

**December 2018**

***In focus: Law on Amendments and Supplements to the Company Law***

On 7 December 2018, the National Assembly of the Republic of Serbia passed the Law on Amendments and Supplements to the Company Law ("Official Gazette of RS" no. 95/2018, hereinafter: the "Law") which entered into force on 9 December 2018.

The purpose of the Law is to implement the measures from the Program for Improving the Position of the Republic of Serbia on the World Bank's *Doing Business Report* for the period 2018-2019. The Program was adopted by the Conclusion of the Government of the Republic of Serbia No. 05-5826/2018 of 21 June 2018.

Thus, the Law now explicitly stipulates that courts, state bodies, organizations and persons exercising public authority, as well as other legal entities, cannot raise objections regarding the non-use of seals, nor can the same be expressed as a reason for the annulment, termination, or invalidity of the concluded legal work, or legal actions undertaken, even when the internal acts of the company stipulate that the company has and uses a seal in its business operations.

The law improves the protection of minority shareholders by prescribing that the court will pronounce a measure of provisional

restriction of the right to perform the function of director, member of the supervisory board, representative or procurator for a period of 12 months, if in the proceedings conducted on the complaint of a company member against persons with special duties toward the company, it is established that there exists a violation of the rules on approving jobs in which are of a personal interest. Also envisaged is the obligation of the court to, upon validity of the decision, submit the same to the Business Registers' Agency for registration in the Central Record of Provisional Restrictions of the Rights of Persons Registered with the Business Registers Agency.

The provisions related to the acquisition and disposal of high value assets have now been amended prescribing that, for amendments to public-private partnership agreements that are carried out in accordance with the procedure and restrictions for amending public agreements according to the regulations governing public-private partnerships and concessions, it is not necessary to pass a new decision on acquiring or disposing of high value assets, provided that the assembly of the public joint stock company has made a decision on approving the acquisition, i.e. disposal of high value assets

for the conclusion of a public agreement in accordance with the regulations governing public-private partnerships and concessions.

The Law also stipulates the obligation for public joint stock companies to publish on their websites accurate and up-to-date information on the profession and previous employment of the members of the board of directors or the supervisory board, as well as data on membership in other committees and the functions they perform in other companies.

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