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Property rights are protected by the Constitution. Expropriations are regulated by the Law on Expropriation, which was amended in 2009; they are only allowed if there is a public interest and if fair compensation is provided.

However, nationalisations under the communist regime, which have been mainly carried out in the 1940s, 50s and 60s, have been dealt with in a fragmented manner. Agricultural land was partially handed back in the 1990s and a law on the restitution of church property was adopted in 2006.

The 2009 Law on planning and construction provides for the transformation of usage rights into full ownership. This transformation of usage rights constituted *de facto* restitution in kind in cases where the beneficiary is the former owner, while it pre-empts such restitution in cases where the beneficiary is not the former owner. **This situation led to uncertainty on ownership rights and negatively affected the investment climate.**

In September 2011, a **general Law on restitution** was adopted. The law establishes the principle of in kind restitution. In cases where in kind restitution is not possible or excluded, financial compensation, with an overall cap of €2 billion, is foreseen. It needs to be ensured that restitution is carried out without further delays and in a non discriminatory and transparent manner. Once properly implemented, the law should address the previously unclear situation of ownership rights and provide legal certainty. It should also end the fragmented manner in which restitution previously had been dealt with.

A **Law on public property**, which was adopted in September 2011, provides for the transfer of ownership from state to provincial and municipal level and sets the rules for public ownership of property. However, implementation still faces important challenges. **In the absence of a reliable overview on state owned properties, the transfer of state property to provincial and municipal level leaves room for potential corruption and fraud.**

Overall, the legal framework for the protection of economic and social rights is in place and Serbia has acceded to a number of international conventions in this area. A long awaited law on restitution as well as a new law on public property were adopted. **Transparent and non discriminatory implementation of both laws has to be ensured and further measures taken to fully establish legal clarity over property rights** The Commission will monitor the implementation and application of these laws. Combating all kinds of discrimination calls for greater efforts in practice.