

LAW ON ASSOCIATIONS

I BASIC PROVISIONS

Subject of the Law

Article 1

The present Law shall regulate the establishment and legal status of associations, their entry and deletion from the Register, membership and bodies, associations' status changes and termination as well as any other issues of importance to their activities.

The present Law shall also regulate the status and operations of foreign associations.

Notion of an association

Article 2

For the purposes of this Law, an association shall be a voluntary and non-governmental non-profit organization based on the freedom of association of several individuals or bodies corporate, established in order to pursue and promote a particular shared or general goal and interest which are not prohibited by the Constitution or the law.

The activities of political parties, trade unions, the associations organized to perform certain profit-acquiring activities, sports organizations and associations, churches and religious communities, spontaneous temporary associations of several persons and other associations shall be regulated by a separate law but the provisions of this Law shall apply with respect to any issues related thereto that are not governed by a specific law.

The legal rules on civil partnership shall apply accordingly to any associations not holding the status of a legal entity, unless otherwise stipulated by this Law.

Secret and paramilitary associations shall be prohibited.

Freedom and goals of association

Article 3

An association shall be established and organized freely and shall be independent in pursuit of its goals.



The association's goals and operations may not be aimed at violent overthrow of the constitutional order, breach of the Republic of Serbia's territorial integrity, violation of the guaranteed human or minority rights or incitement and instigation of inequalities, hatred and intolerance based on racial, national, religious or other affiliation or commitment as well as on gender, race, physical, mental or other characteristics and abilities.

The provision of paragraph 2 hereof shall also apply to the associations not holding the status of legal entity.

Entry in the Register
Article 4

Entry in the Association Register shall be made on a voluntary basis.

The association shall acquire the status of a legal entity at the date of its entry in the Register.

Transparency of activities
Article 5

The association's activities shall be public.

Securing the transparency of activities shall be regulated by the association's statute.

Period for which the association is established
Article 6

The association shall be established for an indefinite or definite period.

Unless otherwise specified in its foundation charter it shall be deemed that the association has been established for an indefinite period.

(Con)federations and parts of the association
Article 7

The association may associate in (con)federations and in other associations at home and abroad (hereinafter referred to as the (con)federations).

The provisions of this Law shall apply accordingly to the (con)federations referred to in paragraph 1 hereof when the (con)federation's head office is located on the territory of the Republic of Serbia.

Parts of the association (section, group, club, branch, branch office, etc.) shall not have the status of a legal entity.

Status changes
Article 8

The association's status changes shall be made in the way provided for by this Law.

Legality of the association's activities
Article 9

The association shall carry out its activities in accordance with the law, its statute and its other internal regulations, as well as in line with the rules of the (con)federation of which it is a member.

II ESTABLISHMENT AND NAME
Association's founders
Article 10

An association may be established by at least three (3) founders with at least one (1) of the founders being required to have his permanent place of residence or head office on the territory of the Republic of Serbia.

Any individual holding working capacity or legal entities may be the association's founders.

A minor who has turned 14 years of age may be a founder of the association subject to the statement by his legal representative granting consent to that effect in accordance with the law.

The statement mentioned in paragraph 3 hereof must contain a note attesting that the signature has been certified in accordance with the law.

Establishment of the association and its foundation charter
Article 11

The association shall be established with the adoption of its foundation charter and statute, and upon the appointment of the person authorized to act as its agent, at the association's inaugural assembly session.

The association's foundation charter shall include the following: the personal names or names of the founders and their permanent places of residence or head offices; the association's name, head office and address; the sector of associations' activities; the goals for which it is being established; the personal name, permanent place of residence and address of the person authorized to act as the association's agent; the founders' signatures, their personal identification numbers or numbers of their travel documents and the state that has issued the travel documents for the founders who are foreign nationals; and the adoption date of the foundation charter.

The legal entity that is a founder shall (be deemed to have) sign(ed) when its agent adds, after the legal entitie's name, his signature and seal, his personal identification number and legal entity tax identification number (PIB).

Association's statute
Article 12

The statute shall be the association's basic internal regulation.

Other internal regulations, if the association is to pass any, must be in tune with the statute.

Any other internal regulation passed by the association which is contradictory to the statute shall be null and void.

The statute must regulate the following: the association's name and seat; the sector of responsibility and the goals for which it is being established; internal organization, bodies, their authority, membership, method of appointment and recall, term in office and method of decision-making; the procedure for amending the statute and procedure of adoption and amendment to the association's other internal regulations if it is to pass any; the association's representation; ensuring transparency of its activities; terms and conditions for membership and termination of membership; the members' rights, duties and liability; the procedure of acquiring the (financial) means for pursuing the goals and funds management, including the provisions on business or another profitable activity if the association is involved in any; the decision-making procedures on status changes and discontinuation of activities; the association's property management in case of its termination; the procedure for adoption of financial and other reports; the format and contents of its seal; and any other issues provided for by the law.

The statute may also regulate other issues of relevance to the association's activities.

Association's name
Article 13

The association shall have a name.

The association's name must be in Serbian language and written in Cyrillic alphabet.

The association's name may contain some foreign terms if those outline the name of the international organization of which the association is a member, if these words are commonplace in Serbian language, if there are no appropriate terms in Serbian language, or if those are the terms inform one of the "non-living" languages.

The association's name, if so stipulated by its statute, may also be in the language and script of a national minority. The name in the national minority's language and script shall be entered in the Register after its name in the Serbian language and in the Cyrillic script.

The association's name, if so stipulated by its statute, may be entered in the Register also in its translation into one or several foreign languages after registering the association's name in Serbian language and in Cyrillic script, or in the language and script of the national minority concerned.

The association's name may not contain any elements stipulated by Article 3, paragraph 2 of the present Law.

Association's abbreviated name
Article 14

The association may also have an abbreviated name which shall be determined by its statute.

The abbreviated name shall be entered in the Register.

Use of the association's name
Article 15

The association's name and its abbreviated name shall be utilized in legal operations in the form entered in the Register.

Distinction of the association's name

Article 16

The name of the newly established association cannot be identical to that of other associations already entered in the Register or duly set out in the application for registration.

The association's name may not be replaceable by another association's name nor be misleading as to the association, its goals or the type of legal entity it is.

Association's head office

Article 17

The association shall have its seat.

The association's seat must be located on the territory of the Republic of Serbia. However, the territory of the local self government unit where the association is situated or from which it is managed, is considered to be its seat.

Visual identity emblems

Article 18

The association may have its emblem, logo and other symbols in accordance with its statute.

The emblems of the association's visual identity may not be identical to the other associations' emblems entered in the Register or duly set out in the application for entry in the Register nor be misleading as to the association, its goals or the type of legal entity it is.

III MEMBERSHIP AND BODIES

Membership in the association

Article 19

Anyone may become the association's member under equal terms laid down by its statute.

An individual may be a member of the association irrespective of his age and in accordance with this Law and its statute.

The statement on accession to membership of the association for a minor below fourteen (14) years of age shall be made by his legal representative in accordance with the law. If the minor has turned 14 years of age, the minor shall make a statement to that effect himself, to be accompanied by his legal representative's statement granting the latter's consent in accordance with the law.

The statements referred to in paragraph 3. of this Article must contain a certificate on signatures' verification in accordance with the law.

The association shall keep records on its members.

When the decision of an association body is invalid
Article 20

Any member of the association may initiate the procedure before the competent court of the first instance to establish the invalidity of the association's enactment which has been adopted contrary to its statute or to any other regulation of the association, i.e. to establish invalidity of an enactment of the association which is in contradiction with the law, its statute or any other association's regulation, within fifteen (15) days as of the date of learning about such an enactment and not later than within six (6) months as of the date of the enactment's adoption.

The establishment of the nullity of the regulation mentioned in paragraph 1 hereof shall not encroach upon any of the rights acquired by third conscientious persons.

The procedure for establishing the invalidity of the regulation mentioned in paragraph 1 hereof shall be conducted under the provisions of the law governing the civil law procedure.

Management of the association
Article 21

The members shall administer the association directly or through their elected representatives to serve on the association's bodies.

The association's assembly
Article 22

The assembly shall be the association's supreme body.

All of the association's members comprise the assembly.

The statute may determine the method of representing the association's members at the association's assembly.

The association's assembly shall adopt the association's statute, its amendments, shall appoint and relieve of duty the person authorized to act as the association's agent unless it has been otherwise stipulated by its statute; shall decide to join in coalitions, to adopt the association's annual financial report, upon the association's status changes and termination of its activities as well as on other issues laid down by the association's statute.

The statute may specify a different name of the body that serves as the assembly.

The regular assembly session shall take place at least once a year but the association's statute may also stipulate a shorter term.

An extraordinary assembly session must be convened if a request for it to be called is submitted in writing by a third of the association's members but the statute may specify a lower number of the association's members required than that provided for by this Law.

An extraordinary assembly session must take place not later than within thirty (30) days of the date of submission of the request.

The method of convening the assembly as well as the method of deliberations and decision-making shall be regulated in more detail by the statute.

Association agent Article 23

The association shall have one or several persons authorized to act as its agents (hereinafter referred to as the association agent) that shall be selected and/or appointed as stipulated by its its statute.

Only an individual having contractual capacity and permanent or temporary place of residence on the territory of the Republic of Serbia may be designated as association agent.

The association agent requires obliged to act within the powers determined by its statute and the decision brought by the association's competent body.

Other bodies of the association
Article 24

The statute may also envisage other association bodies.

Liability for damages
Article 25

The members of the association's bodies are jointly accountable for any damage to the association provoked by their decision, when such a decision has been taken in flagrant negligence or intended, unless they expressed their opponent attitude for the record in the relevant decision-making procedure.

The procedure for compensating for the damage shall be based on the decision of the body stipulated by the association's statute or by the statute of a part of the association's members. The decision may appoint a representative of the association to be in charge of the damages compensating procedure.

The provisions of this Article shall also apply accordingly to the actions of the association's representative(s).

IV ENTRY IN THE REGISTER
Keeping the Association Register
Article 26

The Association Register (hereinafter referred to as the Register) shall be kept by the Business Registers Agency (hereinafter referred to as the Agency) as an entrusted obligation.

The Register mentioned in paragraph 1 hereof shall be kept in written form and as a single central electronic database.

The contents, the method of entering and keeping the data in the Register mentioned in paragraph 1 hereof shall be decided upon by the minister in charge of public administration (hereinafter referred to as the Minister).

Association Registrar
Article 27

The Agency shall keep the Register through the associations' official Register (hereinafter referred to as the Register).

The provisions of the law regulating the registration of business entities shall apply accordingly to the terms and procedure of appointing the Register as well as to his duties and responsibilities, unless otherwise stipulated by this Law.

Contents of the Register Article 28

The following data shall be entered in the Register: the association's name and its abbreviated name; the association's head office and address; the area of association's interest; the date of the association's establishment; the business and other activities that are directly carried out by the association; the personal name, permanent or temporary place of residence and the personal identification number or number of the travel document and the state that has issued the travel document to the association's agent; the envisaged period for which the association is being established; membership in the (con)federation of associations; the date of adoption of the statute or of its amendments; the data on status change; the data related to the association's liquidation and bankruptcy; a note on launching the procedure to ban the association's activities and the prohibition on the association's activities; termination of the association; the number and date when the decision(s) on entry, change of data and deletion from the Register was (were) taken.

Application for entry Article 29

An entry into the Register shall be based on an entry application.

The contents and the format of the application mentioned in paragraph 1 hereof shall be specified by the Minister.

The application for entry shall be submitted by the association's agent.

The application shall be accompanied by the foundation charter, two copies of the statute as well as by other documents specified by the regulation to be issued by the Minister.

Rejection of the entry application Article 30

The Registrar shall reject an application by his decision:

- 1) if the association's name is identical to that of another association that has been entered or has properly applied for entry in the Register;
- 2) if the association's name is replaceable by that of another association, is misleading as to the association, its goals or the type of body corporate it is;
- 3) if the application has been submitted by an unauthorized person or if the application has not been accompanied by the prescribed documents;
- 4) if the application, the foundation charter or statute do not contain all the data provided for by the law.

Termination of the entry procedure
Article 31

If the Registrar assesses that the case in point is an association mentioned in Article 2, paragraph 4 of the present Law or that the association's goals are contrary to the provisions of Article 3, paragraph 2 of this Law, the Registrar shall issue a conclusion terminating the procedure of entry in the Register and submit a proposal to the Constitutional Court to ban the association's activities.

No special appeal shall be allowed against the conclusion mentioned in paragraph 1 hereof.

Upon receipt of the Constitutional Court's decision, the Registrar shall, depending on its contents, reject the application by his own decision, if the association's activities have been banned, or shall continue the entry procedure if the proposal to ban the association's activities has been turned down.

Decision to make an entry in the Register
Article 32

Entry in the Register shall be made within thirty (30) days as of the date of submission of a proper entry application.

The Registrar shall issue a decision on entry to be made in the Register.

The following shall accompany the decision on entry in the Register to be communicated to the association: a copy of the statute certified with the Agency's seal and the Registrar's signature, thus verifying that it is identical to the copy of the statute held for safe-keeping at the Agency.

If no decision to make an entry in the Register is issued within the term mentioned in paragraph 1 hereof or if the application for entry in the Register is

not rejected by a decision, it shall be deemed that the association has been entered in the Register at the date following the date of expiry of that term.

Changes of data that are entered in the Register
Article 33

The association shall be required to report to the Registrar any change of data that are entered in the Register within fifteen (15) days as of the date when the change has occurred.

The provisions of this Law on the entry of associations in the Register shall apply accordingly to entry of any changes of their data therein.

Transparency of the Register
Article 34

The data entered in the Register shall be public, in accordance with the law.

Anyone may rely on the accuracy of the data entered in the Register.

Fee for keeping the Register
Article 35

The Government shall prescribe a fee for entry of associations in the Register and for any other services provided by the Agency in the procedure of keeping the Register, at the proposal of the Agency's Management Board.

V ASSETS AND PERFORMANCE OF ACTIVITIES
Method of acquiring assets by the association
Article 36

The association may acquire assets from membership fees, voluntary contributions, donations and presents (in cash or in kind), financial subsidies, dead persons' estates, interest rates on deposits, rental fees, dividends and in other ways permitted by the law.

Individuals and bodies corporate that make contributions and give presents to the associations may be exempt from particular tax liabilities in accordance with the law introducing the relevant type of public revenue.

Association's activities
Article 37

The association may perform any activities which help achieve the goals set forth in its statute.

The association may directly perform both a business activity or another profit-making activity in accordance with the law regulating the classification of activities, under the following conditions:

- 1) that the activity is linked to its statutory goals;
- 2) that the activity is stipulated by its statute;
- 3) that the activity is of a narrower scope or that the activity is performed in the scope required for achieving the association's goals.

The activity mentioned in paragraph 2 hereof shall be entered in the Register of Business Entities and shall be carried out in line with the regulations governing the sector where the activities are being performed.

The association may only start performing the activities referred to in paragraph 2 hereof directly upon entry of such an activity in the Register as per paragraph 3 hereof.

Any deals closed by the association in contravention of the provisions of paragraphs 1 and 2 hereof shall be legally valid unless a third person knew or had to know about the overstepping of these provisions.

The association shall have no right to distribute any profits made through business or another activity among its founders, members, members of the association's bodies, managers, employees or persons associated with them.

For the purposes of this Law, associated persons shall be understood to mean any persons stipulated as such by the law governing business companies.

(Financial) means for implementing programs of public interest
Article 38

The (financial) means for promoting programs or the missing share of the (financial) means for funding programs (hereinafter referred to as the program) that the associations are carrying out and are of public interest shall be secured out of the Republic of Serbia budget.

The Government or the ministry responsible for the association's area of work assigns the funds referred to in paragraph 1 hereof on the basis of the completed

open competition and shall conclude contracts for the implementation of the approved programs.

The program of public interest mentioned in paragraph 1 hereof shall be considered as programs in the following sectors: social security; disabled war veterans' security; security of persons with disabilities; social child care; security of internally displaced persons from Kosovo-Metohija and refugees; promotion of birth-rate; assistance to senior citizens; health care; protection and promotion of human and minority rights; education; science; culture; information dissemination; environmental protection; sustainable development; animal protection; consumer protection; combating corruption; as well as humanitarian aid programs and other programs whereby the association pursues public needs exclusively and directly.

The Government shall specify the criteria, conditions, scope, method, allocation procedure as well as the method and procedure of restitution of the means as per paragraph 1 hereof if it establishes that the association has not been utilizing the received means to implement the approved programs.

The provisions of paragraphs 1 - 4 hereof shall also apply accordingly to the (financial) means allocated to the associations out of the budgets of the Autonomous Province and local self-government units.

Any associations that have received out of the budgets of the Republic, Autonomous Province or local self-government unit the funds to implement programs of public interest shall at least once a year make available to the general public the report on their activities and on the scope and method of acquiring and using the financial means and forward it to the provider of such (financial) means.

The association shall be required to use the financial means referred to in paragraph 1 hereof exclusively for implementing the approved programs.

The provision of paragraph 6 hereof shall also apply accordingly to any associations that enjoyed tax breaks and customs benefits in the previous year in accordance with the law.

Ledgers and financial reports Article 39

The association shall keep ledgers, draw up financial reports and shall be subject to financial report auditing in line with the accounting and auditing regulations.

Annual account statements and reports on the association's activity shall be submitted to the association's members in the way laid down by its statute.

Liability for the association's commitments
Article 40

The association shall be held liable for its commitments with all of its assets.

The association's members and the members of its bodies may answer personally for the association's liabilities if they handle the association's assets as if they were their own or abuse the association as a form for (actions that serve) unlawful or fraudulent purposes.

Use of the association's assets
Article 41

The association's assets may be used solely in pursuit of its statutory goals.

The association's assets may not be distributed among its members, founders, members of the association's bodies, managers, employees nor to any persons associated with them.

Associated persons shall be understood to mean any persons determined as such in relation to the ban on distribution of the association's profits.

The provisions of paragraphs 1 and 2 hereof shall not apply to presentation of fitting and appropriate prizes, nor to reimbursements of warranted expenditures incurred in pursuit of the association's statutory goals (travel expenses, per diems, overnight stay expenses, etc.), nor to contracted encumbrances and liabilities, nor to the payment of salaries to the employees.

Recipient of the association's assets and properties
Article 42

In case of the association's termination the statute may specify that only a domestic non-profit body corporate set up in order to pursue the same or similar goals may become the recipient of its assets and properties.

The provision of paragraph 1 hereof shall not apply to the case of termination of an association that has been using socially-owned or state-owned assets and properties at the time of the entry into force of the present Law.

Republic of Serbia as the recipient of assets and properties
Article 43

If it is impossible to act in the way stipulated by the present Law or the statute to divide up the assets and properties at the time of the association's termination or if the association is terminated upon completion of the liquidation procedure or if its statute does not specify the method of disposal of its assets and properties upon its termination, the association's assets and properties shall become the property of the Republic of Serbia with the usufruct right going to the local self-government unit on whose territory the association had its head office.

The actions as per paragraph 1 hereof shall also take place in case of termination of the association that, at the time when this Law came into force, was using socially-owned and/or state-owned assets and properties regardless of whether or not such an association has, in the meantime, been entered in the Register in accordance with the provisions of this Law.

Nullity of disposal of the association's assets and properties
Article 44

Any disposal of the association's assets and properties in contravention of the provisions of the present Law shall be null and void.

VI STATUS CHANGES
Notion and types of status changes
Article 45

A status change shall be any change of the association's legal position that is made on the basis of the competent body's decision in accordance with the statute and the present Law.

Status changes shall be the acquisition, merger and division of the association.

Acquisition of an association
Article 46

An acquisition shall be the transfer of all assets of one association (acquisitee) to another association (acquisitor), base on the relevant acquisition contract.

The acquisition contract shall include the names and head offices of the associations; the provisions on the transfer of the assets of the association being acquired (accurate description of the claims and liabilities to be transferred, with the permission to refer to special documents) and the rights of the members of the acquired association.

An entry shall be made on acquisition of one or several associations by another in the Association Register.

The provisions of the present Law on the entry of the establishment of an association (in the Register) shall apply accordingly to the entry of an acquisition.

The application for entry shall also be accompanied by the decisions of the assemblies of the associations taking part in the acquisition indicating their acceptance of the concluded acquisition contract (in the same text), by the acquisition contract and by the decision on entry made in the register of the associations being acquired.

With the entry of an acquisition made in the Register the acquired association shall cease to exist and the acquirer association shall continue its activities under the style under which it has been entered in the Register.

Merging of associations Article 47

A merger shall be the establishment of a new association to which all the assets and properties of the two or more associations being merged shall be transferred.

The provisions of this Law on acquisitions shall apply accordingly to the associations' merger procedure.

The merged associations shall cease to exist with the merger and the newly established association shall be considered as a new association to which the provisions of this Law on establishment of associations shall apply accordingly.

Division of associations Article 48

An association may be split up into two or more associations.

The decision on the division of an association shall have the legal effect of a foundation charter.

The provisions of the present Law on acquisitions of associations shall apply accordingly to the division procedure.

The split-up association shall cease to exist and the provisions of this Law on the establishment of associations shall apply accordingly to the procedure for entry of the newly-established associations (in the Register).

The associations established through division shall be held jointly and severally liable for the divided association's commitments.

The associations resulting from the division shall be entered in the Register upon the division of their assets, rights and liabilities.

VII TERMINATION

Terms and method of deleting the association from the Register

Article 49

If the association is deleted from the Register, it shall lose the status of a body corporate.

Deletion from the Register shall only take place:

- 1) if the number of members declines below the number of founders required for its establishment and the association's competent body fails to take a decision to admit new members within thirty (30) days;
- 2) if the term for which the association has been established expires, when an association has been established for a definite period;
- 3) if the association's competent body takes the decision to terminate activities;
- 4) if a status change has been made that, in accordance with the law, has as its consequence the association's termination;
- 5) if it is established that the association has not been pursuing the activities to achieve its statutory goals or has not been organized in line with its statute for over two (2) years without any interruptions or if the time that has elapsed has been double that specified by the statute for holding the assembly session and the session has not taken place;
- 6) if the association's activities have been banned;
- 7) in case of bankruptcy.

Anyone may inform the Registrar that the reasons exist, as set forth in paragraph 2, sub-paragraph 5 hereof, for the association to be deleted from the Register.

The Registrar shall issue a decision establishing the facts mentioned in paragraph 2, sub-paragraph 5) of this Article.

In the cases referred to in paragraph 2, sub-paragraphs 1), 2), 3), 5) and 6) hereof deletion from the Register shall take place upon completion of the association's liquidation procedure unless otherwise stipulated by the law. A note shall be entered in the Register on the conduct of the liquidation procedure.

Ban on the association's activities

Article 50

Any ban on the association's activities mentioned in Article 2, paragraph 4 of the present Law as well as on the activities of the association whose goals or operations run counter to the provisions of Article 3, paragraph 2 hereof shall be decided upon the Constitutional Court.

The decision to ban the association's activities may be based on the actions of the association's members if there is a connect between these actions and the association's activities or its goals; if the actions are based on the members' organized will; and if it can be deemed, as and where appropriate, that the association has tolerated the actions of its members.

The activities of an association shall be banned if it becomes a member of an international organization or association that is mentioned in Article 2, paragraph 4 of the present Law or that acts in order to achieve the goals mentioned in its Article 3, paragraph 2.

The ban on the activities of a (con)federation shall also apply to those associations that are its members and have explicitly been covered by the banning procedure.

Visual identity emblems and other markings of the banned association (flags, slogans, uniforms, coats-of-arms, badges, etc.) may not be used in public.

Launching the procedure to ban an association

Article 51

The procedure to ban the work of an association shall be launched at the proposal of the Government, the Republic Public Prosecutor, the ministry

responsible for administrative affairs or of the ministry responsible for the sector where the association's or the Registrar's goals are being pursued.

The procedure to ban an association may also be initiated and conducted against the associations which do not hold the status of a body corporate.

A note shall be entered in the Register indicating that the procedure to ban the association has been launched.

Liquidation of the association Article 52

The association's liquidation shall take place when the association has enough financial means to meet all its liabilities.

The provisions of the law regulating liquidation of business companies shall apply accordingly to any issues having to do with the association's liquidation procedure that are not regulated by this Law.

The proposal for a liquidation procedure to be launched in the cases mentioned in Article 49, paragraph 2, sub-paragraphs 1), 2), 3), 5) and 6) and in Article 54, paragraph 2 of the present Law shall be submitted by the Registrar.

From the moment when conditions have been ready for initiating the liquidation procedure the association may only undertake activities necessary for implementation of such a liquidation procedure.

With the adoption of the decision to terminate the association through liquidation and with the appointment of the receiver in liquidation, the powers of the association's bodies and its agent and proxy shall be terminated, except for the powers of the supervisory board if the association has any.

Decision to terminate an association through liquidation Article 53

In the cases mentioned in Article 49, paragraph 2, sub-paragraphs 1), 2) and 3) of this Law, the association's assembly shall be required to take a decision, within fifteen (15) days as of the date when it is established that the reasons exist for the association's termination, to terminate the association by liquidation and the decision to appoint a receiver in liquidation and to forward such a decision to the Registrar within three (3) days as of the date of its adoption.

The association shall be required to publish the decision from paragraph 1 hereof in the *Official Journal of the Republic of Serbia* within three (3) days as of the date of its passage with a call addressed to its creditors to file their claims within thirty (30) days as of its publication date.

The opening of the liquidation procedure shall take effect as of (the moment of) the publication mentioned in paragraph 2 of this Article.

Liquidation procedure in case no decision has been taken Article 54

If the decision to open the liquidation procedure and appoint a receiver in liquidation is not taken or is not made public, the association's agent shall be required to inform thereof the Registrar within three (3) days as of the expiry of the term for its adoption or for making it public.

In the case mentioned in paragraph 1 hereof as well as in the case where the association's agent fails to inform the Registrar about the fact that conditions have been met for the liquidation procedure to take place, the Registrar shall submit a proposal, within three (3) days as of the date of receipt of the notification or of learning and establishing that conditions have been fulfilled for the liquidation to proceed, for the liquidation procedure to be launched at the association's cost and for the appointment of the receiver in liquidation.

The Registrar shall act in the way mentioned in paragraph 2 hereof also in cases of the association's termination for the reasons set forth in Article 49, paragraph 2, sub-paragraphs 5) and 6).

Entry of the liquidation in the Register Article 55

The authorization to act as the association's agent shall be transferred to the receiver in liquidation at the date of opening the liquidation procedure.

The decision of the association's assembly on the association's termination and the data on the receiver in liquidation shall be entered in the Register.

The association's name shall include the mark "*in liquidation*".

Procedure following the completed liquidation Article 56

The receiver in liquidation shall handle the association's assets and properties left over after its creditors have been honored and tax liabilities settled in the way stipulated by this Law and the association's statute.

After handing over the assets and properties to the recipients, the receiver in liquidation shall submit an application for the association to be deleted from the Register and shall accompany it with the report on the course of the liquidation and a statement indicating that all the assets and properties have been divided up in accordance with the law and the statute.

Shortened liquidation procedure Article 57

The association may be terminated under a shortened liquidation procedure if the majority of assembly members make a statement to the Registrar, after the decision on the association's termination has been brought, that all the association's tax liabilities and liabilities towards creditors have been honored and that all relations with the employees have been regulated.

Any statement as per paragraph 1 hereof must include a sentence attesting that the signature(s) has (have) been certified in accordance with the law.

The members of the association's assembly mentioned in paragraph 1 hereof shall be held jointly and severally liable for the association's commitments over a period of three (3) years as of the date of the association's deletion from the Register.

The association which is terminated under a shortened procedure shall be deleted from the Register, but an entry in the Register shall be made of the names and permanent places of residence and the names and head offices of the assembly's members referred to in paragraph 1 hereof with a note of their joint and several liability for the association's commitments.

Association's bankruptcy Article 58

Any association that is unable to effect payments over a longer period shall be subject to the bankruptcy procedure following the provisions of the law regulating bankruptcy and the tax laws governing the treatment of taxpayers in bankruptcy.

The Registrar shall delete the association from the Register on the basis of a final decision on completion of the bankruptcy procedure.

The provisions of the bankruptcy law regulating the entry in the relevant Register of the decisions from the bankruptcy procedure shall apply accordingly to the entry in the Register of the data relating to the association's bankruptcy.

Any application for entry of the data mentioned in paragraph 3 hereof shall be communicated to the Registrar by the receiver in bankruptcy.

VIII FOREIGN ASSOCIATIONS

Notion of a foreign association

Article 59

For the purposes of this Law, a foreign association shall be any association that has its head office in another state and is established under that state's regulations in order to pursue a shared or general interest or goal and carries out activities that are not geared at making profit as well as any international association or another side or international non-governmental organization which has members that have associated on a voluntary basis in order to pursue a shared or general interest or goal not geared at making profit.

The provisions of the present Law relating to making entry in the Register and the association's activities shall also apply to making entry and activities of the representative office, office and another form of organization of a foreign or international non-governmental non-profit association having its head office on the territory of the Republic of Serbia (hereinafter referred to as a foreign association's representative office) unless otherwise stipulated by the law or an international treaty.

Keeping the Foreign Associations Register

Article 60

Any foreign association's representative office may operate on the territory of the Republic of Serbia upon its entry in the Foreign Associations Register that is kept by the Agency as a duty entrusted to it.

The Register referred to in paragraph 1 hereof shall be kept in written form and as a single central electronic database.

The contents, the method of entry and of keeping the Register mentioned in paragraph 1 hereof shall be regulated in more detail by the Minister.

Foreign Associations Register

Article 61

The Agency shall keep the Foreign Associations Register through the Foreign Associations Registrar.

The provisions of the law regulating the registration of business entities shall apply accordingly to the terms and procedure for appointment of the Foreign Associations Registrar as well as to his powers and responsibilities unless otherwise stipulated by this Law.

Contents of the Foreign Associations Register Article 62

The following shall be entered in the Foreign Associations Register: the foreign association's name and abbreviated name; the state where the foreign association has been established and the head office of that association in that state; the name of the foreign association's form of organization; the address of the head office of the foreign association's representative office in the Republic of Serbia and of its branch offices; the period for which the foreign association's representative office has been established; the given name and the family name of the person authorized to act as agent and represent the foreign association in the Republic of Serbia, his permanent place of residence and personal identification number if he is a citizen of the Republic of Serbia, or temporary place of residence in the Republic of Serbia, the number of his travel document and the state that has issued it if he is a foreign national; the foreign association's goals; a note indicating that the procedure to ban the activities of the foreign association's representative office has been initiated and the ban on the activities of the foreign association's representative office; the number and date of the decision to make an entry, change data and delete (the representative office) from the Foreign Associations Register.

Application for entry and entry of a foreign association's representative office in the Foreign Associations Register Article 63

Entry in the Foreign Associations Register shall be made based on the application to make such an entry of a foreign association's representative office.

The contents and the format of the application mentioned in paragraph 1 hereof shall be specified by the Minister.

The application for entry shall be accompanied by the following: a photocopy of the document and the certified translation of the document on the association's

registration in its home state or a certified photocopy of the certificate (statement) certified by the court of law or a public notary attesting that the association holds, under its home state's law, the status of a body corporate even without entry in the Register and the certified translation of such a certificate (statement); a certified photocopy of the decision and certified translation of the decision of the foreign association's competent body to set up a representative office in the Republic of Serbia; a certified document and certified translation of the home state's document specifying the founders of the association which is about to set up a representative office in the Republic of Serbia; a certified decision and a certified translation of the decision on the person authorized to act as agent and represent the foreign association's representative office; a certified photocopy of the document on that person's identity and registration of his permanent place of residence or temporary residence in the Republic of Serbia; a photocopy and certified translation of the statute or the relevant document containing data on the head office and the internal organization of the foreign association's representative office on the territory of the Republic of Serbia.

The Foreign Associations Registrar shall issue a decision on entry to be made of the foreign association's representative office to the Foreign Associations Register.

The decision on the entry of a foreign association's representative office in the Foreign Associations Register shall be published in the *Official Journal of the Republic of Serbia* at the cost of such a foreign association.

Transparency of the Foreign Associations Register Article 64

The data entered in the Foreign Associations Register shall be public, in accordance with the law.

Application of the regulations to the employees with the foreign association's representative office Article 65

Foreign nationals employed with a foreign association's representative office shall be subject to the regulations governing the movement and residency of foreigners.

Citizens of the Republic of Serbia employed with a foreign association's representative office shall be subject to the regulations of the Republic of Serbia.

Means for operation of a foreign association's representative office
Article 66

A foreign association's representative office may bring into the country from abroad the financial means for the representative office's operation and implementation of its program in accordance with the provisions of the law regulating foreign currency transactions.

Upon settling all matured tax and other liabilities in the Republic of Serbia, the foreign association's representative office may take out of the country the unspent financial means mentioned in paragraph 1 hereof in accordance with the provisions of the law governing foreign currency transactions.

The foreign association's representative office may temporarily import items and equipment required for its activities and may take them out of the Republic of Serbia in line with the customs regulations and the regulations on foreign trade operations.

Ban on the activities of a foreign association's representative office
Article 67

A foreign association's representative office shall have the right to operate freely on the territory of the Republic of Serbia unless its goals and activities are contrary to the Republic of Serbia Constitution, this Law, the international treaties concluded by the Republic of Serbia or to other regulations.

The procedure for banning the activities of a foreign association's representative office shall be initiated at the proposal of the Government, the Republic Public Prosecutor, the ministry responsible for administrative affairs, the ministry responsible for the sector where the association's goals are being pursued or the Foreign Associations Registrar.

The decision to ban the activities of a foreign association's representative office whose goals or activities run counter to paragraph 1 hereof shall be brought by the Constitutional Court.

Deletion of a foreign association's representative office from the Foreign
Associations Register
Article 68

A foreign association's representative office shall wind up its operations and be deleted from the Foreign Associations Register:

- 1) if the foreign association has ceased to operate;
- 2) if the foreign association has decided to have its representative office discontinue its activities;
- 3) if the foreign association's representative office has been banned by a decision of the Constitutional Court.

The Foreign Associations Registrator shall take a decision to delete the foreign association's representative office from the Foreign Associations Register.

The decision to delete the foreign association's representative office from the Foreign Associations Register shall be published in the *Official Journal of the Republic of Serbia* at the cost of the foreign association concerned.

IX LEGAL REMEDIES

Right to appeal Article 69

The decision of the Associations Registrator and the Foreign Associations Registrator brought in first-instance proceedings may be appealed against with the Minister.

Right to administrative dispute procedure Article 70

The Minister's decision shall be final and administrative dispute proceedings may be instituted against it.

X MONITORING

Competence for monitoring Article 71

Implementation of the present Law shall be monitored by the ministry responsible for administrative affairs.

Monitoring by inspections shall be effectuated by the mentioned ministry through its administrative inspectors.

XI PUNITIVE PROVISIONS

Corporate offence Article 72

A fine ranging from RSD 300,000 – 900,000 shall be levied for any corporate offence on any association if it performs directly a business or another activity

in order to make profit unrelated to its statutory goals, or not stipulated by its statute, or if it performs such an activity although the competent body has established that it does not fulfill the conditions for performing such an activity (Article 37, paragraph 2).

A fine ranging from RSD 30,000 - 90,000 shall also be imposed on the responsible person at the mentioned association for the corporate offence mentioned in paragraph 1 hereof.

Petty offences Article 73

A fine ranging from RSD 50,000 - 500,000 shall be levied on any association for a petty offence:

- 1) if it carries out its activities contrary to the law, its statute or its other internal regulations as well as contrary to the rules of the (con)federation of which it is a member (Article 9);
- 2) if it performs a business or another activity of a larger scope, or of a scope not necessary for achieving the association's goals (Article 37, paragraph 2, subparagraph 3);
- 3) if it does not utilize the assets and properties solely for the purpose of achieving its statutory goals (article 41);
- 4) if the foreign association's representative office starts up its activities before it is entered in the Register (Article 60, paragraph 1).

A fine ranging from RSD 5,000 – 50,000 shall also be imposed on the responsible person at the association for the petty offence mentioned in paragraph 1 hereof.

Article 74

A fine ranging from RSD 50,000 - 500,000 shall be levied on an association for a petty offence:

- 1) if it fails to ensure transparency of its activities in the way set out in its statute (Article 5);
- 2) if it fails to use its name or abbreviated name in legal operations in the form entered in the Register (Article 15);
- 3) if it fails to report to the Registrar within fifteen (15) days any change of data that are to be entered in the Register (Article 33, paragraph 1);

4) if it fails to make available to the public the report on its activities and on the scope and method of acquiring and using the assets and fails to forward such a report to the provider of assets (Article 38, paragraph 6).

A fine ranging from RSD 5,000 - 50,000 shall also be imposed on the responsible person at the association for the petty offence mentioned in paragraph 1 hereof.

Article 75

A fine ranging from RSD 5,000 - 50,000 shall be levied for a petty offence on any agent of the association unless he informs the Registrar within the prescribed time limit that no decision has been brought to initiate the liquidation procedure or that such a decision has not been made public (Article 54, paragraph 1).

XII TRANSITIONAL AND FINAL PROVISIONS

Article 76

The Minister shall adopt the regulations for implementation of the present Law within ninety (90) days as of the date of its entry into force.

Article 77

Any proceedings initiated before the entry into force of the present Law shall be finalized under the regulations applicable pending the start of its implementation.

Article 78

Any social organizations, citizens' associations and their (con)federations established under the Law on Social Organizations and Citizens' Associations (*Official Journal of SRS*, Nos. 24/82, 39/83, 17/84, 50/84, 45/85 and 12/89 and *Official Journal of RS*, Nos. 53/93, 67/93 and 48/94) as well as those having their head office on the territory of the Republic of Serbia and entered in the Register under the Law on Association of Citizens into the Associations, Social Organizations and Political Organizations Being Established for the Territory of the Socialist Federal Republic of Yugoslavia (*Official Gazette of SFRY*, No. 42/90 and *Official Gazette of SRY*, Nos. 24/94, 28/96 and 73/2000) shall continue their activities as associations at the date of the start of the present Law's implementation but shall be required to bring their statute and other regulations into harmony with the provisions of the present Law within eighteen (18) months as of the start of implementation of the present Law.

Article 79

Any social organizations, citizens' associations and their (con)federations mentioned in Article 78 of the present Law shall be required to submit to the Registrar, along with their application for entry of harmonization, the decision on the entry made in the Register of Social Organizations and Citizens' Associations or to the Register of Associations, Social Organizations and Political Organizations, the decision on the appointment of the association's agent and a certified photocopy of the agent's ID card as well as two copies of their new statute.

The social organizations, citizens' associations and their (con)federations that fail to act in keeping with paragraph 1 hereof shall, upon the completed liquidation procedure, be deleted from the Register based on the Registrar's decision, shall lose the status of a body corporate and their assets and properties shall be transferred to the ownership of the persons mentioned by the statute and/or the law.

The decision referred to in paragraph 2 hereof may be appealed against with the Minister. The Minister's decision shall be final and administrative dispute proceedings may be instituted against it.

Article 80

Any socially-owned immovable properties over which the social organizations, associations or (con)federations of associations with their head offices on the territory of the Republic of Serbia (hereinafter referred to as social organizations) exercise usufruct rights shall, with the date of the entry into force of the present Law, become state-owned assets over which the usufruct right shall be exercised by the local self-government unit on whose territory such real estate properties are located.

Article 81

Any socially-owned immovable properties over which social organizations had the usufruct right before the date of the Law's entry into force shall become properties in possession of or co-owned by these social organizations in proportion to the share in which such social organizations have taken part in financing these immovable properties with their own funds obtained by collecting voluntary membership fees, presents, donations, legates and in other ways permitted by the law.

Own funds mentioned in paragraph 1 hereof shall not be understood to mean any funds generated through exercise of public powers or any other funds obtained from the budgets of social and political communities.

Any ownership rights referred to in paragraph 1 hereof shall be determined in proceedings before the competent court of law.

Article 82

Any social organizations which, before they were re-registered as social organizations, had the status of citizens' associations and exercised the ownership right over socially-owned and/or state-owned immovable properties shall exercise the rights stemming from them under the law regulating denationalization.

Article 83

Any social organizations that, until the date of entry into force of the present Law, had the usufruct right over state-owned immovable properties and/or over the immovable properties that will become state-owned properties upon completion of the relevant court proceedings shall, in effect, continue to use these immovable properties under the terms that may not be less favorable than those applicable before this Law's entry into force.

Any local self-government unit on whose territory the immovable properties are located and over which social organizations exercise the usufruct right shall have the right to cancel further use of such immovable properties unless the social organization concerned brings its activities into line with the provisions of the present Law within the prescribed time limit as well as in case it has been using such real estate properties contrary to the purpose they were intended to serve or contrary to the goals set out in its statute.

The document mentioned in paragraph 2 hereof shall be issued by the local self-government unit subject to the approval of the Republic Property Directorate of the Republic of Serbia.

The socially-owned or state-owned property mentioned in Articles 80 and 81, paragraphs 1 and 2 hereof over which social organizations exercise the usufruct right and/or the right of disposal may not be sold before the date of the start of implementation of the present Law.

Article 84

Any socially-owned chattels over which the social organizations with their head office on the territory of the Republic of Serbia exercise the usufruct right shall become the assets owned by such social organizations at the date of the entry into force of the present Law.

Article 85

Any property or asset to be acquired by the social organizations referred to in Article 78 paragraph 1 hereof after the date at which the implementation of the present Law starts shall be their property or asset, except for the property or asset acquired in the exercise of public powers.

Article 86

Any foreign associations that have commenced their activities on the territory of the Republic of Serbia before the start of this Law's implementation shall be required to bring their activities into line with the present Law and to submit an application for an entry to be made in the Foreign Associations Register, accompanied by the required documents, within three (3) months as of the date of the start of its implementation.

If a foreign association fails to act in tune with paragraph 1 hereof, the Foreign Associations Registrar shall issue a decision on the discontinuation of its activities, pending its entry in the Foreign Associations Register.

The decision mentioned in paragraph 2 hereof may be appealed against with the Minister. The Minister's decision shall be final and administrative dispute proceedings may be instituted against it.

The Business Registers Agency shall obtain from the competent authorities the existing records on foreign associations within thirty (30) days as of the date of entry into force of the present Law.

Article 87

The Business Registers Agency shall take over from the ministry responsible for administrative affairs and the ministry responsible for home affairs the registers of social organizations and citizens' associations, the cases, archives and day-to-day archival records generated during register-keeping within sixty (60) days as of the date of the entry into force of the present Law.

Article 88

Pending the commencement of the basic courts' activities, any proceedings to determine the nullity of the association's internal regulation mentioned in Article 20 hereof shall be initiated before the competent municipal court.

Article 89

At the date of the start of the present Law's implementation the provisions of the Law on Social Organizations and Citizens' Associations (*Official Journal of SRS*, Nos. 24/82, 39/83, 17/84, 50/84, 45/85 and 12/89 and *Official Journal of RS*, Nos. 53/93, 67/93 and 48/94) and of the Law on Association of Citizens in the Associations, Social Organizations and Political Organizations Being Established on the Territory of the Socialist Federal Republic of Yugoslavia (*Official Gazette of SFRY*, No. 42/90 and *Official Gazette of FRY*, Nos. 24/94, 28/96 and 73/2000) shall cease to be applicable to citizens' associations, social organizations and their (con)federations, except for sports organizations and associations.

Articles 67 - 75 of the Law on the Movement and Residency of Foreigners (*Official Gazette of SFRY*, Nos. 56/80, 53/85, 30/89, 26/90 and 53/91) and Article 60, paragraph 1, sub-paragraph 2 of the Law Determining the Particular Competences of the Autonomous Province (*Official Journal of RS*, No. 6/02) shall cease to be valid at the date of entry into force of the present Law.

Article 90

The present Law shall come into force on the eighth day as of the date of its publication in the *Official Journal of the Republic of Serbia* and its implementation shall commence at the date following the expiry of three (3) months as of the date of its entry into force, with the exception of Article 32, paragraph 4 which will become applicable starting from the date following the expiry of a period of two (2) years as of the date of its entry into force.