

Bulletin

ORGANIZATIONS OF FILM AUTHORS IN SERBIA



INTERVIEW:

Mladen Kovačević

**Film offers different
perspectives, reveals truths,
and questions human nature**

CONVERSATION
WITH THE AUTHOR

Maja Todorović

U F U S | A F A

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EDITORIAL

Photo: Vojislav Gelevski



Stefan Gelineo

Director of UFUS AFA

Editorial

UFUS AFA continues its mission of connecting with related collective organizations from Europe and the world, as well as networking with umbrella institutions, which is why our organization recently became a member of the Audiovisual Authors International Confederation (AVACI).

In an era of rapid technological development, when digital platforms, streaming services, and artificial intelligence are constantly changing the way audiovisual works are created, distributed, and used, the issue of copyright protection becomes more important than ever. For this reason, UFUS AFA's connection with other collective organizations and international institutions is crucial for improving the system of protection of film authors' rights. Such cooperation enables the exchange of experience and knowledge on models for collecting and distributing royalties, the alignment of legal practices, and joint action in defending authors' interests in the face of global challenges.

At the recently held AVACI Congress in Zagreb, as well as at previous gatherings – including the celebration of 15 years of the European association SAA (Society of Audiovisual Authors) in Brussels – these topics were the focus of discussion: the improvement of authors' positions, the impact of digital platforms and new technologies on the profession of directors and screenwriters, and the future of collective rights management in a digital environment. Representatives of collective organizations from Europe, Asia, Africa, and Latin America agree that the problems authors face are almost identical. Financial giants behind AI companies are racing to release the most advanced models of artificial intelligence, which are built and trained on copyrighted works, while refusing to pay compensation to the authors of the original works. Due to unregulated – and often non-existent – legal frameworks, authors around the world are left without royalties from streaming platforms, whose operations and profits rely on the exploitation of copyrighted works, films, and series. The joint conclusion is clear: protecting copyright has never been more challenging, and guilds and collective organizations must act in a unified and supportive manner. It is only through unity that authors can respond to the pressures of the new digital market and oppose the dangerous notion that “the laws on intellectual property protection should be abolished.”

UFUS AFA will continue to actively participate in international initiatives, as international cooperation is a prerequisite for ensuring that the voices of film authors are strong, recognized, and protected – in Serbia, Europe, and worldwide.

INTERVIEW

Photo: Horopter production



Mladen Kovačević

Screenwriter and director

Film offers different perspectives, reveals truths, and questions human nature

Renowned screenwriter and director Mladen Kovačević is the author of acclaimed documentaries such as *Anplagd* (Unplugged), *Zid srmti i tako to* (Wall of Death, and All That), *4 godine u 10 minuta* (4 Years in 10 Minutes), *Srećna Nova, Jivu* (Merry Christmas, Yiwu), and *Još jedno proleće* (Another Spring). His films have been screened and awarded at both domestic and international festivals, including Beldocs, Rotterdam, Karlovy Vary, Visions du Réel, IDFA, Hot Docs, FIDMarseille, and the Sarajevo Film Festival. His latest film, *Mogućnost raja* (Possibility of Paradise, 2024), premiered in Venice as part of the Giornate degli Autori (Authors' Days) selection.

Kovačević, who is currently working on two fiction films – *Korio* (Koryo) and *Iza zavesa, iza drveća* (Behind the Curtains, Behind the Trees) – seeks universal questions of human existence in every story. In an interview for the UFUS AFA Bulletin, he talks about the creative process, his approach to the documentary form, the role of the author in contemporary cinema, as well as the future of film in the age of new technologies and artificial intelligence.

The protagonists of your films struggle with everyday life on exotic islands (*Possibility of Paradise*), in Chinese factories (*Merry Christmas, Yiwu*), climb Mount Everest, or ride a motorcycle along the wall of death... How do you recognize that a story is worth turning into a film?

"I don't feel like I'm searching for stories – I'm not even sure it ever starts with a story. It's a very intuitive process. An initial vision of the film appears quickly, sometimes sparked by an image, a scene, a location, a theme, a concept, or an emotion – it depends. Then it gradually takes shape through the process of research and writing. In some films, the characters were inseparable from the initial idea; for others, I searched for them. But regardless of the order, what mattered most was having characters whose lives already contained a clear dramatic potential – and perhaps that's the answer to your question.

I care about the background of their stories, their daily routines, their future plans, but above all, their present goals and the obstacles they face – that something in their lives right now holds great importance and creates that central tension. Then I think about how that can be developed within the structure of the film. That's how I create the scenes, sometimes in advance, and sometimes they're improvised, emerging from the circumstances. Certain motifs tend to repeat themselves; these characters often move in search of something – a better life, a sense of



“Author’s authenticity can only be simulated to a certain extent, no matter how advanced the technology is — because only John Ford can make a John Ford film, and only Werner Herzog can make a Herzog film.”

purpose, or self-fulfillment. Also, the creative contribution of the characters in my films is highly significant. It’s important to me that they understand the process in which, through various interventions, cues, and narrative lines that I initiate, an illusion of spontaneous story development is created – an illusion of documentary reality that stems from their own reality. In the two archival films, which came about very spontaneously, that contribution manifests itself in a different way. One of these films is an archival vérité, in the sense that all narrative elements originated in the past, at the same time as the events of the film – specifically, found footage and a personal diary — and here we can even speak of shared authorship.”

Do we even need to make a distinction between “other people’s” and “our own” stories and problems, or do we actually have much more in common than we think?

“My films sometimes take place in remote locations or unusual settings, and one of the reasons is precisely curiosity in that context – a search for what is universally relevant, what we have in common, contrasted with what is specifically relevant to certain places and people. Existential tension – the strain between our current state and what we strive for, from which stories arise – is present everywhere; we just deal with it differently, depending on mentality, environment, habits, individual temperaments, and current life circumstances. That’s where the authenticity of the characters lies, no matter how ordinary they may seem. Actually, that is usually what interests me the most in everyday life, even when it

initially seems unusual. Every person carries within them a complexity that is difficult to fully understand, and we are constantly trying to do that. That said, it is undeniable that the priority is to focus on our own stories, to make an effort to understand ourselves. Of the six films I have made so far, only one is not directly focused on this region or the characters from this region. That film is Merry Christmas, Yiwu, about the everyday lives and intimacy of factory workers in the city of Yiwu, which is home to over 600 factories producing Christmas decorations for the entire world. But it is precisely the sentimentality that we associate with Christmas and New Year that helps us see Yiwu’s factories not only as places of production, but also as intimate spaces where best friends talk about love and work problems, romantic relationships end and new ones begin, parents struggle to motivate their children to get an education – just like we do. And that, in fact, is what the film is about. And it all takes place in the gap between capitalism and consumerism on the one side, and the communist legacy on the other, which creates an additional connection to our own region. Inevitably, we start from ourselves, return to ourselves, and tell stories about ourselves.”

In your view, what is the greatest strength (or significance) of documentary film? Has its role and treatment changed over time?

“I’m not sure how to answer that. I don’t think about the role of documentary film differently from that of fiction. Documentary film sometimes informs, criticizes, or educates very directly, whereas fiction is less likely to be

“There is less and less space for authors now, as the attention of the potential audience is scattered across all kinds of content.”

evaluated in that way. So, that cognitive function is more apparent in what we consider traditional documentary film. But film in any form – and art in general – offers different perspectives, reveals truths, and questions human nature.

For some, documentary film may carry more weight because it comes directly from reality, but many fiction films also have a clear agenda, are socially engaged, provoke change, highlight injustices, and cinematic realism can sometimes feel even more convincing than documentary reality. In contemporary cinema, the line between film genres is very loose. My films are somewhere on the edge, and sometimes I don’t even know exactly where they belong, although I call them documentaries.

More than traditional form, I am interested in the direct cinematic experience which arises from the aesthetic and the emotional. The language of film is changing, and documentary film – in this broadest sense – is especially meaningful to me as an author because it allows freer exploration of cinematic language through different approaches, sometimes unconventional or experimental, in a way that lets the final style of the film emerge organically from the subject I’m exploring. Documentary film may suffer more than fiction, but only if we’re talking about fiction with commercial ambitions, which, of course, is not necessarily a bad thing. And I mustn’t forget, the popularity of documentary film has enabled greater democracy in filmmaking, since documentaries are less complicated to produce. But the role of film, whether documentary

or fiction, commercial or unconventional, hasn’t changed much, except in the sense that art in contemporary society is not as valued as it once was, and various new forms of entertainment divert attention away from film.”

To what extent are you prepared to make compromises during film production? Have you ever abandoned a film because it wasn’t going in the direction you wanted?

“The process of making a film is long, and a film inevitably changes and develops from its initial idea. Compromises are not necessarily a bad thing; as long as they are integrated into the process, they can even inspire, enhance, or improve an original idea. I don’t accept compromises that I believe would harm the film – instead, I strive to find another solution that is equally good or even better. I have never abandoned a film, but they have changed and become different over time. Of course, I haven’t made every film I’ve written – far from it – but I believe that’s not really the question here.”

Do you agree with colleagues who believe that documentary film is the origin of cinema, and that it is something every filmmaker must go through?

“Not every filmmaker has to go through it; it depends on personal sensibility and artistic affinities. For me, the experience of making documentary films – which, to be honest, I hadn’t even considered while studying – has largely shaped my current way of thinking about cinema. It gave me a very concrete sense of craft, ease in improvisation, and an awareness that a film is created by shaping what is in front of the camera, and is not simply the result of an artistic vision – because even under the best conditions, that vision differs from the reality in which we work.

Also, for me, the simplicity of realism is very poetic, and here I am thinking primarily about the process, not the theme or content. Such cinematic realism can very easily



Merry Christmas, Yiwu, photo Horopter Production



transcend reality and move into various stylizations. I interpret it quite freely. It is a realism close to what Bazin described as “documentary reality plus something more” when writing about Rossellini’s films. Now, my next film has genre elements, and the plot is infused with a science-fiction concept, but the approach remains naturalistic, with conversational dialogue and actors performing in an almost documentary style – even using documentary settings for scripted scenes instead of the conventional use of extras and supporting actors. For this kind of form, my experience in making documentary films is crucial.”

How do you see the future of documentary film in the era of new formats – products of technological advancements and artificial intelligence?

“Not much differently from any other art form, or even entertainment. We seek authorial authenticity, which can only be simulated to a certain extent, no matter how advanced the technology is, because only John Ford can make a John Ford film, and only Werner Herzog can make a Herzog film. Even now, there is less and less space for authors, as the audience’s attention is scattered across all kinds of content.

But whether some of that content will be created by artificial intelligence or by real people doing it in a generic way might not make a big difference, except in the socio-political context of employment, which must not be ignored. For now, I’m inclined to think that with new technologies come new jobs, which are difficult to predict, just as has happened throughout the entire history of technological progress.

I also have no doubt that many artists will skillfully use artificial intelligence, just like other technologies – in an authentic way, achieving interesting results. Art is inseparable from technology – from the pigments used in cave paintings to the computer-generated special effects in contemporary film.”



4 Years in 10 Minutes

What are you working on at the moment – do you have a new project in the works?

“Yes, I mentioned it briefly. The film is called Koryo, and it was initially developed as a docu-fiction film with elements of a thriller and science fiction. Now, in the screenplay, the documentary part has been reduced to a single sequence; however, everything is still anchored in the documentary reality of the protagonist, so even that science fiction aspect feels realistic – it’s all a fictionalization of a real premise. The main character returns to her abandoned family home after her father’s funeral and discovers her sister’s audio diary, recorded during a visit to their father in North Korea in 1987. This sets off an intimate, thriller-like quest through the landscapes of the former Yugoslavia – an idiosyncratic blend of family drama, historical speculation, documentary, and science fiction film.”

“Existential tension – the strain between our current state and what we strive for – is present everywhere; we just deal with it differently, depending on mentality, environment, habits, temperament, and circumstances. That’s where the authenticity of the characters lies.”

You are a member of SCAM, the French collective management organization. When it comes to copyright protection, France serves as a model for us – and for the rest of Europe. What has your experience in France been like compared to that in Serbia?

“It’s hard to compare. France has reciprocal agreements with the entire world, which works to their advantage, whereas it wouldn’t be as beneficial for us. SCAM can claim royalties on behalf of its members wherever a film is shown – in my case, with the exception of our country due to my membership in the UFUS AFA organization. I have been a member of SCAM for several years, and from the very beginning, it was clear to me that they have a very protective approach towards authors. For example, they successfully claimed royalties for me retroactively, for a period of a few years before I became a member. I don’t know much about the mechanism of how they operate, except that they are efficient, and that the amounts authors receive for each screening are high. In the case of my films, the amounts are roughly comparable to what a producer would receive when selling the broadcast rights to a TV station.”



Another Spring



Possibility of Paradise, photo Horopter Production



Merry Christmas, Yiwu



“AVACI (Audiovisual Authors International Confederation) Congress in Zagreb”
(Photo: UFUS AFA)



“SAA (Society of Audiovisual Authors) 15th anniversary conference in Brussels”
(Photo: Whitley Isa)

CONVERSATION WITH THE AUTHOR

Photo: Miša Obradović



Maja Todorović

Screenwriter and playwright

Art must remain the guardian of humanity

Screenwriter and playwright Maja Todorović is one of the most active and acclaimed authors of the younger generation, who writes with equal passion for film, television, and theatre. Her impressive portfolio includes numerous successful projects, such as the critically and commercially praised film *Ajvar*, the hit film and series *Toma*, the crime drama *Poslednji strelac* (The Last Shooter), and TV series like *Dug moru* (Debt to the Sea), *Žigosani u reketu* (Branded in the Racket), *Vrata do vrata* (Door to Door), and *V efekat* (The V Effect). In her work, Todorović has not limited herself to the domestic or regional market and the Serbian language – she also wrote the screenplay for the Greek-English film *Utopolis* and the Slovenian film *Belo se pere na devedeset* (Whites Wash at Ninety).

She is known for her ability to easily move between genres while never abandoning her authentic voice.

In an interview for the UFUS AFA Bulletin, she talks about the position of screenwriters in the industry, the growing issue of unpaid creative work, art as the guardian of humanity, and the challenges brought by artificial intelligence.

The texts you write for theatre, television, and film cover a wide range of forms and themes – romantic, dramatic, historical, biographical, and musical. Is that variety intentional, a matter of circumstance, or simply dictated by inspiration?

“It usually happens by coincidence, but I actually enjoy that diversity. I don’t like locking myself into a single genre or style and saying – this is the only thing I do. I feel that with every new project that differs in style or genre from the previous one, I open new spaces and new ways of approaching a theme. Sometimes I join a project that’s already conceptually set, perhaps not something I would have chosen myself, but then I try to understand what I can contribute to make the initial idea the best it can possibly be. I think it’s extremely important for screenwriters not to be confined to one style, but to know how to adapt to each project, especially when it comes to commercial work. Of course, every script should strive to maintain artistic quality, but we also need to recognize when certain things must change due to production or other circumstances. We should make an effort to find common ground and reach the best possible solution.”

When it comes to writing, what do you find the most difficult – facing a blank page, reaching the end of a story, or being asked to shorten or change something in your text?

“A blank page in front of a writer always brings a certain kind of anxiety; every time I wonder if I’m even capable of doing this, and that’s inevitable. No matter how experienced I am, upon every blank page I think, “maybe I really don’t know how to do this,” but I get past it as soon as I start writing. Still, it seems to me that the hardest part for a screenwriter is when collaboration with the team isn’t based on understanding – that is, if there’s anyone





Dug moru, promo photo



on the team, whether from production, directing, acting, or any other department, who demands something that defies logic. Or if, in a writers' room, you have four writers who fit together perfectly and a fifth who doesn't, that can also be problematic. Another major issue is people who don't know what they want, yet are the ones who have to make the decisions. This usually ends up putting the writers through a lot of struggle, making them produce an absurd number of script versions, which leads to complete nonsense and frustration."

Would you say you're one of those creatives who can switch off completely, or are ideas, characters, and scripts constantly running through your mind?

"Unfortunately, I can't switch off, though I wish I could. Simply put, my brain usually turns everything I see around me into material for writing. There are very few moments when I can truly disconnect and not think of situations, things, or people as potential material. It's a bit frightening, but that's just how it is."

You've written screenplays for both Greek and Slovenian films. It seems that screenwriters rarely cross the boundaries of their own language, doesn't it?

"That's because productions still tend to think at that level – if we don't speak the same language, it can't work – which is absolutely not true. Of course, there has to be someone to work on the dialogue and adapt it to the language and spirit of the film, but that's done in collaboration with the director and the actors. For example, when I worked on

Utopolis, which is partly in Greek and partly in English, I wrote the script in English and it was then translated into Greek. But while I was at rehearsals listening to the actors speak in Greek, even though I didn't know a single word, I could understand the action of the dialogue. It's much more important to me that the spoken action is correct than that the line remains exactly as I wrote it. This is something theatre has taught me, and it helps me a lot in my work. But, to return to the question, I am sorry that we're still trapped within our own borders, because it seems to me that people still haven't realized that your ability to tell a story is what really matters, regardless of the language you're working in. Screenwriters can be valuable collaborators just like any other member of a film crew working outside their home country. Nowadays, everyone speaks English, so that shouldn't be an obstacle."

Throughout your career, how often have you encountered understanding for your need to be involved in the preparations of a film or series? Has it ever happened that someone just takes the script and then does whatever they want with it?

"It depends on the project. I'm always happy when I'm invited to be present during rehearsals with the actors, on set, or wherever it makes sense for me to be. At those times,

"There are very few moments when I can switch off and not think of situations, things, or people as potential material."



“Screenwriters and directors do most of the unpaid work, yet the entire idea of a film rests on them.”

I try to completely set aside my ego and accommodate any changes or adaptations of the text for both the actors and the director, without imposing anything that feels unnatural – of course, always within the limits of preserving the same meaning, context, and spirit of the work. On the other hand, even while I’m writing, I try to think about the actors – I want to be able to explain to them why something should be done or said, to make sure there’s a certain logic behind it, and not just “because I like it that way.”

According to all research, screenwriters and directors are among the film creators who do most of the unpaid work – in your case, this includes the preparations for writing, as well as the writing itself. Does that discourage you? Is it possible to make a living from writing?

“It doesn’t discourage me, because it wouldn’t make sense to view a job I love that way. But it is unfair that screenwriters and directors – the very people on whom the entire idea of a film rests – often end up being the least paid while spending the most time on a project. Writing a script isn’t just about opening the computer, launching Fade In, and starting to type. It involves serious research, and that research work is usually unpaid. During the preparation of a film, crew members are usually paid on a daily basis.

Imagine if we demanded payment for every single day of research. Perhaps that’s exactly how we should start thinking, because clearly nothing will change unless we begin to fight for ourselves. This is the idea behind the Screenwriters’ Association. We’re now trying to create a document that will serve as a starting point for future work and provide younger colleagues who are just entering the industry with everything they need to know in one place – the importance of having a contract, what must be included in it, the minimum pay rate, their rights and obligations, and so on – following the example of a similar document created by our colleagues in Croatia.

We want this to serve as a baseline – to say, “this is our minimum, we won’t compromise on it, and no one will work for less.” We want to try to make a change. It’s not

just that our work isn’t paid; it’s often not respected either. For example, when you agree on a price per episode, people often assume that it means they can hassle you whenever they feel like it, because they won’t bother those who are paid per day. UFUS AFA is important to us as an organization because it has initiated the enforcement of rights we once thought we would never have. But even so, there is still a lot of struggle and work to endure in order to improve the system as a whole.”

Do you have any screenplays or plays waiting in a drawer to be produced?

“Less and less, to be honest. I don’t have another job – I don’t work at a university, in a marketing agency, or in any other field. I make a living from writing and can’t afford to leave texts sitting in a drawer. In recent years, I’ve been moving from one project to another. There are screenplays I’ve written for specific productions that simply haven’t been made, but they’re not in my drawer either – they’re in the production company’s drawer, which is a whole different kind of problem. There are some texts that remain unfinished, still in progress, but it also happens that certain topics or stories simply stop holding my interest over time. I wouldn’t even take them out of the drawer, and if I did, they would require a lot of work. This is also the biggest problem with our multi-year film funding process, because from the moment you write something to the moment it gets filmed, five or six years can pass. By then, you’ve forgotten why you even started the project, a thousand other things have happened in the meantime, and you’ve had many other ideas.”

Over the past decades, television has taken the lead over film in terms of production, screenwriting, and directing. Have you felt this shift? Do you have more work as a result?

“There was a period when that was the case, but not anymore. A positive aspect of that TV boom was that, perhaps for the first time, we had the opportunity to choose our projects and to work under conditions similar to those in countries with a more developed and well-funded TV production industry. It was also the first time



Movie Toma, photo Aleksandar Letić



that writers' rooms began to be organized, and more time and attention was devoted to the script than ever before. It seems to me that productions have finally realized that the script – that is, the story – is important. For a while, the script was seen as just a necessary expense here.

No matter how spectacular, for example, the set design is, what really matters is what happens within that set. I would say we've reached that level, and today serious producers understand the importance of a good script. Those who work in this field solely for profit still don't care, since they are not dependent on either the quality of the script or the audience numbers."

The percentage of female film and TV creators is still low – among screenwriters in Europe, it's less than 30%. On screen, female protagonists are even less common. Do you feel that, as a female writer, you have a responsibility to highlight women's issues and create female characters?

"Whenever I have the opportunity, I really try to introduce well-developed female characters. But if I've joined a project where the story or premise is already set, that's often not possible. For example, if the main character is

Toma Zdravković and the film is about him, I obviously can't change him into a woman. Even then, though, I make an effort to ensure that all the female characters in the project aren't one-dimensional or stereotypical, giving them depth and separating them from clichés like "she's cooking" or "she's putting on makeup," and so on.

Speaking of female and male writers, we recently had a Q&A after the premiere of *Utopolis* in New York, America – in a country that is extremely politically correct. A guy from the audience complimented me on the script and asked whether it was difficult for me to understand that type of "male" film. There was an awkward silence in the room, everyone turned to look at him, and the presenter wouldn't even allow me to answer. Afterwards, the guy apologized to me, saying he had meant it as a compliment. I believe that's true, but the prejudice still exists that a woman can only write something that's "for women." It takes time for people to stop asking and noticing whether a creator is male or female, for it to become irrelevant, and for your work – not your gender – to speak for itself.

I think that, here, communism did bring a certain level of equality, so the gap between men and women regarding who can do what wasn't as wide. But if we look strictly at film as an art form on a global level, it is still perceived as a male-dominated field. On the other hand, attempts to give women more space often come across as forced, imposed, and tactless."



The Last Shooter, photo Željka Hajdarević

What are your thoughts on everything that's happening around the use of artificial intelligence, especially in the field of creative work such as writing?

“My colleague Marko Popović and I, as representatives of our association in the European Screenwriters' Association, recently attended a meeting where artificial intelligence was the main topic. I'll be attending a similar event in mid-November in Berlin, a conference focused specifically on AI and how we can protect our work from being used by AI companies without permission. That's currently a big problem, because most AI companies actually obtain data for their models from pirated sites.

In short, AI companies would probably be happiest if they gave us some minimal, one-time payment and then they could do whatever they want – obtain data from all sorts of sources, servers, and platforms, and use and process our work freely. Or even worse – if we haven't explicitly stated that we don't consent to them using and processing our work, it's considered permission. Right now, we're trying to prevent that. The Berne Convention still offers us protection, but everything is quite complicated and requires a coordinated response.”

“On the other hand, when it comes to AI beyond copyright issues, what worries me more is how much false information it can produce. While researching a topic for a new project, I

tried to see what AI offers, gave it various tasks, and ended up receiving incorrect information. What scares me is that people might blindly rely on AI without verifying facts – that future doctors, for example, might end up learning “abridged versions” from chatbots and the like. Artificial intelligence is developing at an incredible pace, and it's impossible to predict how far it will go. Maybe someone will manage to limit it in one sector while letting it run free in another. I'm glad that international actors spoke out against the first AI actress. Art, after all, originates from the idea of humanity, with the aim of being cathartic, and artificial intelligence is its opposite. I hope we can at least preserve humanity in art. But the question is whether these new generations will even have the attention span for films and series, or if it will all come down to “I watched five clips today.” What will happen to theater? Will people go there just to see “real actors,” as opposed to the artificial, generated world that will be offered to us?”

In your opinion, how do you think this struggle between technological and financial giants on one side, and artists and art on the other, will be resolved?

“The very purpose of the upcoming conference I mentioned is precisely to address these issues. Right now, AI companies don't consult creators at all; the mere fact that we haven't explicitly stated that our work cannot be



Movie Toma, photo Alekandar Kujučev



used is enough for them to exploit it. That's why there's a Europe-wide initiative aiming to set limits and unite all of us artists – but whether we'll manage to influence the lawmakers, unfortunately, no one can say.

The problem isn't ChatGPT itself, but the people behind it, the money, and the kind of control that easily takes hold of people until they forget it can backfire like a boomerang. What scares me is the kind of world we're becoming, the one where you, as an individual, will no longer have control over anything – including the ability to tell whether something is real or generated. We'll lose the freedom to truly live. It's interesting how technology has advanced in a way that aims to replace us in the things people actually enjoy doing, while no one seems interested in tackling the things we don't enjoy. There are still so many incurable diseases – maybe if that same effort had gone into developing technology in that direction, it would've done far more good for society."

What are you working on at the moment?

"I'm writing a play for the Montenegrin National Theatre – another historical piece. After the success of the play *Šćeri moja* (*My Daughter*), this seems like a logical next step. I'm also preparing a new film with Vladimir Subotić, with whom I worked on *Utopolis*, and I'm developing my first feature film, which I plan – and hope – to direct myself. And as we know, that can take years."



Ajvar, Marija Doković

Can co-productions help with that?

"Co-productions can be very helpful when they happen naturally – when we collaborate with neighboring countries, share actors and creative teams. But sometimes co-productions are forced, and you end up taking on elements you don't really need, which makes things complicated. But, usually, to secure the budget, the circle of co-productions has to extend beyond the region."



V efekat 1, photo Firefly production

LEGAL ADVICE

Photo: Jovana Radivojević



Dorđe Radivojević

T-S legal

Digital Assets – Types and Status under Serbian law

In recent years, digital assets have become an increasingly important part of modern business and investment. Although topics like **Bitcoin**, **digital tokens**, and **cryptocurrencies** still evoke a degree of skepticism and sensationalism, understanding the legal status of digital assets today is crucial for both individuals and legal entities.

Following the “spirit of the times,” which brings a redefinition of the traditional financial system and a wave of the Fourth Industrial Revolution based on blockchain technology, the Serbian legislator introduced the Law on Digital Assets, which came into force at the end of June 2021. This law has brought **greater legal certainty** to the field, resolved numerous ambiguities, and opened up space for a **new investment environment**, although in

certain areas the law still has minor imperfections. With the adoption of this law, Serbia gained a clear legislative framework and positioned itself among the pioneers in Europe who recognized the importance of digital assets in time. The enactment of the Law on Digital Assets was also accompanied by amendments to other relevant regulations, particularly those related to **tax legislation (crypto tax)**.

According to recent research, the market capitalization of digital assets in the Republic of Serbia is estimated at around 5.5 billion euros, while between 4% and 6% of Serbian citizens own some form of digital asset. In EU countries, this number ranges between 10% and 15%, and in North America, around 30%. It is estimated that approximately 500 million people worldwide own some form of digital asset, which clearly indicates that this industry is set to experience exponential growth in the years ahead.

What types of digital assets does the Law on Digital Assets in Serbia recognize?

When it comes to the types of digital assets, the Law on Digital Assets recognizes two main categories:

- virtual currencies and
- digital tokens.

This distinction is legally significant because, for example, under the Law on Value Added Tax, there are **differences in how these categories are regulated**.

The National Bank of Serbia has authority over virtual currencies, while the Securities Commission is in charge of digital tokens, noting that, so far, 10 white papers have been issued in the Republic of Serbia, with a growing trend.

Bitcoin – What Are Virtual Currencies and How Do They Work?

The law defines **virtual currencies** as a type of digital asset that is not issued by a central bank or any other public authority, is not tied to legal tender, and does not have the legal status of money; however, individuals and legal entities accept it as a medium of exchange, and it can be bought, sold, exchanged, transferred, and stored electronically. Looking at this definition through the example of **the most well-known virtual currency – Bitcoin** – we can conclude that virtual currencies are not **legal tender**, but they **do function as a medium of exchange** operating on principles similar to money. They do not depend on trust in a central bank or the state, but



on trust in technology that operates beyond the reach of any institution. The original idea behind **Bitcoin** was precisely to create an alternative method of payment that is public, without intermediaries and banks. Today, despite its minor or major fluctuations, **Bitcoin** is truly becoming digital gold and a store of value. Historically, over the past 10 years, **Bitcoin** has delivered higher returns to investors than traditional financial instruments such as the **S&P 500 index**. Considering that the issuance of **Bitcoin** is limited to 21 million and that it cannot be inflated by creating new Bitcoin, following the economic maxim that anything scarce is valuable, we can only speculate on Bitcoin's value ten years from now.

What Are Digital Tokens and What Types Are There?

When it comes to **digital tokens**, the Law defines them as a type of digital asset that represents a specific property right in digital form, which may also include the token holder's right to receive a particular service.

From the perspective of the token holder, digital tokens are classified as:

- **Investment tokens and**
- **Utility tokens.**

Investment tokens have a financial nature and are used as a capital-raising instrument, as they give their holders the potential for capital appreciation or certain governance rights.

Utility tokens, on the other hand, provide access to specific services and serve a more practical than financial function.

Based on their fungibility, tokens are divided into:

- Fungible tokens, which share the same characteristics and value and can be exchanged with one another, and
- Non-fungible tokens (NFTs), which are unique and cannot be replaced by another token.

When it comes to **NFTs**, each one has its own value and individuality, making them particularly interesting for digital art, collectibles, and similar fields. In general, digital tokens grant their holders certain rights embedded within the file as an electronic record, which can include any property right, such as participation in profits (entitlement to dividends), ownership rights, intellectual property rights, and so on.

The value of a token comes from what it represents, so digital tokens can be considered a *kind of digital security in the form of an electronic record*, which can be easily transferred from one crypto wallet to another.

Are there hybrid forms of digital assets and stable currencies?

In addition to the basic categories, the law recognizes:

- Mixed (hybrid) tokens, which combine characteristics of both digital assets and virtual currencies, and
- Stablecoins, which are designed to maintain a stable value relative to a specific asset or currency.

In practice, this means that issuers of stablecoins, such as Tether (USDT), aim to keep their value equal to, for example, one U.S. dollar (1:1). This has proven to be one of the most successful business models in the world of digital assets, increasingly adopted by companies and individuals alike. Supporting this point is the fact that, in 2024, more transactions were carried out through Tether's business model than through Visa and MasterCard.

Digital Assets and Legal Certainty – A Step Toward a Modern Capital Market

Digital assets are no longer a concept of the future, but a reality of modern business and the investment environment. By enacting the Law on Digital Assets, Serbia has laid the foundation for clear and predictable regulation in a field that combines law, finance, and technology. However, due to the rapid development of the market and continuous innovation, interpreting and applying this law requires *expert understanding and careful alignment with existing regulations*.

For law firms and legal professionals, digital assets represent a new and complex area that requires a multidisciplinary approach – from understanding regulations and tax aspects to advising clients on secure investments, token issuance, and the use of virtual currencies in compliance with the law. A proper understanding of the legal aspects of digital assets contributes not only to protecting clients' interests, but also to strengthening trust in the digital market as part of Serbia's modern financial system.



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