

Republic of Serbia

LEGAL and INSTITUTIONAL FRAMEWORK

The first task of Serbian Government from 2000 onwards was to create the rule of law in all fields. That meant re-creation of all most important state legislative documents starting with Constitution. It would be improper to start with specific concrete laws in cultural field without basic legal framework which defines territorial organization of the country, property issues, process of privatization, taxation etc, etc. That was the reason that many laws relevant for culture are now in process of drafting while more general state laws are already passing Parliamentary procedures.

The culture is still regulated according to the laws from previous period, among others: *Law on public interest in culture and Heritage protection law*. But Ministry of culture has been very active in influencing new laws and acts in which position of culture has been protected or secured: for instance: tax free stimulation for investments in culture in the Law on the profits of legal entities and tax incentive for book in the Taxation law.

1. The law on general interest in culture, 1992
2. The heritage protection law, 1994
3. The copyright law, 1998
4. The law on cinematograph, 1991 (amendments 1994)
5. The publishing law, 1991 (amendments 1994)
6. The library law, 1994
7. The Foundation and fund law, 1998
8. The free-lance artists and cultural workers, 1993; amendments 1998

Legal framework

Cultural heritage protection

The law on cultural heritage protection from 1994 defines public services in this field. A number of special decrees and regulation further prescribe rules about mechanisms to conduct inventories to valorise, categorize cultural heritage as well as responsibilities of archives, museums, film archives and libraries.

Cultural heritage protection is one of the top priorities of the Ministry of culture and public information because it represents national tradition and identity of all peoples and cultures in Serbia.

The substance and system of protection is regulated by the Cultural Properties Law the current one dating from 1994, while the new law is still in there process of being enacted.

According to the *Cultural Properties Law*, activities carried out by the protection institutions consist of: research, recording properties which claim preliminary protection, valorisation, proposing and determine cultural properties, categorization, maintaining registers and the Central Register, preparing studies, proposals and projects, providing owners and users with expert assistance in preserving and maintaining cultural properties, proposing and overseeing how technical protective measures are carried out,

publishing the results of cultural property protection activities, and participating in the preparation of urban and territorial plans.

The Ministry of culture initiated drafting of the *Archives Law*, which currently does not exist, which is to stipulate new legal framework for their activities according to European standards.

The Ministry of culture is working on drafting the new Library Law which is to classify and reorganize libraries networks according to UNESCO standards and makes necessary legal conditions for the improvement of their activities, especially in view of publishing, digitalization and networking.

WORKING CONDITIONS

Work permit and “professional” status

The legal status of artists has been defined only for the free-lance artists and cultural workers.

Health care protection

In Serbia artists in performing arts are fully employed. The new theatre law envisage introduction of the new model in which the artists will be engaged on the contractual base.

For free-lance artists the law stipulates social security and retirement funds paid by municipalities.

COLLECTIVE REPRESENTATION

Collective bargaining agreements exist in the fields of theatre, archives, museums, libraries and institutes for heritage protection and special section of the trade unions are bargaining, enforcing and monitoring these agreements.

TAX STATUS

Serbian law on the profits of legal entities:

Legal entities may deduct 1,5% of their income in one fiscal year for all donations for culture;

The Income Tax Law allows deduction for incomes of private individuals spent on cultural activities. Artists are allowed of tax deduction from 40 to 65% of their earnings on behalf of their expenses related to their production (without documentation).

Gifts to the museums, libraries and other cultural institutions are exempt from taxation.

The tax rate on net income resulting from intellectual property rights is 20%. The Income Tax Law (RS OG No. 24/2001) in the Article 55 provides the list the following percentage of income resulting from intellectual property rights as tax deductible, depending on the activity:

- sculpture, tapestry, art ceramics, mosaic and stained glass – 65% of income is regarded as expense, and tax deductible;
- art photography, fresco painting and similar arts, clothes design and textile design - 55% of income is regarded as expense, and tax deductible;

- painting, graphic design, industrial design, visual communications, landscaping, restorations, translations – 50% of income is regarded as expense, and tax deductible;
- music performance, movie making - 45 % of income is regarded as expense, and tax deductible;
- show programmes and performance of folk music - 10% of income is regarded as expense, and tax deductible;
- all other activities - 40 % of income is regarded as expense, and tax deductible.

The tax rate on capital gains (e.g. the net gain from the sale or other transfer of an intellectual property right) is 20%.

Legal incentive for public - private initiatives

The fact that *Law on the profits of legal entities* gives right for deduction of 1,5% of their income in one fiscal year for all donations for culture - is not really considered as incentive in practice. The old fashioned incentives had disappeared (matching funds - corporation - state / "dinar na dinar"), and new ones had not been created.

Source: Ministry of Culture and Public Information of the Republic of Serbia, August 2003.