

On 29 December, 2015, the Serbian National Assembly enacted the Law on the Chamber of Commerce (Official Gazette of RS No. 112/2015). This Law will enter into force on the eighth day after publication in the Official Gazette of the Republic of Serbia, except for Articles 10 and 33 of this Law which will be applied as from 1 January, 2017.

The main characteristic of this Law is that as of 1 January, 2017, membership in the Serbian Chamber of Commerce and paying membership fees will become compulsory. The fee will be determined by the Assembly of the Serbian Chamber of Commerce, depending on commercial standing and interests of a business entity.

Regulation of this legal matter has been modelled after the Austrian chamber system. The most important new elements provided for by this Law are

- compulsory membership of business entities in the Serbian Chamber of Commerce, whereby the voluntary membership system which was in force since 1 January, 2013, has now been abandoned;
- determining the amount of the membership fee in consultation with the chambers of commerce of the autonomous provinces, thus for the first time considering the interests of regional chambers of commerce members;
- introducing a contractual chamber of commerce as a new form of association of business entities. A contractual chamber of commerce can be established by at least 100 business entities for the purpose of achieving their joint business interest in a specific territory or in a specific industry;
- introducing the term of branch association, which the previous Law did not recognize;
- the issue of foreign chambers of commerce and their status has been regulated in detail;
- a separate chapter is devoted to the relationships between the Serbian Chamber of Commerce and the National Assembly, the Government, governmental authorities and so forth.

The Law particularly points out that the Serbian Chamber of Commerce will support the commercial sector in fulfilling obligations arising from the process of accession to the European Union and the process of harmonization of Serbian regulations with the European Union law.

Opinions regarding this Law are divided. Some organizations, such as the Delegation of the German Economy for Serbia and the Austrian Chamber of Commerce, have given their unequivocal support for enactment of this Law, believing it establishes the representativeness of the Serbian Chamber of Commerce and ensures efficient operation of the chamber system as a protector of the Serbian economic interests.

However, the Foreign Investors Council (FIC) and the American Chamber of Commerce (AmCham) have expressed their dissatisfaction, pointing out that introducing compulsory membership is contrary to the principle of voluntariness in conducting business activities. Namely, apart from the fact that the obligation of paying membership fees imposes a new

burden on business entities, this could also be the precursor for Serbia to drop lower on the World Bank's *Doing Business* list. Association into chambers of commerce is not a prevailing factor for positioning countries on this list, which can be seen in Austria's example, being well positioned despite its compulsory chamber system, but it must be noted that Austria, as a highly developed country, does not encounter the problem of attracting foreign investors. In the case of Serbia, introducing compulsory membership could potentially discourage or drive investors away. The non-specified sum of the membership fee is also a hindrance, and the question arises as to whether the imposed fee would be justified by better and more proactive engagement of the Serbian Chamber of Commerce vis-à-vis its members, particularly foreign investors. The members will certainly expect for the imposition of payment obligation to deliver them identical benefits that companies in countries such as Austria and Germany receive. This applies in particular to foreign investors who are used to high professional and efficiency standards of their respective chambers. It will be rather challenging to justify it to them if the chamber system in Serbia does not live up to the same standards. Proverbially enough, the practical effects of this Law remain to be seen in practice.

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