("Official Gazette of the RS", No. 41/2018, 91/2019, 105/2021, and 17/2023).

The new Law will apply to business entities registered in the Republic of Serbia, including companies, cooperatives, institutions, branches of foreign companies, etc.

A **significant innovation** introduced by the Law is the definition of the term "trust," a highly specific concept primarily characteristic of Anglo-American legal systems.

Article 3, paragraph 1, item 5) of the Law defines a trust as a foreign legal entity established by an individual, the settlor (**settlor, trustor**), either during their lifetime or upon their death, who transfers assets to **the trustee** for management and use in favor of **the beneficiary** or for a

specifically designated purpose, **under the following conditions:** (1) the assets are not part of the settlor's estate; (2) the trustee holds ownership of the trust property and uses, manages, and disposes of it for the benefit of the beneficiary or the settlor, in accordance with the trust's terms; (3) a trust protector may be appointed by the trust agreement to oversee the management and administration of the trust property to ensure that the trust's objectives are fully achieved; (4) the beneficiary is an individual or a group of individuals for whom the foreign legal entity is established or operates, regardless of whether that individual or group is specifically identified or determinable.

A beneficial owner, for the purposes of this Law, is considered to be:

- An individual who holds at least 25% of the shares/stakes in the registered entity's capital or at least 25% of the voting rights in the business entity;
- An individual who has a dominant influence over the operations and decision-making of the entity;
- An individual who is a settlor, trustee, protector, or beneficiary of a trust (if defined), or, if not defined, the group of individuals in whose interest the trust is established, as well as an

individual who has a dominant position in the management of the trust or a legal relationship similar to that of a trust;

- An individual who is the founder or beneficiary of a foundation or endowment (if defined), or, if the beneficiary is not defined, the group of individuals in whose interest the foundation or endowment is established, as well as members of the foundation or endowment's governing bodies.

Article 4 of the Law foresees **several specific cases** in which the beneficial owner is **not recorded**, such as when the Republic of Serbia, an autonomous province, or a local self-government unit is the sole member of the registered entity.

The Law provides **detailed regulations** regarding the content of the Central Registry, the bases for registration, the manner of maintaining the Registry, supervision over the registration and accuracy of the recorded data and documents, etc.

In this regard, the Law prescribes a **criminal offense** for anyone who, with the intent to conceal the beneficial owner, **fails to register** data about the beneficial owner, **registers false information** as true, or **alters or deletes true information** about the beneficial owner. The penalty

for this criminal offense is exclusively imprisonment, ranging from six months to five years.

The Ministry of Economy is responsible for **supervising** the application of the Law, as well as overseeing the operations of the Agency for Business Registers concerning the Central Registry of Beneficial Owners.

The Law enters into force on March 14, 2025, and applies after the expiration of 18 months from the date of its entry into force, i.e., from September 15, 2026, except for the provisions of Article 12, paragraph 4, and Article 19, paragraph 3 of the Law, which apply from the date of entry into force of the Law, and Article 6, paragraph 7 of the Law, which applies on the date of the Republic of Serbia's accession to the European Union.

For any additional consultation or legal assistance, you can contact the Tasić & Partners team by email at office@tasiclaw.com or by phone at +381116302233.