

PANORAMIC

DIGITAL BUSINESS

Serbia



LEXOLOGY

Digital Business

Contributing Editor

Ashley Winton

Mishcon de Reya

Generated on: March 3, 2025

The information contained in this report is indicative only. Law Business Research is not responsible for any actions (or lack thereof) taken as a result of relying on or in any way using information contained in this report and in no event shall be liable for any damages resulting from reliance on or use of this information. Copyright 2006 - 2025 Law Business Research

Contents

Digital Business

LEGAL AND REGULATORY FRAMEWORK

- Government approach
- Legislation
- Regulatory bodies
- Jurisdiction
- Establishing a business

CONTRACTING ON THE INTERNET

- Contract formation
- Applicable laws
- Electronic signatures
- Breach

FINANCIAL SERVICES

- Regulation
- Electronic money and digital assets
- Digital and crypto wallets
- Electronic payment systems
- Online identity

DOMAIN NAMES AND URLS

- Registration procedures
- IP ownership

ADVERTISING

- Regulation
- Targeted advertising and online behavioural advertising
- Misleading advertising
- Restrictions
- Direct email marketing

ONLINE PUBLISHING

- Hosting liability
- Content liability
- Shutdown and takedown

INTELLECTUAL PROPERTY

- Data and databases
- Third-party links and content

Metaverse and online platforms
Exhaustion of rights and first-sale doctrine
Administrative enforcement
Civil remedies

DATA PROTECTION AND PRIVACY

Definition of 'personal data'
Registration and appointment of data protection officer
Extraterritorial issues
Bases for processing
Data export and data sovereignty
Sale of data to third parties
Consumer redress
Non-personal data

DOCUMENT DIGITISATION AND RETENTION

Digitisation
Retention

DATA BREACH AND CYBERSECURITY

Security measures
Data breach notification
Government interception

GAMING

Legality and regulation
Cross-border gaming

OUTSOURCING

Key legal issues
Sector-specific issues
Contractual terms
Employee rights

ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

Rules and restrictions
IP rights
Ethics

TAXATION

Online sales
Server placement
Electronic invoicing

DISPUTE RESOLUTION

Venues
ADR

UPDATE AND TRENDS

Key trends and developments

Contributors

Serbia

BDK Advokati



Jelena Hrle

Jelena.Hrle@bdkadvokati.com

Dragoljub Sretenovic

dragoljub.sretenovic@bdkadvokati.com

Pablo Pérez Laya

Pablo.Laya@bdkadvokati.com

Tomislav Popović

Tomislav.Popovic@bdkadvokati.com

Anja Gligorević

Anja.Gligorevic@bdkadvokati.com

LEGAL AND REGULATORY FRAMEWORK

Government approach

How would you describe the government's attitude and approach to digital content and services, digital transformation and doing business online?

As a small country and a non-EU member state, Serbia lags behind most other European jurisdictions in regulating digital content and services. In the matters of data protection, cybersecurity, and the use of artificial intelligence, national laws resembling those in the EU have been passed or are being drafted. Some other segments – including online publishing and copyright in the digital market – remain under-regulated. The laws passed so far related to digital content and services remain largely untested, with the partial exception of the law on the processing of personal data.

Law stated - 30 October 2024

Legislation

What legislation governs digital content and services, digital transformation and the conduct of business online?

The most relevant laws governing digital content and services, digital transformation and the conduct of business online are the [Consumer Protection Act](#), the [Data Protection Act](#), and the [e-Commerce Act](#). Serbia has not taken steps yet to enact laws analogous to the Digital Services Act, Digital Markets Act, or Data Act.

Law stated - 30 October 2024

Regulatory bodies

Which regulatory bodies are responsible for the regulation of digital content and services, e-commerce, data protection, artificial intelligence, internet access and telecommunications?

The relevant regulatory bodies are the [Commissioner for Information of Public Importance and Personal Data Protection](#) (data protection) and the [Regulatory Authority for Electronic Communications and Postal Services](#) (RATEL) (telecommunications and cybersecurity).

Law stated - 30 October 2024

Jurisdiction

What tests or rules are applied by the courts to determine the jurisdiction for online transactions or disputes in relation to digital businesses in

cases where the defendant is resident or provides goods or services from outside the jurisdiction?

There are no specific rules on the international jurisdiction of Serbian courts for online disputes. The Serbian system of international private law provides for a general jurisdiction of Serbian courts if the defendant has a seat or domicile in Serbia. In the absence of the seat or domicile of the defendant in Serbia, the Serbian court may also have jurisdiction (1) if the tortious act or damage has occurred in Serbia, (2) if the assets of the defendant or the claimed object is in Serbia (3) in case of consumer contract if the consumer resides in Serbia, (4) if the parties agreed to the jurisdiction of Serbian courts.

There are no rules on the exclusive international jurisdiction of Serbian courts in cases involving online transactions or in cases involving consumers.

Law stated - 30 October 2024

Establishing a business

What regulatory and procedural requirements govern the establishment of digital businesses and sale of digital content and services in your jurisdiction? To what extent do these requirements and procedures differ from those governing the establishment of brick-and-mortar businesses?

There are no separate regulatory and procedural requirements for the establishment of a digital business in Serbia.

An entity may operate a digital business in one of the four forms that also apply to offline businesses: (1) general partnership; (2) limited partnership; (3) limited liability company; or (4) joint stock company. Operators can choose from these four forms in which they would like to conduct business, the most common being limited liability companies.

Incorporation of entity for all four legal forms involves the following steps: (1) preparing the incorporation documents and registering with the commercial registry, (2) obtaining the qualified electronic signature for the legal representatives, (3) registering the ultimate beneficial owners, and (4) opening a bank account in Serbia.

Law stated - 30 October 2024

CONTRACTING ON THE INTERNET

Contract formation

Is it possible to form and conclude legal contracts digitally? If so, how are digital contracts formed and are there any exceptions for certain types of contract?

[Electronic Commerce Act](#) provides that a contract may be concluded using electronic means unless: (1) a special law prohibits e-signing, (2) the law requires the contract to be in the form of a solemnised document, a notarial record, or the signatures of the contracting parties to be authenticated, or (3) in surety contracts the person granting surety acts outside of its trade, business or profession.

Where the law requires a contract to be in written form, the contract must be signed using a qualified e-signature to be legally binding.

In contracts concluded using electronic means, offer and acceptance are exchanged through electronic communication. Such a contract is formed when the offeror receives the acceptance of the offer through electronic communication.

Law stated - 30 October 2024

Applicable laws

Are there any particular laws that limit the choice of governing law, language of the contract or forum for disputes when entering into digital contracts? Do these distinguish between business-to-consumer and business-to-business contracts?

Parties in business-to-consumer and business-to-business contracts concluded in an international setting may choose the applicable law. The choice of the governing law may be restricted only exceptionally by the application of overriding mandatory norms or public order. There are no special rules of Serbian private international law that limit the choice of governing law for contracts concluded by electronic means or for business-to-consumer contracts. Case law and legal doctrine in Serbia have not articulated a position on whether provisions of the [Consumer Protection Act](#) amount to overriding mandatory norms that would apply to contracts regardless of the chosen law, and whether in the case of consumer contracts, the choice of foreign law might be denied application on the ground of the public policy.

Contracts concluded by electronic means, including both business-to-consumer and business-to-business contracts, may be executed in a foreign language. However, in the case of business-to-consumer contracts, certain precontractual information must be provided in Serbian.

Contracting parties in contracts concluded by electronic means in an international setting may choose the forum for disputes without any restrictions.

Law stated - 30 October 2024

Electronic signatures

How does the law recognise or define digital or e-signatures? Must digital or e-signature providers be registered or licensed in your jurisdiction? What type of digital information can be signed and how does the signing take place?

The Electronic Document, Electronic Identification and Trust Services in Electronic Business Act ([Electronic Document Act](#)) provides for three types of e-signatures distinguished by the level of security they provide in legal transactions: (1) an electronic signature, (2) advanced electronic signature and (3) qualified electronic signature.

Qualified electronic signatures, a type of advanced electronic signatures, offer the maximum level of security as they are issued only by a qualified trust service which is registered

in the [Registry of Qualified Trust Service Providers](#) within the Ministry of Information and Telecommunications.

A qualified electronic signature holds the same legal validity as a handwritten signature. In situations where a handwritten signature is not mandatory, an electronic signature may be used. However, contracts and other legal documents for which a specific law provides that they must be made in the form of notarised signatures, publicly certified (solemnised) documents, or in the form of notarial deeds, cannot be made using electronic signatures.

Law stated - 30 October 2024

Breach

Are any special forums for dispute resolution or remedies available for the breach of digital contracts?

There are no special forums for the breach of contracts concluded online nor any online dispute resolution mechanism.

Law stated - 30 October 2024

FINANCIAL SERVICES

Regulation

Is the advertising or selling of financial services products to consumers or to businesses digitally or via the internet regulated? If so, by whom and how?

Relevant regulations protect consumers in the case of digital advertising or selling of financial services. The regulations provide, among other things, that:

- customers must receive comprehensive information from the service provider before a contract is concluded;
- customers may withdraw from the contract during a cooling-off period of 14 days, subject to certain exclusions;
- the service provider must not use abusive marketing practices seeking to oblige customers to buy a service they have not solicited; and
- the service provider must not use practices such as unsolicited phone calls and e-mails.

Law stated - 30 October 2024

Electronic money and digital assets

Are there any rules, restrictions or other relevant considerations regarding the issue of electronic money, digital assets or use of digital currencies?

The [Payment Services Act](#) contains rules on, among other things, the issuance of electronic money, its distribution and redeemability, as well as authorisation and supervision of electronic money institutions. The law broadly follows the [EU E-Money Directive 2009/110/EC \(EMD2\)](#).

Serbia has separate legislation dedicated to cryptocurrencies and other instruments referred to as 'digital assets'. The [Digital Assets Act](#) applies to the issuance and admission to trading of digital assets in Serbia, the authorisation and supervision of digital assets service providers, anti-money laundering rules, and other matters related to digital assets.

Law stated - 30 October 2024

Digital and crypto wallets

Are there any rules, restrictions or other relevant considerations regarding the provision or use of crypto wallets or other methods of digitally storing value?

The custody and administration of digital assets on behalf of third parties is a type of digital asset service that can only be carried out by licensed digital asset service providers (DASPs). The DASPs are subject to the initial capital requirements in the amount depending on the nature of the digital asset services provided. At least half of the initial capital must be contributed in money; the rest can be contributed in kind (e.g. software).

The law imposes various other requirements on the DASPs, including organisational requirements, the rules on the safekeeping of clients' funds, the obligation to act honestly, fairly and professionally, etc.

Law stated - 30 October 2024

Electronic payment systems

How are electronic payment systems regulated in your jurisdiction? Is there a specific law regulating third-party access to digital information in bank accounts?

The most recent amendments to the [Payment Services Act](#) have introduced open banking services to the Serbian market. The amendments regulate two new services: account information services and payment initiation services, in a manner that is meant to mirror the [EU Second Payment Services Directive](#).

Account information service is an online service that provides consolidated information on one or more payment accounts held by the payment service user (PSU) with one or more payment service providers.

A payment initiation service is a service to initiate a payment order at the request of the PSU with respect to a payment account held at another payment service provider. This includes businesses that enable PSU to purchase goods and services online without using a payment card or another payment method.

Law stated - 30 October 2024

Online identity

Are there any rules, restrictions or other relevant considerations regarding the use of third parties to satisfy know-your-customer (KYC) or other anti-money laundering (AML) identification requirements?

The [AML Act](#) generally requires all obliged entities, including financial institutions and DASPs, to take customer due diligence measures when onboarding new customers, that is, establishing a business relationship.

The customer due diligence measures generally include customer identification and verification, beneficial ownership identification and verification, understanding the nature and purpose of customer relationships, ongoing monitoring for reporting suspicious transactions, and maintaining and updating customer information.

As a rule, the customer must be physically present for identification. Exceptionally, the verification of the customer's certificate can be conducted by using: (a) video technology; or (b) the qualified electronic certificate, in both cases without the customer's physical presence. The regulations of the [National Bank of Serbia](#) (NBS) set out the conditions for the use of video technology to identify and verify the identity of the customers of financial institutions and DASPs, who are natural persons or entrepreneurs, or natural persons who are legal representatives of the customers, which are legal entities.

Law stated - 30 October 2024

DOMAIN NAMES AND URLS

Registration procedures

What procedures are in place to regulate the registration of domain names or use of URLs? Is it possible to register a country-specific domain name without being a resident or business in the country? Are there any restrictions around the use of URLs to direct users to particular websites, online resources or metaverses?

The Serbian National Internet Domain Registry Foundation (RNIDS) manages the registration of national internet domain names .rs and .cpb through accredited registrars. RNIDS established procedures for the registration of national domain names in the [General Terms and Conditions for the Registration of National Internet Domains](#) and the [Procedure for the Registration of National Internet Domains](#).

Both national and foreign individuals or entities may register a national domain name. The procedure involves submitting a registration request to an accredited registrar, paying applicable fees, and activating the domain name. There are no restrictions on the use of URLs to direct users to particular websites, online resources or metaverse.

Law stated - 30 October 2024

IP ownership

Can domain names or URLs be the subject of trademark or copyright protection in your jurisdiction? Will ownership of a trademark or copyright assist in challenging a competitive use or registration of a similar domain name or URL?

A domain name may be registered as a trademark or protected by copyright if it meets the specific requirements for trademark or copyright protection.

Under certain conditions, ownership of a copyright or trademark may be useful in challenging a competitive use or registration of a similar domain name. According to the General Terms and Conditions for the Registration of National Internet Domain Names, a domain name must not infringe on IP rights or other rights of a third party. The right holder can initiate alternative dispute resolution for an infringing domain name before the Commission for Resolution of Disputes Regarding the Registration of National Internet Domains at the Chamber of Commerce of Serbia and request the transfer or cancellation of the infringing domain name. Depending on the specific circumstances, the copyright or trademark holder may be able to file a lawsuit in a competent court for infringement of IP rights.

Law stated - 30 October 2024

ADVERTISING

Regulation

What rules govern online advertising?

The [Advertising Act](#) is the principal legal instrument directly governing online advertising. The Act uses the term 'Internet advertising' for advertising through online editions of traditional media (press, radio, television) and registered Internet portals, social networks, applications, or through another form of Internet communication. Other laws impact online advertising by regulating profiling ([Data Protection Act](#)), the use of cookies ([Electronic Communications Act](#)), and misleading commercial practices ([Consumer Protection Act](#)).

Law stated - 30 October 2024

Targeted advertising and online behavioural advertising

What rules govern targeted advertising and online behavioural advertising? Are any particular notices or consents required?

As targeted advertising and online behavioural advertising are predicated upon the creation of a 'profile' of the targeted individual, the relevant rules are those on profiling and use of cookies, from the Data Protection Act and the Electronic Communications Act respectively. The [Data Protection Act](#) grants the data subject a right to object to the processing of personal data concerning him or her which is based on profiling based on the legitimate interests of the data controller or a third party. The [Electronic Communications Act](#) states that storing cookies on the end user's terminal equipment requires the end user's prior consent.

Law stated - 30 October 2024

Misleading advertising

Are there rules against misleading online advertising?

There are no specific rules on misleading online advertising. The general rule from the Advertising Act applies, to the effect that advertising is prohibited if it deceives or is likely to deceive the recipients of the advertising message and, by reason of its deceptive nature, it may affect their economic behaviour, or for those reasons injures or is likely to injure a competitor. The prohibition of misleading advertising applies irrespective of the industry.

Additionally, the Consumer Protection Act prohibits misleading commercial practices, offline and online, including some specific forms of advertising.

Law stated - 30 October 2024

Restrictions

Are there any digital products or services that may not be advertised online?

The grounds for the prohibitions of online advertisements are the same as the general grounds for prohibition under the Advertising Act. As a result, advertisement of pornography, narcotic drugs, weapons, military equipment, tobacco and tobacco products is prohibited, as is advertisement of games of chance directed at minors and advertisement of most types of alcoholic beverages. The [Medicines and Medical Devices Act](#) prohibits various modes of advertising of medicines, including the advertising of prescription drugs and medicines issued at the expense of health insurance funds.

Law stated - 30 October 2024

Direct email marketing

What regulations and guidance apply to email, SMS and other direct marketing?

The Data Protection Act allows direct marketing unless the data subject objects to processing for direct marketing purposes. However, a series of other laws – Consumer Protection Act, [e-Commerce Act](#), Advertising Act, and the Electronic Communications Act – prohibit direct marketing via devices for distant communication, including but not limited to telephone, fax machine or email, unless the individual has given his or her prior consent.

Law stated - 30 October 2024

ONLINE PUBLISHING

Hosting liability

What is the liability of internet service providers, telecommunications providers and other parties that merely host and display the content

written or published by third parties? How can these providers minimise their liability?

Parties that merely host the content written or published by third parties might have intermediary liability if they fail to remove any information whose unlawful nature was known, or should have been known, to the hosting provider. No law requires the hosting provider to proactively monitor to identify unlawful content. Under the [e-Commerce Act](#), service providers are not liable for the information stored at the request of a recipient of the service, on condition that: (1) the provider did not have and could not have had knowledge of the illegal activity of the recipient of the service or the content of the information; or (2) the provider, upon obtaining such knowledge, acts expeditiously to remove or to disable access to the information.

Law stated - 30 October 2024

Content liability

When would a digital platform or online content provider be liable for mistakes in information that it publishes online? Can it avoid liability? Is it required or advised to post any notices in this regard?

Where a digital platform or online content provider itself publishes the information, the rules on the liability for unlawful content do not differ from those for the publication of content in traditional settings, that is, print and electronic media. It is possible to avoid liability if the platform or online content provider may justify in the specific instance the publication of the information on the grounds of freedom of speech.

Law stated - 30 October 2024

Shutdown and takedown

Can an internet service provider or telecommunications provider shut down a web page containing defamatory material provided by a third party without court authorisation?

An internet service provider or telecommunications provider can shut down a web page containing defamatory material, without court authorisation.

Law stated - 30 October 2024

INTELLECTUAL PROPERTY

Data and databases

Are data and databases protected by IP rights?

Data may be protected as trade secrets if they meet the following conditions: the data are secret in the sense that they are not generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question; the data have

commercial value due to the secrecy; and, the data have been subject to reasonable steps to keep them secret.

Databases enjoy copyright protection if the selection or arrangement of their contents is original and meets other requirements for copyright protection. The contents themselves are not within the scope of copyright protection. Databases that are not eligible for copyright protection may be subject to database rights, a category of related rights providing the right holder exclusive control over extraction and re-utilisation of all or substantial parts of the database's contents for a 15-year period.

Law stated - 30 October 2024

Third-party links and content

Can a website, digital platform or other online content provider link to third-party websites or platforms without permission?

The issue of linking to third-party copyrighted content has not been addressed in case law. Serbian courts would likely seek guidance from the rulings of the Court of Justice of the European Union on the issue, from which it follows that linking to publicly available copyrighted works is generally allowed, if the linking does not bypass any access restrictions, such as a paywall.

Law stated - 30 October 2024

Third-party links and content

Can a website, digital platform or other online content provider use third-party content, obtained via automated scraping or otherwise, without permission from the third-party content provider?

Using third-party copyrighted content, including material obtained through automated scraping, without the copyright holder's permission, risks copyright infringement. The use of copyrighted works without permission is only allowed in specific cases defined by law as exceptions or limitations. Examples of permitted uses include quotation, use of a work as an insignificant part of another work, adaptation of a work for the purpose of parody or caricature, or reproduction of extracts of a work for the purpose of scientific research. The copyright law still does not contain the text and data mining exceptions analogous to those under [Copyright Directive 2019/790/EU](#) (articles 3 and 4).

If the online content provider intends to use the contents of a publicly available database protected by database rights, such use is arguably lawful unless the maker of the database is able to prove damage. The use is not lawful if the user of the website explicitly accepts the terms of use that prohibit the use of the webpage data.

Law stated - 30 October 2024

Metaverse and online platforms

Are there any particular difficulties with establishing or defending copyright, database rights and trademarks on a metaverse from your jurisdiction?

The challenges related to establishing and defending IP rights in metaverse may arise, for example, from the difficulties in identifying infringers and determining the appropriate jurisdiction.

Law stated - 30 October 2024

Exhaustion of rights and first-sale doctrine

Does your jurisdiction recognise the concept of exhaustion of rights or the first-sale doctrine? If so, how does it apply to digital products? Can rights be exhausted by placing the digital product on a metaverse or other platform in another territory?

Serbian law recognises the concept of exhaustion of rights in relation to all IP rights, with certain variations. Under copyright law, once the author or their legal successor places a copy of a work on the Serbian market, their exclusive rights to distribute that copy are exhausted. The law does not address the exhaustion of rights in digital products, and no case law has been established on the matter. It is likely that Serbian courts would look for guidance in the relevant rulings of the Court of Justice of the European Union. Under the Court's case law, reselling lawfully downloaded software is permitted if the original transaction can be considered a genuine sale ([UsedSoft case, C-128/11](#)), while providing e-books constitutes a communication to the public (and not sale) and therefore does not result in exhaustion of rights ([Tom Kabinet case, C-263/18](#)).

Law stated - 30 October 2024

Administrative enforcement

Do the authorities have the power to carry out dawn raids and issue freezing injunctions in connection with IP infringement?

Inspection authorities may conduct dawn raids in connection with IP infringement, but they are not authorised to issue freezing injunctions. Inspection authorities may impose various actions, such as preventive measures and corrective measures to remedy any identified non-compliance. In case of a punishable infringement, the inspection authority may initiate criminal, misdemeanour, or commercial offence proceedings. Where the law specifies only a fixed monetary fine for a misdemeanour, inspection authorities can issue a misdemeanour order, imposing the sanction directly without initiating court proceedings.

Law stated - 30 October 2024

Civil remedies

What civil remedies are available to IP owners? Do they include search orders and freezing injunctions?

Civil remedies (including provisional measures) available to IP owners include, among others:

- determination of infringement or serious threat of infringement;
- prohibition of acts of infringement or serious threat of infringement;
- compensation for material and non-material damages;
- seizure, removal from the market, or destruction of infringing goods;
- publication of the judgement;
- freezing injunctions, specifically seizure of assets and prohibition of making payments; and
- dawn raids, to preserve evidence by taking a detailed description of infringing objects, collecting samples, seizing the objects and the means used for their creation and distribution, and any related documents.

Law stated - 30 October 2024

DATA PROTECTION AND PRIVACY

Definition of 'personal data'

How does the law in your jurisdiction define 'personal data'? Are any other categories of personal data defined in the law? If so, what additional rules apply to the processing of such categories of personal data?

The [Data Protection Act](#) defines 'personal data' as any information relating to an identified or identifiable natural person. An identifiable person is one who can be identified directly or indirectly, particularly through identifiers like a name, ID number, location data, online identifier, or factors specific to their physical, physiological, genetic, mental, economic, cultural, or social identity.

Special categories of personal data include information revealing racial or ethnic origin, political opinions, religious beliefs, union membership, health data, genetic data, biometric data for identification, and data concerning sexual orientation. Processing such data is generally prohibited unless one or more of the ten conditions prescribed by the Act are met.

Pseudonymous data refers to data processed in a way that it cannot be attributed to a specific person without additional information. Pseudonymisation does not remove the data from the law's protections.

Although the Act does not explicitly define anonymous data, it implies that anonymised data, which cannot be traced back to an individual, falls outside the scope of personal data protection.

Law stated - 30 October 2024

Registration and appointment of data protection officer

Do parties involved in the processing of personal data have to register with any regulator to process personal data? Does the law prescribe the appointment of a data protection officer?

Parties involved in processing personal data are not required to register with a regulator to carry out data processing.

The Data Protection Act mandates the appointment of a Data Protection Officer (DPO) in specific cases, similar to the General Data Protection Regulation (GDPR). A DPO must be appointed when processing is conducted by a public authority or body (excluding courts in their judicial role), or when the core activities of the controller or processor involve large-scale, regular and systematic monitoring of individuals or the processing of special category data or data relating to criminal convictions.

Law stated - 30 October 2024

Extraterritorial issues

Can data protection laws and regulatory powers apply to organisations or individuals resident outside your jurisdiction? Is there a requirement for such an organisation or individual to appoint a representative in your jurisdiction?

The Data Protection Act applies to organisations or individuals outside Serbia if they offer goods or services to individuals within Serbia, regardless of whether payment is required, or if they monitor the behaviour of individuals in Serbia. Such organisation or individual is, with some exceptions, required to appoint a representative in Serbia. The representative acts as a point of contact for data subjects, the Serbian data protection authority, and third parties.

Law stated - 30 October 2024

Bases for processing

What are the commonly asserted reasons or bases for processing personal data and for exporting or transferring personal data to another jurisdiction?

The Data Protection Act provides several grounds for lawful data processing. These include the consent of the data subject, often relied upon when no other legal basis is applicable and generally used in the context of marketing activities. Processing is also lawful when it is necessary for the performance of a contract, such as fulfilling customer orders, or for compliance with legal obligations, like employment laws.

Another legal basis is a legitimate interest, which allows organisations to process data if their interests don't override the rights of the data subject. This is common in fraud detection, network security, and certain employment-related processing. Additionally, vital interests justify processing when necessary to protect someone's life or health, while public interest or official authority can also serve as a legal ground for processing.

International transfers must additionally meet specific requirements, like adequacy decisions, standard contractual clauses, or binding corporate rules to protect data when they leave Serbia.

Law stated - 30 October 2024

Data export and data sovereignty

Are there any rules, restrictions or other relevant considerations concerning the export or transfer of personal data to another jurisdiction? Are there any data sovereignty or national security rules that require data, data servers or databases to remain in your jurisdiction?

Transfers to countries recognised by the EU as providing an adequate level of protection or to signatories of the Council of Europe's Convention 108 can occur without additional requirements.

For transfers to other countries, Serbian law outlines several safeguards. Most frequently used in practice are standard contractual clauses issued by the Serbian Data Protection Commissioner. Those clauses apply only to controller-to-processor transfers.

In certain circumstances, transfers can take place based on data subject's explicit consent, or because transfers are necessary for contract performance, public interest, legal claims, or the protection of vital interests.

Serbian law does not impose any requirements that data or servers must remain within the country.

Law stated - 30 October 2024

Sale of data to third parties

May a party sell or transfer personal data to third parties, such as personal data about users of an online service or digital platform?

The general rules of data processing apply to transfers of personal data to third parties, including the requirement for a valid legal basis (eg, consent or legitimate interest) or the obligation to notify the data subject. If the recipient is located in a third country, the rules on international transfers must also be followed.

The seller is responsible for ensuring the lawful processing of personal data before the transfer and for the legality of the transfer itself. If the recipient is a controller, it assumes full responsibility for ensuring that the data is subsequently processed in compliance with the law. If the recipient is a processor, they act on behalf of the controller and must process the data only according to the controller's instructions. The controller must ensure that there is a clear data processing agreement in place, outlining the processor's obligations and safeguards.

Law stated - 30 October 2024

Consumer redress

What rights and remedies do individuals have in relation to the processing of their personal data? Are these rights limited to citizens or do they extend to foreign individuals?

Under the Data Protection Act, individuals—regardless of nationality or residency—have several rights and remedies concerning the processing of their personal data. They have the right to access, correct, delete, and restrict the processing of their data, as well as to request data portability where applicable. Additionally, they can object to processing for direct marketing or any processing based on legitimate or public interest, including profiling. Individuals are also protected from decisions made solely through automated processing if those decisions have significant effects on them.

For remedies, individuals can file complaints with the data protection authority or seek judicial redress, including compensation for damages resulting from unlawful data processing. These rights apply to anyone whose data is processed under Serbian law.

Law stated - 30 October 2024

Non-personal data

Does the law in your jurisdiction regulate the use of non-personal data?

Various sector-specific laws indirectly impact the usage, storage, and sharing of non-personal data. Some examples are the [Free Access to Information of Public Importance Act](#), which regulates the right of the public to access information held by public authorities, or the [Protection of Trade Secrets Act](#), which restricts unauthorised access and usage of confidential business information classified as trade secrets, safeguarding data that holds commercial value.

Law stated - 30 October 2024

DOCUMENT DIGITISATION AND RETENTION

Digitisation

Do the rules in your jurisdiction require any particular document or record types to be kept in original paper form and not converted solely to a digital representation?

Under the [Electronic Document, Electronic Identification and Trust Services in Electronic Traffic Act](#), any document may be kept exclusively in electronic format, provided that the electronic document is an original (ie, created initially in digital format) or that an electronic copy of the original paper document is considered equivalent to the original.

Law stated - 30 October 2024

Retention

Do the rules in your jurisdiction stipulate a minimum or maximum period for which documents or other record types should be kept?

Various pieces of legislation prescribe minimum retention periods for documents or data. For example, records in the areas of employment, healthcare, and accounting must be kept permanently or for a specified number of years. Only the [Data Protection Act](#) establishes a maximum retention period for personal data: pursuant to the 'storage limitation' principle, personal data may only be retained for as long as necessary to fulfil the purpose of data processing.

Law stated - 30 October 2024

DATA BREACH AND CYBERSECURITY

Security measures

What measures must companies take to guarantee the cybersecurity of data, communications, online transactions and payment information? Does any regulation or guidance provide for a particular level of cybersecurity or specific procedures to avoid data breaches? Are there any commonly used cybersecurity standards?

Companies are obliged to implement technical, organisational and personal measures to ensure the security of the processing of personal data in accordance with the [Data Protection Act](#). These measures may include pseudonymisation and encryption, maintaining confidentiality, integrity, availability and resilience of systems and services, and ensuring rapid data availability after incidents. Regular testing and evaluation of the effectiveness of security measures are also required. Additionally, individuals authorised to access personal data must process it only under the controller's instructions or legal obligations. The [Information Security Act](#) requires operators of information and communication systems of special importance to adopt a comprehensive set of measures to prevent security incidents and mitigate any resulting damage. These security measures are based on internationally recognised standards, specifically ISO/IEC 27001.

Law stated - 30 October 2024

Data breach notification

Does your jurisdiction have data breach notification laws that apply to digital business? If so, which regulators should be notified and under what conditions should affected individuals be notified?

The Data Protection Act, the Information Security Act, and the [Electronic Communications Act](#) apply to digital (and non-digital businesses) and contain provisions on data breach notifications.

Pursuant to the Data Protection Act, if a personal data breach poses a risk to individuals' rights and freedoms, the data controller must inform the Data Protection Commissioner.

Additionally, if the breach presents a high risk to individuals' rights and freedoms, the controller must as a rule notify the affected individuals.

The Information Security Act mandates that operators of ICT systems of special importance report incidents that could significantly compromise information security. This law does not require notifying individuals.

Under the Electronic Communications Act, when there is a significant security and integrity breach impacting public electronic communications networks and services, the entity involved must notify the Regulatory Authority for Electronic Communications and Postal Services (RATEL).

Law stated - 30 October 2024

Government interception

Are the authorities permitted lawful access to data? If so, what types of company are required to provide data to the authorities and under what circumstances?

The main entities empowered to request data are the intelligence agencies, including the Security Information Agency (BIA), the Military Intelligence Agency, and the Military Security Agency, alongside law enforcement authorities such as public prosecutors. These agencies are tasked with national security, defence, and criminal investigations, and are authorised under laws such as the [Security Information Agency Act](#), the [Military Security and Military Intelligence Agency Act](#), and the [Criminal Procedure Code](#). Intelligence agencies may request data from any person or organisation, covering broad sectors without limitations, although data collection from individuals by the Military Security Agency is subject to their consent. Public prosecutors may also demand data from any third parties for criminal investigations.

The scope of data collection is generally broad, allowing agencies to request any information relevant to national security or the prosecution of criminal activities. Intelligence agencies can seek data to protect Serbia's security and defence interests, while public prosecutors can request data essential to gathering evidence in criminal cases. Public prosecutors need court approval for telecommunications surveillance or property raids but not for general data requests or item seizures.

Law stated - 30 October 2024

GAMING

Legality and regulation

Is it permissible to operate an online betting or gaming business from your jurisdiction? Is any regulatory consent or age, credit or other verification required?

Online gaming business is permitted, provided that the entity obtains a licence for organising games of chance from the Serbian gaming authority. This licence may be granted to companies established in Serbia that meet specific regulatory requirements, including criteria related to share capital, financial standing, and technical conditions.

The licence can cover online betting or any digital game based on a random number generator. However, only the state-owned lottery company may organise online lottery games.

Individuals under 18 years of age cannot register and play on online gaming platforms.

Law stated - 30 October 2024

Cross-border gaming

Is it permissible to advertise, or provide access to, an online betting or gaming business located in another jurisdiction or in a metaverse?

Online gaming businesses not licensed in Serbia are prohibited from offering gaming products on a cross-border basis, as Serbian law restricts unlicensed entities from organising games of chance. Furthermore, the legislation prohibits participation in games of chance organised abroad if stakes are paid within Serbia. In practice, this means that foreign online gaming operators cannot offer their gaming products to players in Serbia. This restriction also applies to advertising, which is only permitted for entities licensed under Serbian regulations.

Law stated - 30 October 2024

OUTSOURCING

Key legal issues

What key legal issues arise when outsourcing services to a provider either inside or outside your jurisdiction?

Outsourcing is not regulated by Serbian law, however, staff leasing is, and it is a licensed business activity. The [Staff Leasing Act](#) prescribes a so-called staff leasing presumption, according to which a person working for or at the premises of a beneficiary while being employed or engaged outside employment by another employer, is presumed to be a leased employee unless proven otherwise. Therefore, when outsourcing services in Serbia, both the service provider and the client must ensure that their arrangement cannot be mistaken for staff leasing.

The law does not prescribe criteria for establishing staff leasing and there is no enforcement practice yet. However, it is reasonable to assume, and the Ministry of Labour confirmed so unofficially at various seminars, the beneficiary's control over the employee's work is a factor indicating staff leasing. Employee's presence on the beneficiary's premises and use of the beneficiary's means of work can also indicate staff leasing.

The risk that the Ministry of Labour or courts would consider outsourcing outside Serbia as staff leasing does not apply.

Law stated - 30 October 2024

Sector-specific issues

Are there any particular digital business services that cannot be outsourced or that are subject to specific regulation?

The National Bank of Serbia (NBS) has enacted specific regulations covering the outsourcing arrangements entered into by a financial institution (FI) and in particular the outsourcing of the activities relating to the FI's information systems. The FI is required to notify the NBS before entering into an outsourcing agreement. In case of outsourcing to a service provider abroad, the FI would also need to provide evidence that the regulations of the host country of such service provider allow the NBS to exercise its supervisory functions in relation to or in connection with the outsourced activities.

The FI is obliged to deliver to the NBS the executed outsourcing agreement and any annexes thereto (which do not affect the scope of the outsourced activities, the service provider, or the FI's risk analyses) within 15 days, as well as to notify the NBS about termination of the outsourcing agreement.

Law stated - 30 October 2024

Contractual terms

Does the law require any particular terms to be included in outsourcing contracts?

No.

Law stated - 30 October 2024

Employee rights

What are the rights of employees who previously carried out services that have been outsourced? Is there any right to consultation or compensation? Do the rules apply to all employees in your jurisdiction?

The law does not provide special protection for outsourced employees in the event of a business transfer (eg, the right to consultations or the right to maintain the same level of rights, including compensation). Such protection is guaranteed only in cases of status changes (eg, mergers or spin-offs) or other instances of universal legal succession.

Law stated - 30 October 2024

ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

Rules and restrictions

Are there any rules, restrictions or other relevant considerations when seeking to develop or use artificial intelligence, machine learning, automated decision making or profiling? Are any particular notices of such use required? Are impact assessments recommended or required?

AI is not yet regulated in Serbia. Automated decision-making, including profiling, is regulated under the [Data Protection Act](#), with provisions mirroring those in the General Data Protection Regulation (GDPR). Individuals have the right not to be subject to decisions based solely on automated processing (including profiling) that have legal or similarly significant impacts, unless specific conditions are met, such as the individual's explicit consent. It is advisable to conduct a data protection impact assessment when processing personal data in the context of developing or using AI, machine learning, or automated decision-making and profiling.

Law stated - 30 October 2024

IP rights

Are there any rules concerning intellectual property and artificial intelligence or machine learning? Can the training data sets and other data associated with artificial intelligence or machine learning be adequately protected by intellectual property rights? Are there particular laws, rules or guidance concerning the ownership of intellectual property created by artificial intelligence or machine learning systems?

Serbian law does not specifically address IP rights in the context of AI and machine learning. There are no legal obstacles to protecting training datasets by IP rights, if the requisite conditions are met, such as originality in the case of copyright protection. As a general rule, AI-produced outputs are not eligible for copyright protection because the [Copyright Act](#) grants copyright protection only to works created by humans as authors.

Law stated - 30 October 2024

Ethics

Are there any rules or guidance relating to the ethics of artificial intelligence and machine learning?

The Serbian Government has adopted [Ethical Guidelines for the Development, Application and Use of Reliable and Responsible Artificial Intelligence](#). The Guidelines outline four principles of ethical AI (explainability and verifiability, dignity, prohibition of causing damage, and fairness), as well as preconditions for reliable and responsible AI (such as transparency, diversity, non-discrimination and equality). The Guidelines provide a non-exhaustive list of high-risk AI systems, including those employed in the fields of healthcare, employment, and law enforcement.

Law stated - 30 October 2024

TAXATION

Online sales

Is the sale of digital products or online services subject to taxation in your jurisdiction? If so, on what basis?

Income from the sale of digital products and online services is subject to the corporate income tax in the same manner as any other income. Resident entities (ie, the ones that are established or have a place of effective management and control in Serbia) are subject to the corporate income tax on their net income from any country. Non-resident entities are taxed on the net income only if they have created a permanent establishment in Serbia and only to the extent that income can be attributed to such a permanent establishment.

When a resident entity sells its digital assets at a gain, such gain is in principle taxable (except in the case of licensed entities dealing in digital assets). The gain may be exempt from the corporate income tax if the entity reinvests the proceeds into the equity of a resident company or in an investment fund having its centre of investment activity in the country.

The value added tax (VAT) is levied at the standard rate of 20 per cent on supplies of goods and services that are deemed to have their place in Serbia. The sale of digital products and the provision of online services are considered as a taxable supply of services for the purposes of VAT. A specific exemption from VAT exists for financial services of transfer of virtual currencies and their exchange for money.

A foreign entity that supplies taxable or exempt services deemed to have their place of supply in Serbia exclusively to business customers does not have to register as a Serbian VAT payer. The entity must register as a Serbian VAT payer if it supplies a service deemed to have its place of supply in Serbia to non-business customers. This is done by appointing a local VAT representative, who is a resident VAT payer and must be preapproved by the Serbian tax authority. Once approved, the local VAT representative performs all obligations of a taxpayer in the name and on behalf of the foreign entity, including issuance of invoices to customers, keeping VAT records, filing VAT returns, paying VAT, and other.

Law stated - 30 October 2024

Server placement

What tax liabilities ensue from placing servers outside operators' home jurisdictions? Does the placing of servers, a platform or a metaverse-within your jurisdiction by a company incorporated outside the jurisdiction expose that company to local taxes?

Placing a server as a piece of hardware on the Serbian territory could theoretically lead to the creation of a fixed place through which a business is fully or partially carried on, and therefore to the creation of a permanent establishment of a foreign entity that operates such server. This would be possible provided that the foreign entity is the owner of the server or leases it, and that the server is used to carry out business activity (excluding activities of a preparatory or auxiliary nature, such as marketing, gathering market data, etc). However, this is only a theoretical possibility, not supported by any example from the case law or publicly available practice.

The mere presence of a platform or metaverse on a server located in Serbia could not be regarded as a fixed place through which a business is at least partially carried on, and therefore could not lead to the creation of a permanent establishment.

Law stated - 30 October 2024

Electronic invoicing

Do the rules in your jurisdiction regulate the format or use of e-invoicing, either generally or for a specific market segment? Is there a requirement to provide copies of e-invoices to a tax authority or other agency?

Under the [Electronic Invoicing Act](#), all VAT payers, local VAT agents of foreign entities, and public sector entities are required to issue e-invoices and upload them on the Electronic Invoicing System. The tax authority has access to the System, and there is no requirement for the taxpayers to provide copies of e-invoices to the tax authorities.

Law stated - 30 October 2024

DISPUTE RESOLUTION

Venues

Are there any specialist courts or other venues in your jurisdiction that deal with online/digital issues and disputes?

There are no specialist courts or other venues dealing with online/digital issues and disputes.

Law stated - 30 October 2024

ADR

What alternative dispute resolution (ADR) methods are available for online/digital disputes? How common is ADR for online/digital disputes in your jurisdiction?

ADR methods, such as arbitration and mediation, are generally available for disputes where parties can freely dispose of their rights, except in cases where the law prescribes exclusive jurisdiction of courts. While arbitration is available only in pecuniary disputes, mediation is available for all sorts of disputes, except those regarding public revenues.

ADR in Serbia is generally not commonly used.

There is a specific ADR means for the resolution of second-level domain disputes under the top-level domains .rs and .cpb organised by the [Committee for the resolution of disputes relating to the registration of national internet domain names](#) under the auspices of the Chamber of Commerce and Industry of Serbia. The dispute is resolved by a three-member panel, two panellists being appointed by the parties from the List of Panellists, and the presiding panellist being chosen by the two appointed panellists. Parties retain the right to seek judicial remedies.

In the area of consumer protection, there is the procedure for out-of-court resolution of consumer disputes before 'bodies for out-of-court resolution of consumer disputes'. The 'bodies' are individuals who qualify as mediators under the Mediation in the Resolution of Disputes Act and fulfil some additional qualifications. The bodies can issue recommendations, that are not binding, or terminate the proceedings if they are not

meaningful, or the parties can reach a settlement. Parties retain the right to seek judicial remedies.

Law stated - 30 October 2024

UPDATE AND TRENDS

Key trends and developments

Are there any emerging trends or hot topics in the regulation of digital content and services, digital transformation and doing business online in your jurisdiction? Is there any pending legislation that is likely to have consequences for digital transformation and doing business online?

While the current [Information Security Act](#) is closely aligned with the EU's [NIS Directive](#), the government has prepared a new draft law in response to [NIS2 Directive](#). In course of 2023 and 2024, the government also drafted a new law on consumer protection, taking over a number of provisions from three EU directives adopted in 2019: [Directive \(EU\) 2019/770](#) on certain aspects concerning contracts for the supply of digital content and digital services; [Directive 2019/771/EU](#) on certain aspects concerning contracts for the sale of goods; and Enforcement and Modernisation Directive ([Directive \(EU\) 2019/2161](#)). Also, at the end of 2024, a law was being drafted that, according to the government, would largely align with EU AI Act but would be less focused on placing limitations on the use of AI.

Law stated - 30 October 2024