

Registration of social entrepreneurship status with the Business Registers Agency

The Law on Social Entrepreneurship ("Official Gazette of RS", No. 14/2022, "**Law**") entered into force on February 15th, 2022 and as of November of the current year, legal entities (companies, associations and other entities) as well as entrepreneurs who are registered with the Business Registers Agency have the possibility of acquiring the status of social entrepreneurship.

In accordance with the provisions of the Law, social entrepreneurship is the performance of activities of general interest, for the purpose of creating new and innovative opportunities for solving social problems, problems of individuals or socially sensitive groups as well as preventing the emergence and elimination of the consequences of social exclusion, strengthening social cohesion and solving other problems in local communities and society as a whole.

Social entrepreneurship is aimed at solving social problems in order to increase social cohesion and development of society and represents a business in which part of the profit is invested in the integration of socially sensitive groups, environmental protection, rural development, education, culture, social innovation and other areas from a wider social interest.

A business entity with the status of social entrepreneurship has the obligation to at least 50% of its profit:

- 1) reinvests in internal support programs for socially vulnerable groups or in costs related to the

employment of members of socially vulnerable groups, i.e. in activity programs aimed at solving community problems; and or

- 2) donates to other legal entities or entrepreneurs with the status of social entrepreneurship to solve community problems.

The above represents a special model of business in which the economic and social components are equally expressed, because the subject acts and performs activities for the purpose of gaining profit, but a part of the earnings is directed in order to fulfill a certain social mission.

The Republic of Serbia, the autonomous province and local self-government units support the establishment and operation of social entrepreneurship entities, through the implementation of public policy measures, by securing funds from the budget and creating reliefs and exemptions in accordance with the regulations governing taxes, contributions for mandatory social insurance, user fees public goods and other types of monetary obligations.

For any additional consultation or legal assistance, you can contact the Tasić & Partners team by email at office@tasiclaw.com or by phone at +381116302233.