

GOVERNMENT OF THE REPUBLIC OF SERBIA
MINISTRY OF ECONOMY AND PRIVATIZATION

LAW ON THE PRIVATIZATION AGENCY

FOUNDATION

Article 1

The Privatization Agency (hereinafter: Agency) shall be founded in order to promote, initiate, conduct, and control the privatization process.

LEGAL STATUS

Article 2

The Agency shall operate in compliance with the regulations on public services.

The Agency shall have the status of a legal entity, with the rights, obligations and responsibilities set out in this law and its Statute.

The Agency shall have its own bank account.

SEAT

Article 3

The seat of the Agency shall be in Belgrade.

AGENCY BRANCHES

Article 4

The Agency shall have a branch in a city, which represents the legal seat of the administrative body of the territorial autonomy, and may have its branches in other cities.

ORGANIZATION AND WORKING CAPITAL

Article 5

The capital for the organization of the Agency shall be secured from:

1. The Budget of Republic of Serbia
2. Grants, contributions and sponsorship of the local and foreign legal entities and individuals

Working capital for the operation of the Agency shall consist of:

1. The revenues from the activities in its competence;
2. Donations, contribution and sponsorship of the local and foreign legal entities and individuals;
3. Other sources in compliance with the law.

ACTIVITIES OF THE AGENCY

Article 6

The Agency shall mediate in the sales of state and social capital and property under the privatization procedure, as well as:

1. Promotion of privatization;
2. Initiation of the privatization procedure;
3. Implementation of the privatization procedure;
4. Control of the privatization procedure.

Article 7

Within the privatization promotion activities, the Agency shall:

1. Inform the public on the subjects of privatization;
2. Educate the public about privatization;
3. Provide information about potential buyers, capital, goods, services and labor force in the local market;
4. Engage in other activities in accordance with the law and its Statute.

Article 8

In initiating the privatization process, the Agency shall:

1. Start the initiative for the production of restructuring programs;
2. Advertise the prospectus of the subject of privatization in the public media;
3. Compile data on the number of potential buyers of the subjects of privatization;
4. Engage in other activities in accordance with the law and its Statute.

Article 9

Within the implementation of privatization process the Agency shall:

1. Define the method of privatization for each privatization subject;
2. Organize and implement the sales via public tender;
3. Suggest to the Tender Commission to accept the highest bid;
4. Organize the sales via public auction;
5. If need be, prepare the tender documents for privatization via public tender, the program of privatization, and/or the program of restructuring;
6. Organize the procedure of sales of shares, which had been transferred to the Share Fund;
7. Conduct restructuring in the process of privatization or send a request to the competent body to conduct restructuring in the process of privatization;
8. Compile and keep documents and data on public tenders and public auctions carried out;
9. Acquire the opinion from the administrative body of the territorial autonomy, and/or of the local authority, according to the location of the seat of the subject of privatization;
10. Engage in other activities in accordance with the law and its Statute.

The competent body of the territorial autonomy and/or of the local authority is required to supply its opinion about the started initiative for privatization as stipulated in line 9 of paragraph 1, of this article, to the Agency within the period of maximum 15 days from the date of the initiative's submission for opinion.

Article 10

Within its mandate of controlling legality of the privatization process, the Agency shall oversee:

1. The assessed capital or property value of the subject of privatization;
2. Compliance with the regulations of the program of privatization or the program of restructuring;
3. The inflow of the proceeds from the privatization to be effected in accordance with the contract of sale;
4. The contractual obligations being fulfilled;
5. The transfer of shares free of charge to the employees;
6. The entry of shares in the Privatization Registry.

In conducting the control of the privatization process, the Agency shall engage in other activities in accordance with the law and its Statute.

Article 11

The Agency shall inform the ministry in charge of privatization affairs about any shortcomings found in the process of control as per Article 10 of this law.

GOVERNING BODIES

Article 12

The bodies of the Agency shall be: the Managing Board, the Supervisory Board and the Director. The members of the Managing Board and Supervisory Board shall be appointed and dismissed by the government of Republic of Serbia, out of which at least one will be upon the recommendation of the administrative body of the territorial autonomy.

The members of the Managing and Supervisory Boards and the Director shall be appointed for the period of four years.

Article 13

The Managing Board shall be composed of the Chairman and 4 members.

The Managing Board shall:

1. Enact the Statute of the Agency;
2. Enact the action program;
3. Approve annual program of privatization;
4. Approve the financial plan;
5. Approve the business report;
6. Approve the financial statements;
7. Enact the privatization program, or the restructuring program where appropriate, in accordance with the Privatization law;
8. Enact by-laws;
9. Enact rules of conduct;
10. Engage in other activities in accordance with the law and its Statute.

The decisions referred to in Paragraph 1, items 1 through 6 of this Article, shall be enacted with approval of the Government of Republic of Serbia, and upon the previously obtained opinion of the administrative bodies of the territorial autonomy if the company being privatized is seated in their territory.

Article 14

The Supervisory board shall be composed of the chairman and 4 members.

The Supervisory board shall:

1. Inspect the annual accounts and operating reports to determine whether they were made in compliance with the regulations;
2. Enact the rules of conduct;
3. Engage in other activities in accordance with the law and its Statute.

The Supervisory Board of the Agency shall report to the ministry in charge of privatization quarterly about the results of supervision, which, in turn, will inform the government of Republic of Serbia within 15 days from the date on which it receives the report from the Supervisory Board.

Article 15

The Director of the Agency shall be appointed and dismissed by the Government of Republic of Serbia.

The Director shall:

1. Represent the Agency;
2. Organize and manage the work of the Agency;
3. Suggest the documents to be approved by the Managing board;
4. Implement the decisions of the Managing Board and take measures for their implementation;
5. Take care of and be accountable for the legality of work and utilization and disposal of the property of the Agency;
6. Enact the regulations governing internal organization and human resource management;
7. Propose the action plan;
8. Engage in other activities in accordance with the law and its Statute.

STATUTE AND OTHER ACTS

Article 16

General governing documents of the Agency shall be the Statute, the rules and other acts, which generally govern certain issues.

Statute is the main governing document of the Agency.

The Statute shall contain provisions on:

1. Agency activities;
2. Manner of conducting the tasks;
3. Governing bodies of the Agency and their activities;
4. Representation of the Agency;
5. Rights, responsibilities and liabilities of the employees;
6. Internal organization of the Agency;

7. Cooperation with the administrative bodies of the territorial autonomy and local authority;
8. Other issues of relevance for the work of the Agency.

PERFORMANCE OF EXPERTS AND OTHER ACTIVITIES

Article 17

The Agency may engage other legal entities or individuals for the conduct of certain expert activities within the Agency's authority.

SUPERVISION

Article 18

The ministry in charge for privatization affairs shall be in charge of supervision of the activities of the Agency.

The Agency shall, at least semi-annually, submit reports on its work to the ministry in charge of privatization affairs, which, in turn, shall within 15 days of the date of receiving the report inform the Government of the Republic of Serbia and the administrative body of the territorial autonomy on its contents.

TRANSITIONAL AND FINAL PROVISIONS

Article 19

The Government of the Republic of Serbia shall appoint the members of the Managing and Supervisory Boards and the Director within 15 days of the date of entry into force of this law.

Article 20

The Managing Board of the Agency shall undertake to enact the Statute of the Agency within 7 days of the date of its appointment.

Article 21

This law shall come into force on the 8th day following the date of its publication in "The Official Gazette of the Republic of Serbia".