

## LEGAL BASIS

The legal basis for the adoption of the new Statute is found in the new *Law on Business Companies* (“*Official Gazette of the RS*”, no. 36/2011 – hereafter to be referred to as: the Law), which is to be implemented starting from 01.02.2012, and which has re-introduced the legal form of a business association into our legal system. This form used to be prescribed by the Law on Enterprises, but not by the currently valid Law on Business Companies (“*Official Gazette of the RS*”, no. 125/2004). The regulation of this legal form introduces a higher degree of legal safety into the operations of the concerned group of legal entities.

The law defines a business association as a legal entity founded by two or more business companies or entrepreneurs, with a view to accomplishing common interests.

An association shall be established and organized freely and shall act independently in accomplishing its set goals.

A business association cannot conduct activities with the purpose of gaining profit, but exclusively with a view to accomplishing the common interests of its members.

The legal form of a business association is marked in the official name by adding: “business association” or abbreviated “b.a.” or “ba”.

The Law prescribes that the existing business associations shall continue to operate, being obliged to harmonize their by-laws and operations with the new Law by the commencement date of its implementation, i.e. **01.02.2012**. Against the business associations which fail to conduct harmonization with the Law, the Registry of Business Entities, *ex officio*, launches a forced liquidation procedure.

The Law on Amendments to the Law on Business Companies (“*Official Gazette of the RS*”, no. 99/2011), which came into effect on 04.01.2012, prescribes that the issues related to business associations which are not regulated by this Law shall be regulated by the regulations concerning the status of associations.