

LEGAL FRAMEWORK

White Book 2009 is written in the light of a large number of new laws that have been adopted by the Serbian Parliament since its previous edition in September 2008. Apart to budget laws, reflecting to some extent the global economic crisis, a legislative activity has been mainly related to the implementation of provisions of the Interim Agreement with the European Union and harmonization with the European Union laws and standards. Majority of the mentioned laws are of the great importance to foreign investors, such as Law on Foreign Trade, Law on Prevention of Money Laundry and Financing of Terrorism, Law on Protection of Competition and various environmental laws. In addition, in 2009, the Serbian Government provided several bills and proposed drafts of the laws (such as laws related to the IP rights, consumers' protection, trade) aimed at further alignment of national legislation with European standards. In this respect, potential investors are likely to be encouraged by the prospect of Serbia's eventual membership of the European Union and accordingly, the progressive incorporation of the *Acquis Communautaire* into Serbian law should provide more transparent environment for all. In addition, the fact that Serbia has joined to the countries which are still implementing or having already implemented the Regulatory Guillotine process,

is a good signal indicating an improvement of the business environment and operations of foreign investors. However, it is yet to be seen in next year how this process will result.

However, regardless to this important progress made in 2009, it is essential to establish an efficient mechanism that should provide implementation of the new laws. It requires not only an adoption of various bylaws by the competent authorities but also assumes an effective public administration and teamwork with the all stakeholders. Thus, it is yet to be assessed what improvements the mentioned new laws will bring in reality.

On the other hand, Serbian legal framework is still not enough clear and predictable, and many regulations need to be improved and harmonized. Also, some important laws, and particularly bylaws required for implementation of the existing laws are still missing. In practice, the same problems remain. A public administration and judiciary are not efficient and transparent enough, which often results in inconsistent implementation of the laws and very lengthy procedures. Thus, the capacity-building and further specialization of the public administration and judiciary is crucial.