

THE LAW ON BASIS OF OWNERSHIP AND PROPRIETARY RELATIONS²

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Chapter 1

BASIC PROVISIONS

Article 1

Any natural person and legal entity may have the ownership right over movables and immovables.

Article 2

DELETED – as of 29/96⁴

Article 3

An owner shall be entitled to possess, use and dispose with his/her thing, within the limits prescribed by law.

Everybody shall be obliged to sustain from infringing the ownership rights of another.

Article 4

An owner shall acquire the ownership right in accordance with the nature and purpose of the thing.

Exercising of the ownership right contrary to the purpose for which it has been established or recognised shall be forbidden.

Article 5

² Translator's note: In Serbian "Zakon o osnovama svojinskopravnih odnosa". The term proprietary was used to denote the proprietary right as "*the rights which an owner of property has by virtue of his ownership. A right customarily associated with ownership, title, and possession and is an interest or right of one who exercises dominion over a thing or property.*" quoted from The Black's Law Dictionary, sixth edition of 1990, which is the closest match the term-compound: *svojinskopravni*.

³ Law on Mortgage entered into force as of 26 February 2006.

⁴ Translator's note: refers to the number and year of the Official Gazette.

An owner of immovables shall, whilst using the immovables, restrain from activities and eliminate the causes resulting from his property, which hinder the use of other property (dispersion of smoke, unpleasant odorous, heat, soot, quakes, noise, drainage of waste waters, etc.) above the usual extent considering the nature and purpose of the immovable property, as well as the local circumstances, or which cause a significant damage.

Any hindrances caused through special devices, as referred to in para. 1 of this Article, shall be forbidden without special legal grounds.

Article 6

An easement, the right of real encumbrance and pledge right may be established over a thing to which there is an ownership right under the conditions prescribed by law.

Exercising of the rights referred to in para. 1 of this Article contrary to the purpose for which they have been established or recognised shall be forbidden.

Article 7

Acquisition, protection and cessation of ownership right, right of easement, right of encumbrance and pledge right shall be prescribed by law.

Article 8

The ownership right may cease or be restricted in accordance with the Constitution and law.

Chapter II

OWNERSHIP RIGHT

Proprietary rights

Article 9

Any natural person and legal entity may have the ownership right over buildings, flats, business facilities and premises, agricultural land and other immovables, except over the natural treasures which are owned by the State.

Any natural person and legal entity may have the ownership right over a specific estates in general use and on the urban construction land, as well as in the forests and forest land, within the limits prescribed by law.

Article 10

DELETED – as of 29/96

Article 11

DELETED – as of 29/96

Article 12

DELETED – as of 29/96

Article 13

Several persons shall have the right of co-ownership over an undivided thing when each person's part is defined as a proportionate share of ownership in comparison with the entirety (ideal share).

If co-ownership share is not defined, it shall be presumed that they are equal.

Article 14

Each co-owner shall be entitled to possess and to use a thing along with other co-owners as a proportional share, without infringing the rights of other co-owners'.

A co-owner may dispose of his share without the consent of other co-owners.

In case of sale of the co-owner's share, other co-owners shall have the preemption right only if so prescribed by law.

Article 15

The co-owners shall have the right to joint management of a thing.

The consent of co-owners, whose shares together make more than a half of the values of a thing, shall be required in undertaking of regular management of the thing.

If the consent required, as referred to in para 2 of this Article, is not reached, where the management is necessary for regular maintenance of the thing, the court shall decide on the matter.

The consent of all co-owners shall be required for conducting the activities that exceed the regular framework of activities (alienation of the whole thing, change of the purpose of a thing, leasing of the entire thing, mortgage, establishment of easement, major repairs of the thing, etc.).

Co-owners may entrust the management of a thing with one or several co-owners or a third person.

The expenses of the use, management, maintenance of the thing and other burdens referring to the whole thing shall be borne by the co-owners proportionate to their share.

Article 16

Each co-owner shall be entitled to request at any time the division of thing, except during the time when such division may cause a damage to other co-owners, unless otherwise prescribed by law.

The right referred to in para. 1 of this article shall not fall under the statute of limitations.

The contract whereby a co-owner permanently waived his/her right to division of a thing shall be considered null and void.

Co-owners shall, by mutual agreement, define a method of division of a thing and in case they may not reach an agreement, the court shall decide on the matter.

If physical division of thing is impossible, or is possible only with a significant depreciation of the thing, the court shall decide on execution of division by sale.

Other co-owners shall guarantee for legal and physical defects of the thing to the co-owner who acquired a whole thing or a part of it by division up to the amount of the value of their co-ownership shares.

The right referred to in para. 6 of this Article shall be legally invalid after three years from day of the executed division.

Article 17

Co-ownership shall exist over the undivided thing whose parts are the subjects of various forms of ownership.

Article 18

A thing may be the subject of joint ownership only on in cases and under the conditions prescribed by law.

Joint ownership is the ownership over an undivided thing where the shares are definable but not defined.

Article 19

The ownership right over a specific part of a building may be established in respect of a flat, business premises or a garage or the marked space for a garage.

The owners of the specific parts of a building shall have the right to indivisible joint ownership over the joint parts of the building and installations in the building.

2. Acquisition of the Ownership Right

Article 20

The ownership right shall be acquired on the basis of the very law, legal transaction and inheritance.

The ownership right shall also be acquired by the decision of government authority, in the manner and under the conditions prescribed by law.

Article 21

The ownership right shall, by the very law, be acquired through creation of a new thing, combining, mixing, building on the land of another, separation of fruits, possession, acquisition from a non-owner, occupying, and in other cases defined by law.

Article 22

A person who out of his own materials and through his own work created a new thing shall acquire the ownership right to it.

The ownership right over a new thing shall belong to the owner of the material that another person, on the basis of a legal transaction, used to make the same thing.

If someone makes a new thing, by using another person's material, the thing shall belong to the maker if he/she is honest and if the value of the work exceeds the value of the material, where if the values are equal - the co-ownership shall be established.

Article 23

When the things, belonging to various owners, are combined or mixed in such way that they may not be separated without substantial damage or without incurring disproportionate expenses, co-ownership right of the earlier owners shall be established over the new thing, in proportion to the value that the individual things had at the moment of their combining or mixing.

If one of the owners was not acting honestly, the owner who acted honestly may request within one year from the date of combining or mixing the thing, that the whole thing be conveyed into his ownership or that the whole thing be conveyed into

the ownership of the owner who has not acted honestly and that the latter reimburses him for the market value of his thing.

If one of the two combined or mixed things has insignificant value in comparison to the other, the owner of the more valuable article shall acquire the right to ownership over the new thing, and shall compensate of the market value of his thing to the person who lost the right to ownership.

Article 24

A person who may erect a building or any other structure (construction) on the land which is another's ownership (constructor), shall acquire the right of ownership also on the land on which the building is erected, and on the land that is necessary for its use, if that person did not know or could not have known that he/she has is building on the someone else's land where the owner of the land knew about the constructor's activities and did not immediately object.

In the case referred to in para. 1 of this Article, the owner of the land shall have the right to, within three years from the day of he/she became aware of the finished construction, but at latest within ten years from the finished construction, claim compensation of the value of the land in the amount of its sale price valid at the time of issuance of the court decision.

Article 25

If a constructor was aware of building at another's land or did not know and the owner did object, the owner of the property may claim the acquisition of ownership right over the building or to have the constructor level the building and bring the land to its former state, or to be paid off by constructor at the market value of the land.

In the cases referred to in para. 1 of this Article, an owner of the land has the right to be compensated of the damage.

If an owner of the land claim acquisition of the ownership right over the building, he shall pay to the constructor the value of the building in the amount of average building price of a building in that location, at the time of issuance of the court decision.

An owner of the land may acquire the right of choice, referred to in para. 1 of this Article, at latest within three years from the day the construction was finished. Upon the expiry of the period the owner may claim a repayment of the land market value.

Article 26

If the constructor is honest and the owner of the land did not know about the erection, and if the value of the building is considerably higher than the value of land, than the building together with the land shall belong to the constructor who shall compensate the owner the market value of land.

If the value of the land is considerably higher than the value of the building, the court shall, on the basis of owner's claim, awarded the building to the owner and make him liable for compensation of the building value of the property in the amount of average building price of building in that location to the constructor.

The owner may, within three years from the day of completion of the construction of the building, file this claim.

If the constructor is honest and the owner of the land did not know about the erection, and if the value of land and the value of building are almost equal, the court shall award the building or both the land and building to the owner of the land or to the constructor, by taking into account their needs and their housing situation.

Pursuant to the provision of para. 1 of this Article, the owner of the land or the constructor shall be entitled to the compensation for the land or the building.

Article 27

The ownership right over benefits pursuant to the right to usufruct⁵ shall belong to the owner of the thing.

An honest owner, one enjoying the right to usufruct and lessee of the thing, providing benefits on the basis of the right of usufruct, at the moment of their separation.

The benefits referred to in para. 2 of this Article, shall be the essential element of the thing and shall belong to its owner.

Article 28

An honest and legal possessor of movables, owned by another, shall acquire the ownership right to the thing through adverse possession over a three year period.

An honest and legal possessor of immovables owned by another, shall acquire the ownership right over the thing through adverse possession over a ten year period.

An honest possessor of movables, owned by another, shall acquire the ownership right over the thing through adverse possession over a ten year period.

An honest possessor of immovables, owned by another, shall acquire the ownership right over the thing through adverse possession over a 20 year period.

An heir shall also become an honest possessor from the moment of opening of the succession, even if the testator was not an honest possessor, and the heir was not or could not have been aware of it; and the time for adverse possession shall start running from the moment of opening of the succession.

⁵ Translator's note: In Serbian - *sa plodovima koji jos nisu ubrani* = along with the unripened fruits (in literal translation to English) stands for the benefits pursuant to the right of usufruct. Hereinafter will be referred to as *right of usufruct and fruits or benefits*.

Article 29

Deleted - as of 29/96

Article 30

The time required for the length of adverse possession shall start running from the day the possessor has acquired possession over the thing and shall cease with the last day of the period required for the length of adverse possession.

The length of adverse possession shall include the time the possessor's predecessors held the thing in legal and honest possession, that is, the time they were honest possessors.

The provisions of law governing suspension or termination of adverse possession shall be implemented in accordance with the provisions on termination or suspension of the acquisition which is outside the statutory limitations.

Article 31

An honest person shall acquire the ownership right to movables, acquired along with the compensation from the non-owner who, within the scope of his activity, announced the sale of such thing, from non-owner, entrusted with the thing by the owner on the basis of the legal transfer that is not the base for acquiring the right to ownership, and on the public sale.

A previous owner may request the return of the thing with a compensation on the basis of the sale price from an honest acquirer if the thing has a special meaning for the previous owner.

The request specified in para. 2 of this Article may not be placed if outside the limitations period of one year from the day of acquiring the ownership right to the same thing.

Article 32

Any person who occupies movables, abandoned by the owner, and made it his/her possession with intent to appropriate (occupy) the same, unless otherwise specified by law, shall acquire the right of ownership to the same.

The right of ownership may not be acquired through occupying of immovables.

Article 33

The ownership right to immovables, on the basis of a legal transaction, shall be acquired by entry into the public register or other appropriate mode determined by law.

Article 34

The right of ownership to movables shall, on the basis of a legal transaction, be acquired through delivery of the thing into the possession of an acquirer.

The delivery of movables shall be also be considered executed when a document, on the basis of which an acquirer may dispose with the thing, is delivered and by delivery of a part of a thing, and by separation and other marking of the thing that would stand for delivery of the thing.

When movables are in possession of an acquirer, on certain legal basis, he/she shall acquire the ownership right to the same with the moment of concluding the legal transaction with the owner of the thing on the basis of which the ownership right is acquired.

If an acquirer of the ownership right to movables abandons the thing and later on whilst the thing was in possession of delivering party on some other basis, he/she shall acquire the ownership right to the same movables with the moment of concluding of legal transaction with the owner of the thing on the basis of which the ownership right is acquired.

The ownership right to movables in possession of a third party shall be transferred to an acquirer with the moment of concluding of legal transaction whereby the delivering party transferred the right to request the return of the thing to the acquirer. A third party shall have the right to communicate any objections to the new owner that he/she had in respect of the previous owner.

The delivery of movables shall also be considered executed when the concrete circumstance indicate that delivery of the thing has been executed.

Article 35

When several persons conclude a legal transactions in order to acquire the ownership right to the same movables, which was individually determined, the right shall be acquired by a person to whom the thing was initially delivered.

Article 36

The ownership right of a thing shall be acquired by inheritance at the moment of opening of succession to the property of a deceased, unless otherwise determined by law.

3. Protection of Ownership

Article 37

An owner may request from a person in possession of the owner's property⁶ (hereinafter: the possessor) the delivery of possession of an individually selected thing to the owner.

An owner shall, in order to establish his/her right to request restitution of his/her property from a person who possesses it, prove his/her ownership rights and the defendant's dominion over the same.

The right to claim referred to in para. 1 of this Article shall not be the subject to statutory limitations.

Article 38

An honest possessor shall deliver the property to the owner including all belonging rights of usufruct.

An honest possessor shall not be obliged to pay the compensation for the enjoyment of the property or deterioration and devastation of the property whilst in his/her honest possession.

An honest possessor shall have the right to compensation for the basic maintenance costs of the property.

An honest possessor may seek compensation for the useful expenses invested in the property in the amount proportional to the increased value of the property.

An owner shall compensate for all necessary and useful expenses referred to in paras. 3 and 4 of this Article to an honest possessor in the amount excluding the advantages acquired by the honest possessor therefrom.

An honest possessor shall have the right to compensation of expenditure invested into the property where improvements⁷ are placed directly upon the property only when

⁶ Translator's note: In Serbian - drzalc

⁷ Translator's note: In Serbian – "radi ulepsavanja ili zadovoljstva" means for enjoyment of decoration and shall be referred to as '*by placing the improvements directly upon*'.

the value of the property is increased thereby. If the investment was made by placing the improvements directly upon it, the same may be separated from the property without causing any damage, where an honest possessor shall have the right to separate and keep the same.

An honest possessor shall have the right to hold the property in his/her possession until compensated for the necessary and useful expenses in respect of the maintenance of the property.

A compensation claim in respect of necessary and useful expenses shall, within three years period following the delivery of property to the owner, be considered outside the limitations period.

Article 39

A dishonest possessor shall deliver the property to the owner including all rights of usufruct.

A dishonest possessor shall compensate for the value of benefit acquired though the right of usufruct of spent, alienated or devastated benefits therefrom including the value of the things where the possessor failed to take advantages arising therefrom.

A dishonest possessor shall compensate the damage caused through deterioration and devastation of property, unless the same damage occurred whilst the property was in possession of owner.

A dishonest possessor may claim compensation of necessary expenses that would be imposed to the owner if in possession of the same property.

A dishonest possessor shall have the right to compensation of the useful expenses in case they only benefit the owner.

A dishonest possessor shall have no right to compensation of expenses invested into the property by placing improvements directly upon it, but may separated the property to which the improvements were placed upon without causing any damage to the main property.

An honest possessor shall be considered to have become a dishonest possessor from the moment of receiving a claim, where an owner may prove that an honest possessor was a dishonest possessor even before initiation of claim.

Article 40

The right of owner to request the delivery of benefits acquired, pursuant to the right of usufruct, and the compensation for the value of the same that the possessor spent, alienated, failed to take benefit from or destroyed shall be outside the limitations period within three years following the day of delivery of the thing.

The claim for compensation of expenses by a dishonest possessor shall be outside the statutory limitations within three years following the day of delivery of the thing.

Article 41

A person who acquired an individually defined thing on legal grounds and in a lawful manner, and did not know or could not have known that he/she has not become owner (reputed owner), shall be entitled to demand its return from an honest possessor holding such thing without legal grounds or on lesser legal grounds.

When two persons are deemed reputed owners of the same thing, the stronger legal grounds shall be with the person acquiring the thing through encumbrance as compared to the person acquiring it without encumbrance. If legal grounds of both persons are of same degree, seniority shall lie with the person having actual possession.

The right to file claim specified in para. 1 of this Article shall not be subject to limitations period.

Article 42

If a third party disturbs the owner or reputed owner in some manner other than depriving of the thing, the owner, i.e., reputed owner, may file claim for disturbance.

If disturbance specified in para. 1 of this Article results in damages, the owner shall be entitled to file claim for damages pursuant to general rules on damage compensation.

The right to file claim specified in para. 1 of this Article shall not be subject to limitations period.

Article 43

A co-owner, that is, a joint owner, shall be entitled to file claim for protection of ownership rights over the whole thing, while a co-owner may in addition file claim for protection of his rights over a part of thing.

4. Cessation of Ownership Rights

Article 44

DELETED – as of 29/96

Article 45

A particular person's ownership rights to a thing shall cease when another person acquires ownership rights to such thing.

Article 46

Ownership right shall cease by abandonment of the thing.

A thing shall be considered abandoned when the owner expresses in an explicit manner his wish to relinquish such thing.

Abandoned immovables shall convert to government property at the moment of abandonment.

Article 47

Ownership right to a thing shall cease through its destruction.

The owner shall retain ownership rights over the remains of the destroyed thing.

Article 48

Ownership right shall also cease in other cases specified by law.

Chapter III

EASEMENT

Article 49

The easement is the right of owner of one estate (dominant estate) to perform certain activities for the benefit of this property on the estate of another (servient estate), or to demand from the owner of the servient estate to refrain from doing something otherwise lawful on his estate.

Easement may be established for a definite time or for a particular part of a year.

Article 50

Easement shall be utilised in a manner least encumbering the servient estate.

If easement requires use of some device or undertaking of some action, the cost of maintenance of such device and of undertaking of such action shall be defrayed by the owner of the dominant estate.

If the device or activity serves also the interests of the owner of the servient estate, the cost of maintenance of such device and the cost of undertaking of such action shall be defrayed, proportionally to the benefit thus obtained, by the owner of the dominant and the owner of the servient estate.

Article 51

Easement shall be created by legal transaction, decision of a government authority and adverse possession.

Article 52

Easement shall be created by legal transaction upon entry into public register or by other adequate mode prescribed by law.

Article 53

Easement shall be imposed by court decision or by other government body when the owner of a dominant estate, fully or in part, may not use such estate without adequate use of the servient estate, as well as in other cases specified by law.

Easement specified in para. 1 of this Article created on the effective date of the decision, unless otherwise specified by law.

The appropriate government authority shall, at the request of the owner of the servient estate, determine adequate compensation to be paid by the owner of the dominant estate to the owner of the servient estate.

Article 54

Easement shall be created by adverse possession when the owner of the dominant estate enjoyed actual easement for a period of 20 years without objection from the owner of the servient estate.

Easement may not be obtained through adverse possession if effectuated through abuse of trust of the owner or possessor of the servient estate, by force, fraud or if easement has been granted until recall.

Article 55

DELETED - as of 29/96

Article 56

An owner of a dominant estate may claim for an easement to be created on the estate of the servient owner.

The provision of Article 37, para. 2 of this Law shall be accordingly applied on the claim specified in para. 1 of this Article.

Article 57

If the owner of the dominant estate is groundlessly prevented or disturbed in enjoying easement, he/she may file claim against trespass.

Article 58

Easement shall cease if the owner of the servient estate objects thereon and the owner of the dominant estate fails to exercise his right during three consecutive years.

An owner of a servient estate may claim cessation of easement when it becomes redundant for the use of the dominant estate, or if other reasons, on which basis was created, cease to exist.

Easement shall cease if not exercised over the statutory time period for obtaining the same through adverse possession, when the same person becomes owner of the dominant and the servient estate, or by destruction of the dominant or servient estate.

Article 59

If the dominant estate is divided easement shall remain in favour of all its parts.

An owner of a servient estate may file a claim for termination of an easement in respect of an owner of an individual part in divided dominant estate if easement is not required for enjoyment of that part.

If a servient estate is divided, easement shall remain only on parts where exercised.

Article 60

Right to usufruct, right of use, tenancy rights and encumbrance right shall be prescribed by law.

Chapter IV

PLEDGE RIGHT

Article 61

Pledge right may exist on movables, immovables and rights.

A pledge right is established by legal transaction, court ruling and law.

Article 62

Provisions on pledges contained in the regulations governing obligations shall be accordingly applied to pledge rights on movables and pledges on rights.

Article 63

DELETED – as of 115/05

Article 64

DELETED – as of 115/05

Article 65

DELETED – as of 115/05

Article 66

DELETED – as of 115/05

Article 67

DELETED – as of 115/05

Article 68

DELETED – as of 115/05

Article 69

DELETED – as of 115/05

Chapter V

POSSESSION

Article 70

Any person shall be deemed in possession of a thing when exercising direct dominion over a thing (actual possession).

A person shall have possession of a thing when exercising dominion over a thing through another person to whom, by way of usufruct, lease, rental, safekeeping, use or other legal transaction, such a thing was given into direct possession (constructive possession).

A person shall have possession of the right to the easement when directly using the property of another to a degree conforming to the content of such easement.

Several persons may hold possession of a thing or right (co-possession).

Article 71

A person exercising dominion over a thing on behalf of another due to employment or similar relations, or in a household, and is required to proceed in accordance with instructions of that person, shall not have possession.

Article 72

Possession shall be legal if founded on valid legal grounds required for acquiring the right of possession and if not acquired through force, fraud or abuse of trust.

Possession shall be deemed honest if the possessor does not or may not know that the thing in his/her possession is not his/her.

Honesty of possession shall be presumed.

Article 73

An heir shall become possessor at the moment of opening of succession, regardless of when he acquired actual dominion over a thing.

Article 74

Possession shall lapse when the possessor ceases to exercise dominion over a thing.

Possession shall not lapse if the possessor is temporarily prevented to exercise dominion over a thing independently of his/her will.

Article 75

Any possessor of things and rights (Article 70) shall have the right to protection from trespass or depriving of possession (disturbance of possession).

Article 76

The possessor shall have the right of self-defence against whomever trespasses or deprives him of possession, under the stipulation of immediate danger, that self-defence is essential and that the manner of its execution is necessity in accordance with the circumstances in which the danger appears.

Article 77

Protection of the court against trespass or deprivation of possession, may be requested within 30 days from the date of becoming aware of the trespass and perpetrator, and at latest within one year from the trespass.

Article 78

The court shall offer protection pursuant to the last circumstances of possession and the trespass that has transpired, where the right of possession, legal grounds of possession and honesty of possessor have no effect.

The possessor who has acquired possession through force, clandestinely or through abuse of trust shall also be eligible for protection except towards the person from whom the possession was so acquired, unless the limitations period for trespass from Article 77 of this Law has elapsed.

Article 79

The writ entertaining the petition for protection against trespass shall prohibit further disturbance of possession under threat of fine, namely restoring of deprived possession, including other measures required for protection against further trespass.

Article 80

A co-possessor shall enjoy protection pursuant to provision of Article 75 of this Law against a third party, as well as against other co-possessors in their mutual relations, if one of them prevents another in execution of dominion over a thing in their possession in previous manner.

Article 81

Irrespective of the dispute on disturbance of possession (Article 77) a court order may be demanded for protection of possession pursuant to right of possession.

Chapter VI

RIGHTS OF FOREIGN CITIZENS

Article 82

Foreign and local natural persons and legal entities may acquire ownership rights on movables.

Article 82a

A foreign natural person and legal entity conducting activities in the Federal Republic of Yugoslavia may, under terms of reciprocity, acquire ownership rights on such immovables on the territory of the Federal Republic of Yugoslavia as are necessary for conducting of such activity.

A foreign natural person not conducting activities in the Federal Republic of Yugoslavia may, under terms of reciprocity, acquire ownership rights over a flat in an apartment building, as may a citizen of the Federal Republic of Yugoslavia.

The Federal law, in exception to provisions of paras. 1 and 2 of this Article, may provide that a foreign natural person and legal entity may not acquire ownership rights over immovables located in certain areas of the Federal Republic of Yugoslavia.

Article 82b

A foreign natural person may acquire, under terms of reciprocity, ownership rights over immovables on the territory of the Federal Republic of Yugoslavia through inheritance, as may a citizen of the Federal Republic of Yugoslavia.

Article 82v

A contract on acquisition of ownership rights over immovables pursuant to Article 82a of this Law may be certified if the stipulated prerequisites in that Article for acquiring ownership rights have been met.

A court of other competent body processing a matter of reciprocity, in accordance with Articles 82a and 82b of this Law, may request clarification on the same from a federal body in charge of the judicial matters.

The clarification specified in para. 2 of this Article shall also be issued by the federal body in charge of the judicial matters upon request by an interested party.

A federal body in charge of the commercial matters shall present an opinion on whether the same type of immovabilities, acquired through contact specified in para. 1 of this Article, is necessary for performing activities as a foreign person and legal entity.

Article 82g

The appropriate authority for registering rights on immovables shall deliver the data on registration of ownership rights of a foreign citizen from Articles 82a and 82b of this Law, within 15 days of registration, to the appropriate Federal justice authority which shall keep a record thereof.

Article 82d

Any foreign natural person and a legal entity may, by way of legal transaction, transfer ownership rights onto a local person, as well as onto a foreign person eligible to acquire ownership rights.

Article 83

Any foreign state, with prior approval of the Federal justice authority, may purchase buildings and apartments for the official needs of their diplomatic and consular representation, as may organisations and specialised agencies of the UN, and construction land plots for the purpose of construction of such buildings.

Article 84

DELETED – as of 29/96

Article 85

DELETED – as of 29/96

Article 85a

An enterprise engaged in tourist or restaurant activities may give a long-term lease on a tourist or other facility to a foreign legal entity or natural person under conditions set out in a written agreement.

A long-term lease may be concluded for minimum five and maximum thirty years.

Upon expiry of the lease period, a lease may be extended.

A long-term lease shall be entered into a public register at the request of leaseholder or by another adequate mode stipulated by law.

A registered long-term lease shall have legal effect also on the subsequent acquirer.

Article 85b

Provisions of this Law shall apply also to foreign natural persons and legal entities unless otherwise stipulated by Federal law.

Chapter VII

AUTHORITATIVE LAW IN CASE OF CONFLICT OF REPUBLIC LAWS

Article 86

The Republic law on whose territory immovables are located shall be considered authoritative for the form of a legal transaction relating to ownership thereof.

Article 87

The Republic law on whose territory immovables are located shall be authoritative for rights and obligations deriving from ownership relations thereof.

The Republic law on whose territory a thing is located shall, at the time of initiation of dispute, be authoritative for rights and obligations deriving from ownership relations in respect of movables.

The Republic law on whose territory the public register is kept shall be authoritative for rights and obligations deriving from ownership relations in respect of movables that are recorded into a public register, as of the moment of entry.

Article 88

If a natural person or legal entity possesses real property on the territory of several republics, the Republic law that is most favourable shall be authoritative in determining the maximum real property on which ownership right exists, with the provision that he may not have more than the republic statutory maximum of real property on which ownership rights exist on the territory of the individual republic.

The provision specified in para. 1 of this Article shall be applicable to foreign natural persons and legal entities.

Chapter VIII

FINAL PROVISIONS

Article 89

On the day this Law comes into force, provisions of Articles 40b, 40v, 40g and Article 41 of the Law on Transactions of Land and Buildings “Official Gazette of the SFRJ”, nos. 43/65, 57/65, 17/67 and 11/74) and provisions of Article 439, Article 441 paras. 2 and 3, and Article 443 para. 1 of the Law on Civil Procedure (“Official Gazette of SFRJ”, no. 4/77) shall cease to be legally valid.

Article 90

This Law shall enter into force on September 1, 1980.