

Client Alert

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Serbian energy, planning and construction legislation underwent significant changes

National Assembly of the Republic of Serbia closed its autumn session by adoption of, among others, new Energy Law, Law on Modifications and Amendments of the Law on Planning and Construction and Law on Modifications and Amendments of the Special Conditions for the Inscription of the Right to Property on Facilities Constructed without the Construction Permit. All three laws were published in the Official Gazette of the Republic of Serbia no.145/2014 from 29 December 2014 and entered into force on 30 December 2014. This issue entails also a brief overview of the Law on Amendments to the Law on Planning and Construction published in the "Official Gazette of RS" no. 132/2014.

The main features of the new Energy Law

The principal aim of enactment of an entirely new statute in this field was harmonization of Serbian legislation with European Union's Third Energy Package. Apart from that, it was stated that the new law would significantly improve the framework for investment into energy generation and simplify the procedures for obtaining the necessary permits.

Important novelties of the Law

- regulation of the public service of guaranteed supply with electricity and of the procedure for choosing the guaranteed supplier;
- buyers who are at risk of not being able to afford enough energy have a right to supply under specific (preferential) conditions;

Ask a question

We shall gladly respond to any questions you may have

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Key modifications of the Law on Planning and Construction

- possibility that obligation of public supply be imposed upon an entity holding license for performance of energy-related activity, in the interest of assuring safe and regular supply;
- introduction of new energy-related activities, such as distribution of electricity and management of a closed energy system, supply and public supply with natural gas;
- license for wholesale supply of electricity can be issued to a foreign company;
- increased guarantees for independence of the Energy Agency;
- obligation to stipulate in National Action Plan a mandatory level of energy from renewable sources within gross final consumption of energy;
- more detailed regulation of the status of privileged producers of electricity, temporary privileged producers and incentives to privileged producers;
- more stringent obligations of the transmission system operator;
- introduction of the basis for monitoring of quality of electricity and gas supply;
- conditions for functioning of the electricity stock market created;
- there can be one or more distribution systems operators, but they have to implement the same tariffs.

The modifications are aimed at achieving simplification and shortening of administrative procedures for obtaining the necessary permits.

Important novelties of the Law

- single procedure for obtaining all the necessary permits at a single counter within 28 days;
- issuance of the construction permit within 5 days;
- competent body obtains the documentation and certificates for the issuance of permits;
- a new person – financier – has been introduced, the person who finances or co-finances construction works pursuant to a certified agreement with the contractor;
- criteria and maximum amount of contributions for maintenance of city construction land, which are levied by local self-governments, prescribed;
- entitlement to develop facilities on the basis of the right of use of land acquired in privatization;
- application of the most provisions related to the unified procedure for obtaining the permits begins on 1 March 2015;
- conversion of the right of use into ownership shall be regulated by the specific law.

The Law on Amendments to the Special Conditions for Inscription of Ownership of Facilities Constructed without a Construction Permit

This is an important amendment which regulates the situation in which the procedure for inscription of ownership of a facility constructed without a construction permit has commenced although a decision on demolition of the facility has been enacted. The law provides that such a facility shall not be demolished until the procedure for the inscription of ownership of that facility is completed.

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