

LAW ON PROPERTY RESTITUTION AND COMPENSATION

Chapter I

BASIC PROVISIONS

Subject of the Law

Article 1

The Law shall regulate terms, method and procedure for the restitution of and compensation for the property which was confiscated on the territory of the Republic of Serbia with the application of regulations on agrarian reform, nationalisation, sequestration, and other regulations, on the basis of nationalisation acts, after 9 March 1945, from natural persons and legal entities and transferred into allpeople, national, state, social or cooperative property (hereinafter referred to as "property restitution").

The Law shall apply on the restitution of the property whose confiscation was the consequence of the Holocaust on the territory which now forms the territory of the Republic of Serbia.

Regulations

Article 2

The right to the restitution of confiscated property may be, according to the provisions of the Law, acquired by applying the following regulations:

- 1) Decision on Transfer of Enemy's Property into State Property, on Public Administration of the Property of Absent Persons and on Sequestration of the Property Forcibly Alienated by Occupying Authorities ("Official Journal of the DFY", No. 2/45);
- 2) Law on Agrarian Reform and Colonization ("Official Journal of the DFY", No. 64/45 and "Official Journal of the FPRY", Nos. 16/46, 24/46, 99/46, 101/47, 105/48, 19/51, 4243/51, 21/56, 52/57, 55/57 and 10/65);
- 3) Law on Agrarian Reform and Internal Colonization ("Official Gazette of PRS", Nos. 39/45 and 4/46);
- 4) Law on Agrarian Reform and Internal Colonization ("Official Gazette of the PRS", Nos. 5/48, 11/49 and 34/56);
- 5) Decision on Establishing the Tribunal for the Prosecution of Crimes and Offences Against Serbian National Honour ("Official Gazette of PRS", No. 1/45);
- 6) Decision on the Tribunal for the Prosecution of Crimes and Offences Against Serbian National Honour ("Official Gazette of PRS", No. 3/45);
- 7) Law on the Fight Against Illegal Speculation and Economic Sabotage ("Official Journal of the DFY", No. 26/45);
- 8) Law on the Prohibition of Incitement to National, Racial and Religious Hatred and Discord ("Official Journal of the DFY" No. 36/45 and "Official Journal of the FPRY", No. 56/46);
- 9) Law on Protection and Management of National Properties ("Official Journal of the DFY", No. 36/45);

- 10) Law on Property Confiscation and Execution of Confiscation ("Official Journal of the DFY", No. 40/45);
- 11) Law on Validation of and Amendments to the Law on Property Confiscation and Execution of Confiscation ("Official Journal of the FPRY", Nos. 61/46 and 74/46);
- 12) Law on Confiscation of War Profit Gained During Enemy Occupation ("Official Journal of the DFY", No. 36/45);
- 13) Law on Validation of and Amendments to the Law on Confiscation of War Profit Gained During Enemy Occupation ("Official Journal of the FPRY", No. 52/46);
- 14) Law on Citizenship of the Democratic Federal Yugoslavia ("Official Journal of the DFY", No. 64/45);
- 15) Law on Citizenship of the Federal People's Republic of Yugoslavia ("Official Journal of the FPRY", Nos. 54/46 and 105/48);
- 16) Law on Revoking Citizenship of Officers and Non-Commissioned Officers of the Former Yugoslav Army Who Do Not Wish to Return to the Homeland, and Citizenship of Members of Military Forces Who Served the Occupier and Escaped Abroad, ("Official Journal of the DFY" No. 64/45 and "Official Journal of the FPRY", No. 86/46);
- 17) Law on Crimes Against the People and State ("Official Journal of the DFY" No. 66/45 and "Official Journal of the FPRY", Nos. 59/46, 106/47 and 110/47);
- 18) Law on the Fight Against Illegal Trade, Illegal Speculation and Economic Sabotage ("Official Journal of the FPRY", Nos. 56/46 and 74/46);
- 19) Law on Transfer of Enemy's Property into State Property and on Sequestration of the Property of Absent Persons ("Official Journal of the FPRY", Nos. 63/46 and 74/46);
- 20) Law on Treatment of the Property Abandoned by Its Owners During Occupation and of Their Property Confiscated by the Occupier and His Helpers ("Official Journal of the DFY", No. 36/45);
- 21) Law on Validation of and Amendments to the Law on Treatment of the Property Abandoned by Its Owners During Occupation and of Their Property Confiscated by the Occupier and His Helpers ("Official Journal of the FPRY", No. 64/46);
- 22) Law on Protection of the Total National Property and Property under State Administration ("Official Journal of the FPRY", No. 86/46);
- 23) Law on Nationalisation of Private Enterprises ("Official Journal of the FPRY", Nos. 98/46 and 35/48);
- 24) Regulation on Arondation of National Agricultural Land of General Public Importance ("Official Journal of the FPRY", No. 99/46);
- 25) Decision of the National Committee for the Liberation of Yugoslavia on Temporary Prohibition of Return of Colonists to their Previous Places of Residence ("Official Journal of the DFY", No. 13/45);
- 26) Law on Treatment of Abandoned Colonists' Land in the Autonomous Region of Kosovo and Metohija ("Official Journal of the PRS", No. 9/47);
- 27) Law on Revision of Allocation of Land to Colonists and Agrarian Stakeholders in the Autonomous Region of Kosovo and Metohija ("Official Journal of the FPRY", No. 89/46);
- 28) Law on Liquidation of the Agrarian Reform Carried Out by 6 April 1941 on Large Properties in the Autonomous Province of Vojvodina ("Official Journal of the FPRY", No. 9/47);
- 29) Basic Law on Expropriation ("Official Journal of the FPRY", Nos. 28/47, 12/57 and 53/62 and "Official Journal of the SFRY", Nos. 13/65, 5/68, 7/68 and 11/68);
- 30) Basic Law on Treatment of Expropriated and Confiscated Forest Land ("Official Journal of the FPRY", No. 61/46);
- 31) Criminal Code ("Official Journal of the FPRY", No. 13/51);
- 32) Law on Enforcement of Penalties, Security Measures and Educational-Correctional Measures ("Official Journal of the FPRY", No. 47/51);

- 33) Regulation on Property Relations and Reorganisation of Rural Labour Cooperatives ("Official Journal of the FPRY", No. 14/53);
- 34) Law on Nationalisation of Leased Buildings and Construction Land ("Official Journal of the FPRY", No. 52/58);
- 35) Law on Exploitation of Agricultural Land ("Official Journal of the FPRY", No. 43/59 and 53/62 and, "Official Journal of the SFRY", Nos. 10/65, 25/65 revised, 12/67 and 14/70) - if beneficiaries of the right did not receive other adequate land;
- 36) Law on Determining Construction Land in Cities and Urban Settlements ("Official Journal of the SFRY", Nos. 5/68 and 20/69);
- 37) Law on Redemption of Private Pharmacies ("Official Journal of the FPRY", No. 50/49);
- 38) Law on Validation of and Amendments to the Law on Organisation and Operation of the Credit System ("Official Journal of the FPRY", No. 68/46);
- 39) Regulation on Revision of Operating Licences and Liquidation of Private Credit Enterprises ("Official Journal of the FPRY", No. 51/46);
- 40) Rulebook on the Process of Liquidation of Private Credit Enterprises ("Official Journal of the FPRY", No. 57/46);
- 41) Decree of the Presidency of the Presidium of the National Assembly of the People's Federal Republic of Yugoslavia No. 392 of 8 March 1947 ("Official Journal of the FPRY", No. 64/47).

Meaning of Specific Notions

Article 3

Specific notions used in the Law shall have the following meanings:

- 1) "Property" shall mean confiscated movable and real property, and confiscated enterprises;
- 2) "Nationalised property" shall mean the property which was on the basis of regulations referred to in Article 2 of the Law confiscated and transferred into allpeople, national, state, social or cooperative property;
- 3) "Nationalisation Act" shall mean a legal act with a direct effect such as judgement, decree, decision and other legal act of the state and/or other competent authority used for the nationalisation of property;
- 4) "Agency" shall mean the Agency for Restitution established by Article 51 of the Law;
- 5) "Claim for property restitution", i.e. "compensation"(hereinafter referred to as the "claim") shall mean a claim which a party authorized by the Law submits to the Agency on the basis of an announced public invitation;
- 6) "Right to restitution or compensation" shall mean the right which the competent authority grants to the claimant, in accordance with the Law;
- 7) "Subject of compensation" shall mean confiscated property stated in the claim, for which the competent authority has determined the right to compensation in accordance with the conditions prescribed by the Law;
- 8) "Compensation basis" shall mean the total value of the subject of compensation determined by the competent authority in accordance with the Law;
- 9) "Compensation" shall mean the amount of funds determined in accordance with the Law, which shall be granted to the compensation beneficiary in the form of government bonds or cash, on the basis of a decision on compensation;
- 10) "Former owner" shall mean a natural person or legal entity that was the owner of the confiscated property at the moment of nationalisation;
- 11) "Claimant" shall mean any person who submitted a claim to the Agency on the basis of an announced public invitation by the Agency;

12) "Property or compensation beneficiary" (hereinafter referred to as the "beneficiary") shall mean a person to whom property is returned and/or who is granted with the right to compensation in accordance with the Law;

13) "Construction land without structures" shall mean land with no structures, with structures constructed against the law and land with temporary structures;

14) Notions: structure, construction, reconstruction, extension, adaptation and repair, and other construction notions shall be interpreted and applied in accordance with regulations governing the construction of structures.

Forms of Acquisition of Rights

Article 4

Property shall be recovered in its natural form or by compensation in the form of government bonds of the Republic of Serbia, or in cash, in accordance with the Law.

Property Restitution or Compensation Right

Article 5

The right to restitution or compensation shall have:

1. A domestic natural person who is the former owner of the confiscated property, and in case of his or her death or declaration of death - his or her legal inheritors, determined in accordance with the inheritance regulations in the Republic of Serbia, and provisions of the Law;
2. An endowment whose property has been confiscated, or its legal successor;
3. The former owner who recovered his or her former property which has been confiscated on the basis of an encumbered legal transaction;
4. A natural person who concluded a sales agreement with the state authority in the period from 1945 to 1958 if court proceedings determine that the person was damaged with the sum of the purchase price, the person shall exclusively have the right to compensation decreased by the amount of the paid purchase price, in accordance with the Law;
5. A natural person - foreign citizen, and in case of his death and/or declaration of death, his legal inheritors, on the basis of condition of reciprocity.

It is assumed that reciprocity exists with a country in which property restitution has not been regulated if Serbian citizens may acquire property rights and inherit real properties in that country.

The right to restitution or compensation shall not have:

1. A natural person - foreign citizen and/or his or her legal inheritors for whom his or her country assumed the compensation responsibility under an international agreement;
2. A natural person - foreign citizen and/or his or her legal inheritors who even in the absence of an international agreement received compensation and/or were granted with the right to property restitution by the right of his country;
3. A person who was a member of the occupation forces which operated on the territory of the Republic of Serbia during World War II, and his or her inheritors.

Elimination of the consequences of property confiscation from the Holocaust victims and other victims of fascism on the territory of the Republic of Serbia who have no living legal inheritors, shall be regulated by a special law.

The Agency shall ex officio determine existence of the reciprocity with a foreign country and an international agreement in terms of the Article.

Confiscated and Expropriated Property

Article 6

Provisions of the Law shall also apply to the property confiscated after 9 March 1945, provided that the former owner is rehabilitated by the date of entry into force of the Law, i.e. will be rehabilitated on the basis of the request for rehabilitation referred to in Article 42, paragraph 6 of the Law, in accordance with a special law.

The former owner shall have the right to property restitution and /or compensation, in accordance with the Law, which was confiscated on the basis of expropriation regulations applied by 15 February 1968 in case the former owner was not ceded with another real property, the occupancy and tenancy right or other form of the broadest legal authority on behalf of the compensation for expropriated property.

The former owner shall have no right to recover and/or compensate, in accordance with the Law, property which was confiscated on the basis of expropriation regulations applied after 15 February 1968, for which compensation in cash or other assets or rights was determined.

Force Majeure

Article 7

If confiscated property ceased to exist due to the effect of Force Majeure, the former owner shall have no right to compensation in accordance with the Law.

The Principle of Priority of Natural Restitution

Article 8

Confiscated property shall be returned to the former owner to his or her possession and ownership, and if this is, according to the Law, not possible, the former owner shall have the right to compensation.

If returning possession of confiscated property is not immediately possible, the former owner shall be ceded with the ownership of the confiscated property, and he or she shall establish a lease relationship with the person-holder of the confiscated property at the time of entry into force of the Law, in accordance with market conditions, unless otherwise regulated by the Law.

Party Obligated to Make Restitution or Pay Compensation

Article 9

A party obliged to make restitution of nationalised property in its natural form (hereinafter referred to as the "obliged party") shall be the Republic of Serbia, Autonomous Province, a local self-government unit, a public enterprise, a company, or other legal entity founded by the Republic of Serbia, Autonomous Province or a local self-government unit, a company with majority socially-owned capital and a cooperative, also including companies and cooperatives in the insolvency and liquidation proceedings which were on the date of entry into force of the Law, the owner, possessor or holder of the right of use and/or disposal with nationalised property – in terms of the right that belongs to them.

In the case referred to in Article 23, paragraph 4 of the Law, the obliged party shall be the holder of the right of use at the construction site referred to in the paragraph.

The party obliged to pay compensation in the form of government bonds and cash shall be the Republic of Serbia.

The Principle of Protection of the Acquirer

Article 10

The property acquirer, who after the nationalisation of property acquired property right in accordance with the Law, shall remain owner and holder of the property, and the acquired rights shall not be violated.

Application of Other Regulations

Article 11

A procedure under request shall be implemented in accordance with the provisions of the Law. Issues not governed by the Law shall undergo provisions of the law governing the general administrative procedure.

The Law shall not prejudice application of other regulations for the protection of the property right and other rights acquired in accordance with the Law, unless they contradict the Law.

Conflict of Property Restitution or Compensation Bases

Article 12

The claimant, who has the right to claim restitution of specific property for the same subject of compensation on various grounds, may acquire the right on only one of the grounds.

Documentation and Data Issuing

Article 13

All the authorities of the Republic of Serbia, authorities of the Autonomous Province, authorities of a local self-government unit and other authorities and organisations shall be obliged to issue without delay, not later than 30 days from the date of submission of a request for issue of documentation and/or data, all the necessary documentation and data referred to in Article 42, para. 3 - 6 of the Law they dispose with within their competences.

Disregarding Received Compensation and Lost Profit

Article 14

Compensation which was, according to the regulations referred to in Article 2 of the Law, paid to the former owner in cash or securities, shall not be taken into account in determining the right to property restitution and/or compensation.

A person may not claim recovery of yield or compensation for damage on the grounds of profit loss due to the inability to use, i.e. manage the nationalised property, or on the grounds of property maintenance in the period between the date of nationalisation and date of recovery of the property.

Chapter II

PROPERTY RESTITUTION

The Subject of Restitution

Article 15

Real and movable properties in the public ownership of the Republic of Serbia, Autonomous Province and/or a local self-government unit, as well as property in state, social and cooperative

ownership shall be returned by the Law, except for the property owned by co-operatives and property in the social and cooperative ownership which the holder acquired for a fee.

The subject of restitution shall imply nationalised real property: construction land, agricultural land, forests and forest land, residential and commercial buildings, apartments and business premises and other structures existing on the date of entry into force of the Law.

The subject of restitution shall imply nationalised movable properties registered in the Public Register, and other movable properties which according to the regulations on cultural properties represent cultural properties, and cultural properties of great and special importance existing on the date of entry into force of the Law.

1. Common Provisions on the Restitution of Real Property

Restitution of Ownership and Possession

Article 16

Common provisions on the restitution of real property shall be applied whenever a specific type of real property is not otherwise regulated by the Law.

The party obliged to make restitution shall be responsible to return the property right and possession of the confiscated property to the former owner, in accordance with the Law, unless the structure has been extended in terms of Article 17 of the Law.

If confiscated real property may not be fully recovered, the former owner shall recover a part of the confiscated real property and receive compensation for the unrecovered part, in accordance with the Law.

Extended Structure

Article 17

For purpose of the Law, the structure shall be considered extended if it was enlarged or added on in accordance with the Law, which shall increase the gross floor area. Execution of construction works within the existing dimensions and capacities shall not be considered as a structure extension in terms of the Law.

If the structure was extended after nationalisation, the former owner shall recover ownership over the part of the real property which was confiscated from him or her, and the possession shall be returned to him or her on the basis of an agreement or court decision and/or the owner of the extended part and former owner may mutually agree to regulate their relations concerning the structure, and if such an agreement is not achieved, their mutual relations shall be regulated by the competent court.

Exceptions to Natural Restitution

Article 18

The right of ownership of real properties shall not be returned if the properties have the following purpose and/or status on the date of entry into force of Law:

- 1) Real properties exclusively in public ownership under the Constitution and Law;
- 2) Official buildings and business premises used for carrying out legally determined competencies of state authorities, authorities of the Autonomous Province, authorities of a local self-government unit and authorities of the territorial self-government;
- 3) Real properties used for carrying out activities of institutions in the field of health, education, culture and science or other public institutions, which are public services established by

public property holders, whose restitution would considerably hinder operation and functioning of the services;

4) Real properties which make an inseparable and integral part of networks, structures, devices or other facilities used for performing core activities of public enterprises, companies established by public property holders, as well as by their subsidiaries, in the field of energy, telecommunications, transportation, water management and activities of public utilities;

5) Real properties whose restitution would considerably hinder economic, i.e. technological sustainability and operability in performance of core activities of the entity undergoing privatisation which has not been privatised, as well as an entity sold in bankruptcy proceedings as a legal entity, which the real properties belong to;

6) Real properties aimed at official entertainment purposes of the National Assembly, President of the Republic of Serbia and the Prime Minister;

7) Real properties in the ownership of the Republic of Serbia used for accommodating foreign diplomatic and consular representatives, military and trade representatives and parties representing diplomatic and consular missions;

8) The royal complex in Dedinje, whose status is regulated by a special law, as well as other state-owned cultural real properties of special importance;

9) Real properties sold and/or acquired in the privatisation process as the property or capital of the entity undergoing privatisation, in accordance with the law regulating the privatisation process;

10) Real properties sold in bankruptcy proceedings of state or socially majority-owned enterprises, as well as real properties representing state or socially majority-owned property of bankruptcy debtors which have been sold in bankruptcy proceedings as legal entities;

11) In other cases determined by the Law.

Nationalised enterprises shall not be returned.

Deferment of Transfer of Possession

Article 19

A party making property restitution shall have the right to use the real property for its activity as a lessee even after adoption of a decision on property restitution, for a period required for adjusting its business operation, in accordance with Article 20, para. 1 and 2 of the Law. Rights and responsibilities between the former owner and obliged party for that period shall be regulated by an agreement.

In case the agreement is not concluded within three months after the date of enforcement of the decision on property restitution, each party may require from the court to regulate their relation with its decision.

Legal Status of the Lessee

Article 20

The lessee of the real property which is the subject of restitution shall have the right to use the real property for the performance of its activities for not longer than three years after the date of enforcement of the decision on property restitution, provided that the former owner and obliged party may agree otherwise.

Exceptionally, in terms of perennial plants and vineyards, the lessee of the agricultural land or a person who, by the adoption of a decision on property restitution to the former owner, and not later than one year from the date of entry into force of the Law, concludes a lease agreement for the agricultural land on the basis of the right of first refusal for the lease, shall have the right to use the agricultural land for 20 years for perennial plants and/or 40 years for vineyards.

The former owner, who assumed the role of the lessor, shall have the right to rent in the period referred to in para. 1 and 2 of the Article, however, he or she may not unilaterally change the amount of rent and other provisions of the applicable lease agreement.

The lease agreement concluded with intent to thwart acquisition of the right of the former owner, shall have no legal effect.

Real Property Encumbrance

Article 21

Real properties shall be recovered without mortgage encumbrances determined at the moment of their nationalisation.

Claims secured by the mortgage referred to in paragraph 1 of the Article shall be guaranteed by the Republic of Serbia, with the right of recourse to the mortgagor.

Existing real servitudes constituted in favour or at the expense of real properties shall not cease to exist.

Existing personal servitudes constituted in favour of third parties shall cease to exist.

2. Restitution of Nationalised Construction Land

The land that shall not be returned

Article 22

For purpose of the Law, the subject of restitution shall be construction land in the public ownership of the Republic of Serbia, Autonomous Province or local self-government unit, as well as construction land in state, social and/or cooperative ownership.

Construction land with structures shall not be returned, unless otherwise determined by the Law in individual cases.

Construction land with public areas built in accordance with the law shall not be returned, as well as construction land with structures for public use which are by a planning document applicable on the date of entry into force of the Law envisaged to be constructed in accordance with the law on spatial planning, construction of structures and construction land, or construction land with constructed structures which are not the subject of restitution in their natural form in accordance with Article 18 of the Law, as well as construction land without structures with a valid decision on location licence issued in accordance with the law on spatial planning, construction of structures and construction land and existing at the time of entry into force of the Law.

Construction land without structures on which construction of a structure for the implementation of an economic development project and a structure intended for social housing is envisaged by a planning document valid on the day of entry into force of the Law, which is in accordance with the law governing social housing and apartments and in accordance with the Regulation on the Measures of Support to the Construction Industry by Subsidising Interests on Housing Loans in 2010 ("Official Gazette of RS", No 4/10), when the investor in the construction of apartments is the Republic of Serbia, in accordance with the Regulation on Terms and Manner in Which Local Self-Government May Alienate or Lease Construction Land at a Price Lower Than the Market Price and/or a Rent, or Without a Fee ("Official Gazette of RS", No. 13/10 and 54/11), provided that owners of the land submit to the Government a list of cadastral parcels on the construction land, not later than 60 days from the date of entry into force of the Law, and the Government verifies the cadastral parcels intended for these purposes with its act, not later than 60 days after the date of submission of the claim.

Construction land with a permanent structure constructed in accordance with the law shall not be returned if conversion of the right of use to the property right on the land has not been carried out in

accordance with Article 101 of the Law on Planning and Construction (“Official Gazette of RS”), No. 72/09, 81/09 – amendment, 64/10-decision of the Constitutional Court and 24/11 – hereinafter referred to as the “Law on Planning and Construction”).

Construction land with a structure constructed without a building permit, which shall in the legalization process be defined as land for the regular use of the structure in accordance with the law on spatial planning, building of structures and construction land, shall not be returned.

In the case referred to in paragraph 5 of the Article, the Agency shall terminate the procedure until valid completion of the legalization process.

The land that shall be returned

Article 23

The former owner shall on publicly owned construction land without structures, whose registered owner or beneficiary is the Republic of Serbia, Autonomous Province or a local self-government unit, recover the construction land in accordance with the provisions of the Law.

The owner of a structure or owner of a separate physical part of the building, regardless of the time of construction of the structure, who was the owner during nationalisation of the construction land on which the structure was built, shall acquire the ownership right and/or co-ownership right of the construction land, if the right is not obtained on the basis of conversion in accordance with Article 101 of the Law Planning and Construction.

The construction land shall be returned the former owner who is the holder of the right of use on the state-owned construction land without structures if he or she does not obtain the property right by conversion of the right of use to the property right in accordance with Article 101a of the Law on Planning and Construction.

Notwithstanding Article 18, para. 1, item 9) of the Law, the former owner shall recover the property right and the right of use on the construction land without structures if the person referred to in Article 103 of the Law on Planning and Construction did not submit or does not submit a request for conversion within 60 days from the date of entry into force of the Law, and if conversion of the right of use to the property right is not carried out with a fee in the period of two years after the day of submission of the request, provided that the buyer in the capital sales agreement concluded in the privatisation process has accepted property restitution.

The former owner shall have no right to the restitution of construction land without structures which as the holder of the right of use has a registered person referred to in Article 104, paragraph 1 of the Law on Planning and Construction, until completion of the conversion procedure with a fee, in accordance with the Law and bylaw referred to in Article 108, paragraph 1 of the Law, and if conversion of the right of use to the property right is carried out in the period of two years after the day of submission of the request for conversion. The former owner shall have no right to the restitution of construction land without structures which was leased for a long-term period, from 13 May 2003 to the date of entry into force of the Law, in accordance with the law on spatial planning, construction of structures and construction land, except in case of termination of the lease agreement, provided that the former owner submitted the claim in accordance with the provisions of the Law.

The former owner shall recover the property right and the right of use on the construction land without structures for which a person – holder of the right of use shall have the right to conversion in accordance with regulations on planning and construction, and the right of use has remained at his or her request, in accordance with the regulations.

If for any reason envisaged by the law or agreement, the long-term lease agreement referred to in paragraph 5 of the Article is terminated, the lesser shall be obliged to inform the Agency about this fact immediately, or not later than eight days after termination of the agreement, for purpose of terminating the procedure at the request of the former owner if it was submitted in accordance with the provisions of the Law.

The former owner who transferred the right of use of the construction land without structures to a third party, shall have no right to restitution or compensation in accordance with the Law.

3. Restitution of Agricultural Land, Forests and Forest Land

What land shall be returned

Article 24

The former owner shall recover the property right to agricultural and forest land and forests confiscated by the application of the regulations referred to in Article 2 of the Law.

If confiscated agricultural and/or forest land was re parcelled and/or arondated after confiscation, the former owner shall have the right of restitution of the land obtained in the re parceling process of the land.

What land shall not be returned

Article 25

The right of ownership of agricultural and forest land shall not be recovered if the following has been done on the date of entry into force of the Law:

- 1) Construction of a structure which is in operation on the date of entry into force of the Law at a cadastral parcel in the part used for the regular utilization of the structure, i.e. if the land contains a larger number of structures which are in operation on the date of entry into force of the Law, the size of the land which economically justifies utilisation of the structures;
- 2) Necessary new parcelling of the land for purpose of ensuring an access road to the land that is the subject of the claim for restitution;
- 3) Land in social and/or cooperative ownership acquired by encumbered legal transaction.
More detailed criteria for determining the size of the land that shall not be returned as stated in paragraph 1, item 1) of the Article, shall be determined by the regulation of the Government.

The Right of Use and Lease

Article 26

A person, who on the date of adoption of an enforceable decision had the right to use agricultural land, shall seize to have the right on the date of enforcement of the decision on the restitution of property to the former owner. A person who had the right of use of agricultural land shall be obliged to return possession to the former owner after the harvest, no later than 30 October in the year in which the decision became enforceable and if the decision has become enforceable after this date, not later than eight days after the day of reaping the next yield in the following year.

If agricultural land was leased in accordance with the Law on Agricultural Land, it shall remain in the possession of the lessee until expiry of the lease agreement, unless otherwise determined by the Law, or the parties agree otherwise, provided that the lessee pays the rent to the former owner from the date of enforcement of the decision on the restitution of the land.

4. Restitution of Residential and Commercial Buildings Residential Buildings and Apartments

Article 27

Former owners shall recover residential buildings, houses, apartments, garages and other ancillary structures which were confiscated with the application of regulations referred to in Article 2 of the Law.

Notwithstanding paragraph 1 of the Article, residential buildings and houses in which, in case of condominium ownership, the property right to the building, i.e. house ceased to exist in accordance with the law, shall not be returned.

Residential buildings, houses and apartments with the legally protected occupancy and tenancy right, shall be returned to the ownership of the former owner who shall from the date of enforcement of the decision on restitution become the lessor to the protected lessee, under the terms determined by the Housing Law.

Commercial Buildings and Business Premises

Article 28

Commercial buildings and business premises shall be returned to the former owner into his property and possession, unless they are invested in the capital of the nationalised enterprise for purpose of acquiring a share, i.e. stocks..

Commercial buildings and business premises referred to in paragraph 1 of the Article, which are under any kind of lease or in any other similar relation, shall be returned to the property of the former owner in accordance with the Law, and to his possession three years after the date of enforcement of the decision on property restitution, unless the former owner and lessee agree otherwise. In the period in which the former owner goes from acquiring ownership to coming into possession of property, the lessee shall enter into legal relations with the former owner under the lease agreement concluded with the previous owner.

Restitution of Movable Property

Article 29

The existing nationalised movable properties referred to in Article 15, paragraph 3 of the Law shall be returned to ownership and possession.

The movable properties referred to in paragraph 1 of the Article, which on the date of entry into force of the Law make an integral part of museum collections, galleries, immovable cultural properties of great importance, or of similar institutions, shall not be returned.

The movable properties referred to in paragraph 1 of the Article shall not be returned if they are sold in the privatisation process, in accordance with the law regulating privatisation.

Chapter III

COMPENSATION

The Form and Total Amount of Compensation

Article 30

Compensation shall be paid in the form of government bonds of the Republic of Serbia and in cash for the payment of advance compensation.

The total amount of compensation referred to in paragraph 1 of the Article should not jeopardize the macroeconomic stability and economic growth of the Republic of Serbia, therefore, the amount assigned for this purpose shall be two billion Euros plus the sum of accrued interests for all

compensation beneficiaries, calculated at an interest rate of 2% per annum, for the period from 1 January 2015 to the maturity dates determined by the Law.

Determining Compensation

Article 31

The amount of compensation shall be determined in Euros by multiplying the compensation basis with the coefficient equal to the ratio between the amount of two billion Euros and the total sum of individual compensation basis determined by decisions on the compensation right increased by the estimated undetermined bases referred to in paragraph 5 of the Article. The coefficient shall be expressed with two decimal places.

For purpose of implementation of the provisions referred to in Article 30 of the Law, the Government shall at the proposal of the ministry competent for financial matters determine the coefficient referred to in paragraph 1 of the Article not later than three years after the date of announcement of the public invitation referred to in Article 42, paragraph 1 of the Law.

According to the provisions of the Law, the total compensation may be received on the basis of the property confiscated of a former owner on all the grounds referred to in Article 1 of the Law, which, for purpose of common interest, may not exceed the compensation amount of EUR 500,000.

In the case when a legal inheritor exercises the right under the provisions of the Law on the basis of property confiscated from several former owners, the compensation received by the inheritor, on the basis of all the former owners and within their legal maximum, may not, for purpose of common interest, exceed the amount of EUR 500,000.

If all the decisions on the right to compensation are not adopted within three years from the date of announcement of the public invitation referred to in Article 42, paragraph 1 of the Law, the undetermined bases shall be estimated by the Agency for purposes of determining the coefficient referred to in paragraph 1 of the Article.

Determining the Value of Real Property

Article 32

The compensation basis for confiscated real property shall be equal to the value of real property determined by the assessment of the competent authority, in accordance with the Law, and it shall be expressed in Euros according to the official middle exchange rate of the National Bank of Serbia prevailing on the date of assessment.

The competent authority referred to parpa. 2 of the Article shall, at the request of the Agency, determine the value of real property in accordance with the law, in a procedure which shall match the procedure for determining the tax basis for the transfer of absolute rights.

The value of real property, as stated in paragraph 1 of the Article, shall be determined by the competent authority according to the place where the real property is located. The real property value shall be determined according to its condition on the day of its confiscation and according to the value on the day of its assessment.

If confiscated land is at the time of confiscation agricultural land, and on the day of assessment it has the status of a construction site, the value of the land shall be assessed as the value of the construction site.

The value of a structure that does not exist at the time of assessment shall be determined on the basis of values of the same or similar structures, with the same or similar purpose, in the same place or in the vicinity, in accordance with the provisions of the Article.

If the value of a structure determined in the assessment process referred to in paragraph 2 of the Article has been increased after confiscation, due to increased floor area in square meters, the value shall be reduced in proportion to the increase in the gross floor area.

Determining the Value of Movable Property

Article 33

The value of existing movable properties referred to in Article 29, paragraph 1 of the Law shall be determined in Euros according to their market value, as determined by the Agency and a court expert in the appropriate discipline.

The manner and methodology of determining the value of the real property referred to in paragraph 1 of the Article shall be more closely determined by the regulation of the Government at the proposal of the ministry competent for financial matters.

Determining the Value of Enterprise and/or Part of Enterprise

Article 34

In terms of confiscated enterprises which in the act on property confiscation have expressed only net assets in accordance with specific regulations referred to in Article 2 of the Law, the confiscation basis shall be the value of net assets valorised on the basis of RSD/U.S. Dollar parity on the date of confiscation and on the basis of RSD/U.S. Dollar parity on the date of adoption of the decision.

Exclusively, in terms of enterprises which in the act on property confiscation do not have expresses net assets, the compensation basis shall be the registered fixed capital on the day of confiscation, valorised in the manner stated in paragraph 1 of the Article.

In terms of a confiscated enterprise with co-owners, the value of the subject of compensation referred to in para. 1 and 2 of the Article shall be allocated to co-owners in proportion to their share in the ownership over the enterprise.

In case of confiscation of stocks, i.e. shares of one or more co-owners of an enterprise, for purpose of the Law, it shall be considered that a part of the enterprise has been confiscated, therefore, the value of the subject of restitution shall be determined in accordance with paragraph 3 of the Article.

Government Bonds

Article 35

For purpose of regulating the public debt occurring on the basis of the compensation referred to in Article 30 of the Law, the Republic of Serbia shall issue bonds denominated in Euro.

The bonds referred to in paragraph 1 of the Article shall be issued in an immaterial form, without coupons, individually for every year, and registered in the Central Securities, Depository and Clearing House (hereinafter referred to as the "Central House").

The bonds referred to in paragraph 1 of the Article shall be registered and also transferable, and they shall be paid in Euros.

Basic elements of the bonds, the amount of issue, as well as conditions of distribution and collection of bonds shall be regulated by the Government, at the proposal of the ministry competent for financial matters, not later than 31 December 2014.

Bonds shall fall due in 15 years and shall be paid in annual instalments starting from 2015, except for the bonds for the persons who are on the day of entry into force of the Law over 70 years of age, which shall fall due in the period of five years and/or persons who are on the day of entry into force of the Law over 65 years of age, which shall fall due in the period of 10 years.

In case a decision on compensation became valid after maturity of the first annual instalment of bonds in 2015, the beneficiary shall receive due annual instalments of bonds with the accrued interest.

The turnover of bonds issued in accordance with the Law shall be free.

The turnover and possession of the bonds issued in accordance with the Law shall be free of any kind of tax.

The bonds referred to in the Article may be purchased and sold on the stock market.

Sources of Funds

Article 36

Sources of funds for the settlement of liabilities arising from issued bonds and cash advance payments are as follows:

- 1) Special purpose funds allocated in the privatization process;
- 2) Funds envisaged by a specific law and obtained by conversion of the right of use of construction land to the property right for a fee;
- 3) Special purpose funds from the budget of the Republic of Serbia.

The funds referred to in paragraph 1 of the Article shall be paid to a special purpose account of the ministry competent for financial matters held at the National Bank of Serbia, and they may be used only for the payment of compensation.

The Republic of Serbia, Autonomous Province, and/or a local self-government unit shall be obliged to pay funds obtained in accordance with paragraph 1 of the Article within 15 days from the day of collection.

Advance Payment of Compensation

Article 37

The Republic of Serbia shall effect irreversible advance payment of compensation in cash to the former owner, on the basis of a valid decision on the right to compensation:

- In the amount of 10 % of the compensation basis on all the grounds of the former owner;
- In case when, instead of the former owner, the right referred to in paragraph 1 of the Article is exercised by his or her legal inheritors, the amount of advance payment shall be divided into the legal inheritors according to their determined shares.

The amount of advance payment referred to in paragraph 1 of the Article may not exceed EUR 10,000 per former owner on all the grounds.

Compensation in the form of bonds shall be reduced for the amount of effected advance payment referred to in paragraph 1 of the Article.

Taxes, Fees and Costs of Proceedings

Article 38

Acquisition of property and compensation under the Law shall not be subject to the payment of any kind of taxes, administrative and court fees.

A claimant shall bear the costs of proceedings in accordance with the Law.

Notwithstanding paragraph 2 of the Article, the claimant shall not be obliged to pay the costs of the operation and provision of services by the Republic Geodetic Authority, which shall be borne by the authority. The claimant shall be obliged to pay a fee for the operation of the geodetic organisation in case its engagement is necessary for addressing the claim properly.

Chapter IV PROPERTY RESTITUTION AND COMPENSATION PROCESS

Parties in the Process

Article 39

A party in the process shall mean a person on whose request a process has been initiated, or a person who has a legal interest, an obliged party as well as the Advocate- General of the Republic.

Competent Authority

Article 40

A process initiated on the basis of a restitution claim shall be governed by the Agency, as a public agency, through regional units, in accordance with the Law and law on general administrative procedure.

The Agency shall announce a public invitation for the submission of claims for property restitution in at least two newspapers distributed on the whole territory of the Republic of Serbia, as well as on the official website of the ministry competent for financial matters and Agency, within 120 days from the date of entry into force of the Law.

Claimant

Article 41

A restitution claim may be submitted by all the former owners of the confiscated property and/or his or her legal inheritors and legal successors, in accordance with the Law.

The claim referred to in paragraph 1 of the Article may be submitted jointly by all the legal inheritors of a former owner or individually.

The right to submit a claim in accordance with the Law shall have all former owners of confiscated property, their legal inheritors or legal successors, regardless whether they submitted a claim in accordance with the Law on Reporting and Recording Seized Property ("Official Gazette of the RS", No. 45/05).

Submission and Content of the Claim

Article 42

The claim shall be filed no later than two years after the date of announcement of a public invitation by the Agency referred to in Article 40, paragraph 2 of the Law, on the website of the ministry competent for financial matters.

The claim shall be submitted to the Agency – relevant regional unit - on a prescribed form supported with necessary evidence, by mail.

The claim shall include the following information:

1) Former owner - the name, name of one parent and surname, date and place of birth, place of residence and/or domicile at the time of property confiscation and citizenship, i.e. name and address of the endowment;

2) Confiscated property which the claim refers to – the type, name, size or surface, place where the real property is located, number of a cadastral parcel according to the previous and current measuring, appearance and condition of the property at the time of confiscation and/or relevant data on movable property;

- 3) The property right of the former owner to the confiscated property;
- 4) The grounds, time and act of confiscation;
- 5) The claimant – the name, name of one parent and surname, data on birth, place of residence, citizenship, identification number, name, surname and address of the plenipotentiary, i.e. name and address of the endowment, data on the person presenting the endowment and on the person representing the endowment;
- 6) Legal relations between the claimant and former owner;

The claim shall be supported with the following evidence, in an original or verified copy:

- 1) For the data referred to in paragraph 3, items 1) and 5) of the Article – a birth certificate or death certificate, an excerpt from the register in which the endowment is registered, the power of attorney, and if the claimant has no domicile on the territory of the Republic of Serbia also the power of attorney for the person authorized to receive written documents, as well as other evidence on the basis of which required data may be clearly determined;
- 2) For the data referred to in paragraph 3, items 2) of the Article – an excerpt from the real estate registry, an excerpt from the movable property registry, a certificate from the Republic Geodetic Authority on the identification of the cadastral parcel in terms of the previous and current measuring, an excerpt for the cadastral parcels where reparcelling was conducted;
- 3) For the data referred to in paragraph 5, items 4) of the Article – a document about property nationalisation or name, number and year of the official gazette in which the act was published, clearly stating the subject of confiscation, etc;
- 4) For the data referred to in paragraph 3, items 6) of the Article – a birth certificate, a decision on inheritance, an excerpt from the register of legal entities, i.e. other evidence on the basis of which legal connection between the claimant and the former owner may be clearly determined;
- 5) Any other evidence which the claimant owns, which may be important for deciding on the basis of the claim.

A person with a foreign citizenship shall be obliged to provide evidence to the claim attesting absence of impediments referred to in Article 5 of the Law related to the acquisition of the right to property restitution – except evidence and/or facts which the Agency shall determine ex officio in terms of Article 5, paragraph 5 of the Law.

The person referred to in Article 6, paragraph 1 of the Law shall also be obliged to present claim together with a valid judicial decision on rehabilitation and/or evidence that he or she submitted a claim for rehabilitation.

The claim should contain the data referred to in paragraph 3, items 1), 2) and 5) and 6) of the Article. The claim should also be presented together with the evidence referred to in paragraph 4, items 1), 3) and 4) of the Article.

The form of the claim, the manner and procedure of reception and processing of a claim, as well as the list of post offices where claims shall be submitted shall be prescribed by the minister competent for financial matters.

Rejection of Claims

Article 43

A claim that does not contain the data set out in Article 42, paragraph 7 of the Law, and which is not supported by the evidence from the paragraph shall be rejected as incomplete.

A person whose claim has been rejected in terms of paragraph 1 of the Article shall have the right to submit a new claim by the expiry of the deadline set out in Article 42, paragraph 1 of the Law.

No appeal may be filed against the act referred to in paragraph 1 of the Article, however, administrative proceedings may be initiated.

Competence of Regional units of the Agency

Article 44

The competence of a regional unit of the Agency shall be determined according to the domicile and/or residence of the former owner in the Republic of Serbia at the time of property confiscation.

In case it is not possible to determine local jurisdiction in the manner set forth in paragraph 1 of the Article, the competent regional unit of the Agency shall be the one determined by the Director of the Agency.

A Stay of Proceedings

Article 45

The Agency may issue a stay of proceedings until completion of the process of legalisation, rehabilitation, or in case a preliminary issue occurs whose resolving falls within the exclusive jurisdiction of the court, as well as in the case prescribed by Article 23, para. 4 and 5 of the Law.

Deadline for the Adoption of a Decision

Article 46

The Agency shall be obliged to decide on a complete claim within six months, and in case of particularly complex cases, one year from the date of receipt of the complete claim.

Decision on Property Restitution or Compensation

Article 47

The Agency shall determine all facts and circumstances relevant for decision making on a claim and adopt a decision on determining the beneficiary, property for restitution or compensation, amount of a compensation basis and advance payment referred to in Article 37 of the Law, obliged party, method and deadlines for the execution of set responsibilities. The amount of compensation shall be determined against the coefficient referred to in Article 31 of the Law, by amending the decision on determining the right to compensation.

If a claim includes several real and/or movable properties, the authority referred to in paragraph 1 may adopt several decisions on property restitution.

The competent authorities shall be required by the decision on restitution to execute the decision, as well as to eliminate any encumbrances.

The Agency shall submit a first instance decision to the claimant, obliged party and Advocate-General of the Republic.

The decision referred to in paragraph 1 of the Article shall determine the following beneficiary and/or beneficiaries;

- 1) The former owner – if still alive;
- 2) Legal inheritors of the former owner – on the basis of a valid decision on the inheritance of the former owner, if such a decision exists, and in case such a decision does not exist, the decision shall determine beneficiaries only in case it is possible to clearly determine all legal inheritors from the submitted documentation.

In case the decision referred to in paragraph 1 of the Article determines several beneficiaries, each of them shall be allocated with a corresponding part of the property and/or compensation, on the

basis of a valid decision on the inheritance of the former owner, if such a decision exists, or on the basis of an agreement concluded between legal inheritors before the authority of first instance.

If beneficiaries and their shares may not be determined by the application of the provisions from para. 5 and 6 of the Article, the first instance authority shall refer parties submitting a claim for obtaining the right against the Law, pursuant to Article 45 of the Law, to resolve the issues before the competent court.

In the procedure referred to in paragraph 7 of the Article, the competent court shall in extra-judicial proceedings, by applying appropriate rules governing a discussion on endowment, determine legal inheritors of the former owner and their shares in the right to the restitution of the confiscated property or to compensation, whereas the court shall not be concerned with the fact whether the parties meet prescribed conditions for exercising the rights against the provisions of the Law.

The decision of the Agency referred to in paragraph 5, item 2) of the Article and/or the judicial decision referred to in paragraph 8 of the Article on determining legal inheritors of the former owner and their shares shall be valid only in the procedure before the Agency for exercising the rights to the restitution of the confiscated property and/or the right to compensation.

When determining properties of beneficiaries and/or legal inheritors against the provisions of the Article, a previously submitted statement of inheritance of a person submitting a request for exercising rights against the provisions of the Law, shall have no importance.

The persons submitting a request for exercising the right against the provision of the Law who according to the provisions of the Article are not defined as beneficiaries, may exercise their rights in civil proceedings by submitting a claim against persons designated as beneficiaries, i.e. legal inheritors.

In case the authority referred to in paragraph 1 of the Article determines that there is no legal basis for restoration or compensation, a decision on the rejection of the submitted claim shall be adopted.

The Agency shall submit a valid decision on property restitution to the Republic Directorate for Property of the Republic of Serbia, and a decision on agricultural land, forests and forest land to the ministry competent for agriculture.

Remedies

Article 48

The claimant, obliged party and Advocate-General of the Republic may appeal against the first instance decision referred to Article 47 of the Law to the ministry competent for financial matters, which is the second instance authority, within 15 days from the date of receipt of the decision.

The ministry competent for financial matters shall be obliged to decide on the submitted appeal within 90 days from the date of its receipt.

Administrative dispute proceedings may be initiated against a second instance decision.

Proceedings against the claim for the initiation of administrative dispute proceedings referred to in paragraph 3 of the Article shall be considered urgent.

Enforcement of Decision

Article 49

On the basis of a valid decision on property restitution, the owner shall have the right to register his or her ownership of the real property in case.

On the basis of a valid decision on property restitution where a shareholding company or a cooperative are obliged to return the property in insolvency, i.e. liquidation proceedings, the former

owner shall have the right to require separate recovery from the insolvency and/or liquidation estate of the insolvency and/or liquidation debtor.

On the basis of an enforceable decision on compensation, the authority or organisation competent for the submission of government bonds and/or confirmation of their issuance shall deliver the bonds to the beneficiary and/or beneficiaries.

The decision referred to in paragraph 3 of the Article shall be considered enforced with the registration of the beneficiary ownership over bonds in the Central House.

Records on Claims and Reporting

Article 50

The Agency shall keep electronic records on submitted claims, determined value of property (compensation basis) and compensation on the basis of submitted claims and resolved cases.

Based on the records and data referred to in paragraph 1 of the Article, the Agency shall submit to the Government, through the ministry competent for financial matters, an assessment of the total amount of the compensation basis on the basis of submitted claims no later than three years from the date of announcement of the public invitation referred to in Article 42, paragraph 1 of the Law.

The Agency shall collectively publish monthly summaries of reports referred to in Article 42, paragraph 1 of the Law, on the Agency's website.

The summary referred to in paragraph 3 of the Article, shall particularly contain the following: the name, name of one parent and surname of the claimant, registration number of the claim, information on the property whose restitution is being claimed and invitation to all the parties eligible to join the claim within a legal deadline.

The form and content of the summaries referred to in paragraph 4 of the Article shall be prescribed by the minister competent for financial matters.

Chapter V

Agency for Restitution

Establishment

Article 51

The Agency for Restitution has been established for purpose of managing proceedings and deciding on claims for property restitution, as well as for purpose of paying cash fees and compensations, and for purpose of carrying out other activities determined by the Law.

The Agency shall carry out the activities referred to in paragraph 1 of the Article as delegated.

Legal Status

Article 52

The Agency shall operate in accordance with the regulations on public agencies, as a legal entity, with the rights, obligations and responsibilities determined by the Law and the Statute. The Agency shall have an account at a commercial bank.

Registered Seat and Organisational Units

Article 53

The seat of the Agency is in Belgrade.

The Agency has regional units in Belgrade, Kragujevac, Niš and Novi Sad, which are established for the territory of municipalities according to the regulations governing regional development.

Funds for the Operation and Establishment of the Agency

Article 54

Funds for the operation and establishment of the Agency shall be provided from the following:

- 1) Budget of the Republic of Serbia;
- 2) Donations and other forms of grants;
- 3) Other sources, in accordance with the Law.

Activities of the Agency

Article 55

The Agency shall carry out activities related to the implementation of the Law and law governing restitution of property to churches and religious communities as follows;

- 1) It shall conduct proceedings and decide on claims for property restitution and/or compensation;
- 2) It shall provide professional assistance to claimants and parties obliged to make restitution;
- 3) It shall keep records prescribed by the law;
- 4) It shall report to the Government on an annual basis, through the ministry competent for financial matters, on carried out activities within its competence;
- 5) It shall perform other activities prescribed by the law.

Authorities

Article 56

The Agency's authorities are the Management Board and the Director.

Members of the Management Board and the Director shall be appointed and dismissed by the Government for the period of five years.

A person who may obtain the right to property restitution and compensation in accordance with the Law may not be the Director and/or a member of the Management Board of the Agency.

Management Board

Article 57

The Management Board shall have the President and four members.

The Management Board shall do the following:

- 1) Adopt the Statute of the Agency;
- 2) Adopt the work program;
- 3) Adopt the financial plan;
- 4) Adopt the annual report on the operation of the Agency;
- 5) Adopt the balance sheet;
- 6) Adopt general acts;
- 7) Adopt the Rules of procedure of the Agency;
- 8) Carry out other activities determined by the law and Statute.

The decisions of the Management Board referred to in item 1) to 5) of the Article shall be adopted with the assent of the Government.

Director

Article 58

The Director shall do the following:

- 1) Represent the Agency;
- 2) Organise and manage the Agency;
- 3) Propose acts adopted by the Management Board;
- 4) Execute decisions of the Management Board and take measures for their enforcement;
- 5) Ensure lawfulness of operation and assume responsibility for the lawfulness of operation and utilisation and disposal with the Agency's property;
- 6) Adopt an act on internal organisation and systematisation of job positions;
- 7) Propose a work program;
- 8) Carry out other activities determined by the law and the Statute.

The Statute and Other General Acts

Article 59

General acts of the Agency shall be the Statute, rulebook and other acts that generally regulate specific issues.

The Statute shall be the basic act of the Agency which shall contain provisions on the following:

- 1) The activity of the Agency;
- 2) The manner of carrying out activities;
- 3) Authorities, organisational units and their operation;
- 4) Representation;
- 5) Rights, obligations and responsibilities of employees;
- 6) A cooperation procedure with the authorities of the territorial autonomy and local self-government;
- 7) Other issues relevant for the operation of the Agency.

Chapter VI SYSTEM OF PENALTIES

Offences

Article 60

A fine in the amount of RSD 10,000 to 50,000 shall be the punishment for an offence committed by a responsible person in the authority of the Republic of Serbia, authority of the Autonomous Province, authority of the local self-government unit and another authority or organisation who fails to issue necessary documentation available within his or her competencies in accordance with Article 13 of the Law.

Chapter VII TRANSITIONAL AND FINAL PROVISIONS

Adoption of By-laws

Article 61

The minister competent for financial matters shall adopt the regulations referred to in Article 42, paragraph 8 and Article 50, paragraph 5 of the Law, within 30 days from the date of entry into force of the Law.

The Government shall adopt the regulations referred to in Article 25, paragraph 2 and Article 33, paragraph 2 of the Law within three months days from the date of entry into force of the Law.

Prohibition of Alienation and Encumbrance of Nationalised Property

Article 62

Property confiscated from former owners, for which a claim was submitted in accordance with the Law on Reporting and Recording of Seized Property ("Official Gazette of the RS", No. 45/05), may be recovered from the date of entry into force of the Law, according to the provisions of the Law, and it may not be the subject of alienation, mortgage or pledge before valid completion of the proceedings on the basis of the restitution claim.

Prohibition of alienation and encumbrance of the property referred to in paragraph 1 of the Article shall, in terms of the property for which restitution claims have not been submitted, cease to exist after expiry of the deadline for submitting claims.

Recovered property shall be in free float, and the Republic of Serbia, Autonomous Province and/or a local self-government unit shall have the right of first refusal when first alienated.

A property alienation and encumbrance act which is contrary to the provisions of the Article shall be null and void.

Commencement of Operation of the Agency for Restitution

Article 63

The Agency for Restitution shall commence with its operation by 1 January 2012.

The Agency shall take over subjects, professional means, the archive and employees in the Directorate for Restitution.

Collecting Reports on Confiscated Property

Article 64

Reports with supporting documentation submitted to the Property Directorate of the Republic of Serbia on the basis of the Law on Reporting and Recording Seized Property ("Official Gazette of the RS", No. 45/05), shall be delivered by the Property Directorate of the Republic of Serbia to claimants in the period of three months after the date of entry into force of the Law, by registered mail to the address stated in the report.

In case several persons have certificates on the registration of confiscated property with the same number, the report with the supporting documentation shall be delivered to the first signatory of the report.

Application of the Law on the Territory of the Autonomous Province of Kosovo and Metohija

Article 65

The application of the Law on the territory of the Autonomous Province of Kosovo and Metohija shall be regulated after cessation of the operation of the international administration established in accordance with the United Nations Security Council Resolution 1244.

Article 66

Termination of the provision of other law

Article 8 of the Law on Reporting and Recording Seized Property ("Official Gazette of RS", No. 45/05) shall cease to be effective on the date of entry into force of the Law.

A Final Provision

Article 67

The Law shall enter into force eight days from the date of its publication in the "Official Gazette of the Republic of Serbia".