

### Changes in the deadlines related to restitution of confiscated property

The Republic of Serbia has adopted Amendments to the Law on Property Restitution and Compensation, which were published in the Official Gazette No. 142/14 and entered into force on 26 December 2014.

The above Amendments, for the most part, aim to extend the deadlines for compensation previously defined by law.

#### I

From the very beginning of the restitution process, an amount of two billion euros was earmarked for any and all compensations. The total volume of compensations will be increased by the sum of the interest accrued for all beneficiaries of compensation, calculated at an interest rate of 2% per year, commencing from 15 December 2017 instead of 01 January 2015, as previously provide under the law.

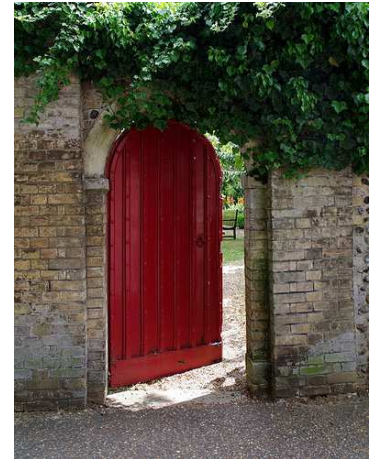
#### II

The compensation itself shall be determined in euros, by multiplying the compensation basis with a coefficient equal to the ratio between the amount of two billion Euros and the total sum of individual compensation bases determined under decisions on the right to compensation, increased by the estimated undetermined bases.

The previous law set the deadline for issuing all decisions on the right to compensation at 3 years from announcement of a public invitation (announced on 06 February 2012), and now the deadline has been extended to five years. Within this period of time, the Government has the obligation to determine the coefficient for the purpose of calculating the amount of compensation. This means that the final deadline for deciding on all compensation applications is now 06 February 2017.

#### III

Bearing in mind that the compensation is performed in two ways: through natural restitution (where legal requirements are met) or by issuing government bonds (where restitution in kind is not possible), the final deadline for the Government to define the the basic elements of the bonds, the amount of issue, as well as terms and conditions of distribution and payment of bonds, has been extended from 31 December 2014 to 30 June 2017.



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Carice Milice 3, Beograd, Srbija, TEL/FAX +381 (0)11 3285.227, +381 (0)11 3285.208, +381 (0)11 3285.153, office@tsg.rs, www.tsg.rs

The bonds themselves are to be paid within 12 years, in annual installments, starting from 15 December 2018 (not 2015, as previously provided for).

However, in case of persons whose right to compensation has been recognised, and who were aged over 70 on 06 October 2011, the bonds will be paid within five years, and for those who were aged over 65 on 06 October 2011, the bonds will be paid within 10 years.

Finally, we wish to draw your attention to the fact that the turnover of government bonds issued as compensation in accordance with the Law on Property Restitution and Compensation shall be free.

Attorney-at-Law Marko Janićijević  
marko.janicijevic@tsg.rs