

LAW
ON CONSUMER PROTECTION

I. INTRODUCTORY PROVISIONS

Scope

Article 1

This law shall regulate the rights and responsibilities of the consumer, instruments and means of consumer protection, rights and responsibilities of the consumer organisations and their associations whose scope of activity is accomplishing the consumer protection goals, consumer information and education, the promotion of out-of-court resolution of consumer disputes, the rights and responsibilities of the state institutions in the area of consumer protection and other matters important for consumer protection.

Fundamental rights of consumers

Article 2

The fundamental rights of the consumers are:

- 1) The right to satisfy the basic needs – accessibility to vital goods and services, such as foodstuffs, clothes, footwear and housing facilities, health care, education and hygiene;
- 2) The right to safety – Protection from goods and services that are dangerous to life, health, property, or to the environment, or the owning or use of which is prohibited;
- 3) The right to be informed – obtaining correct information required for a conscious choice from among the goods and services offered;
- 4) The right to choose – the possibility of choice between a number of goods and services, at accessible prices and with adequate quality;
- 5) The right to be heard – the observance of consumer interests in the process of the adoption and realisation of the consumer policy and the possibility to be represented through consumer organisations and their associations in the procedure of adopting and implementing consumer policy;
- 6) The right to redress – protection of the rights of the consumer, pursuant to the procedure provided by law, upon the violation of their rights and compensation for material and moral damage caused by the trader;
- 7) The right to consumer education – gaining the basic knowledge and skills necessary for making a proper and reliable choice of products and services, knowledge of the fundamental rights and responsibilities of consumers, and the ways in which such knowledge may be implemented;

- 8) The right to a healthy and sustainable environment - the right to live and work in an environment that is not harmful to the health and wellbeing of present and future generations, and the right to information necessary for assessing the risk to health and wellbeing from the existing environment.

Mandatory nature

Article 3

The consumer may not waive the rights conferred by the provisions of this law.

Any contractual terms that directly or indirectly waive or restrict the rights of consumers resulting from this law shall be null and void.

The nullity of a contract term from Paragraph 2 of this article shall not render the contract void in its entirety if the contract can stand without that provision.

Any offer for a contract made by the consumer shall be revocable.

This law shall also apply to the agreements that aim at or result in circumventing the implementation of the provisions of this law.

When interpreting and enforcing this law, the position of the consumer as an economically weaker party, in particular the position of vulnerable consumers, will have to be taken into consideration.

Relations between the consumer and the trader that are not regulated by the provisions herein shall be governed by the law regulating contractual relations unless otherwise stipulated by a special law.

When defining and applying other policies and activities of government bodies, consumer policy must also be taken into consideration.

Implementation

Article 4

The provisions of this law regulating all relations between the trader and consumer shall apply to all contracts and all goods and services likely to be used by consumers, unless there are special provisions with the same aim in specific sectoral legislation or laws that regulate relevant relations, contracts, goods and services, that provide consumers with the higher level of protection.

The provisions of this law regulating consumer protection with regard to exercising rights in distance contracts and off-premises contracts shall not apply to contracts concluded through the use of automated vending machines or automated commercial premises, and through contracts on the sale of food or drink in temporary facilities.

The provisions of this law regulating the protection of consumers in exercising the rights from a sale contract shall also apply to contracts on the delivery of goods yet to be produced or manufactured.

The provisions of this law regulating the liability for defective goods shall not apply to the liability for damage caused by nuclear accidents and to liability for damage regulated by ratified international agreements.

The provisions of this law regulating the protection of consumers in exercising the rights from contracts on package travels and timeshares shall also apply to the rights of consumers in the contract of pupils or students staying with families abroad or in

other adequate accommodation, with regular education at a school or university, lasting longer than three months, or in shorter duration with the consent of the contracting parties, as well as for the regular attendance of certain training.

Definitions of certain terms

Article 5

The following definitions shall apply for terms used in this law:

1) Consumer means any natural person who uses goods or services on the market for purposes that are outside their business or other commercial activities;

2) Trader means any legal or natural person who is acting on the market for purposes relating to their business or other commercial purposes, including other persons acting on his behalf or for his account;

3) Seller means, in the sense of the provisions that regulate consumer protection in the exercising of rights from sales and service contracts, any retailer **whom with** the consumer concluded the sales or service contract;

4) Organiser of the package travel means the trader who organizes package travel and sells or offers it for sale, whether directly or through a retailer of the package travel;

5) Retailer of the package travel means the trader who sells or offers for sale the package travel put together by the organiser;

6) Sales contract means any contract under which the trader transfers or undertakes to transfer the ownership of goods to the consumer, and the consumer pays or undertakes to pay the price thereof, including any contract having as its object both the sale of goods and the provision of services;

7) Goods means any tangible movable item other than goods sold by way of execution or otherwise by authority of law, water and gas where they are not put up for sale in a limited volume or set quantity; and electricity;

8) Distance contract means any contract concluded between the trader and the consumer under an organised distant sales or service provision scheme without the simultaneous physical presence of the trader and the consumer, with the exclusive use of one or more means of distance communication up to and including the time the contract is concluded;

9) Means of distance communication means any means that may be used for the conclusion of a contract without the simultaneous physical presence of the trader and the consumer;

10) Durable medium means any instrument that enables the consumer or trader to store data addressed personally to them in a way accessible for future reference, for a period of time adequate for the purposes of the information, and that allows the unchanged reproduction of the information;

11) Off-premises contract means any contract between the trader and the consumer concluded away from the business premises of the trader, in the simultaneous physical presence of the trader and consumer, and the contract for which an offer was made by the consumer; the contract concluded on the business premises of the trader or through any means of distant communication, where the conclusion of the contract have already been negotiated, away from the business premises of the trader in the simultaneous physical presence of the consumer and trader; the contract concluded

during an excursion organised by the trader with the aim or effect of promoting and selling goods or services to the consumer;

12) Business premises shall mean any immovable retail premises, where the trader carries out activity on a permanent basis, or any movable retail premises where the trader carries out activity on a usual basis;

13) Order form means an instrument or e-mail that contains the contract terms, to be signed by the consumer off the premises of the trader with a view to concluding an off-premise contract;

14) Product, in the sense of the provisions of this law, which regulate unfair commercial practices means any goods and services including immovable property, rights and obligations, as well as, in the sense of the provisions of this law that regulate the liability for defective products, any movable property separated from or installed in another movable or immovable property, including energy produced or accumulated for the provision of light, warmth or movement;

15) Professional diligence means the increased care and skill that a trader may reasonably be expected to exercise towards consumers in business operation, commensurate with good business customs and the principle of good faith;

16) Producer means an entity:

(1) that produces or imports finished products, goods, raw materials or parts in the Republic of Serbia for the purposes of sale, leasing or other kind of trade,

(2) that purports to be a producer by placing their name, trade mark or another distinctive sign on the goods,

(3) trader of a product that does not contain information on the producer, if they fail to inform the damaged person in due time of the identity of the producer, or the entity from which the product was bought,

(4) Trader of an imported product that contains information on the producer, but not on the importer;

17) Ancillary contract means a contract by which the consumer acquires goods or services related to a distance contract or a contract concluded away from the business premises of the trader or a third party who has an agreement with the trader;

18) Public auction means a method of sale where goods are offered by the trader to consumers who attend or are given the possibility of attending the auction in person, through a competitive bidding procedure run by an auctioneer and where the highest bidder is bound to purchase the goods;

19) Commercial practice shall mean any act, omission, course of conduct or representation, commercial communication including advertising, by a trader, directly connected to the promotion, sale or supply of a product to consumers;

20) Average consumer means any consumer who is reasonably well informed and reasonably circumspect, taking into account social, cultural and linguistic background; if commercial practice is directed to a particular group of consumers, such as vulnerable consumers, the average consumer is the average member of that group;

21) Contract term means any provision of a consumer contract, including special terms, the content of which the consumer has either negotiated or could have negotiated with the trader, and general provisions that were drafted in advance by the trader or a third party;

22) Damage, in the sense of the provisions of this law that regulate the liability for defective products, is a consequence caused by death or bodily injury, as well as a consequence of the destruction or damage of a part of the property the damaged consumer uses for private use or consumption;

23) Service contract shall mean any contract other than a sales contract under which the seller supplies or undertakes to supply a service to the consumer, such as the manufacture or repair of a certain item, or the performance of a certain physical or intellectual work, and the consumer pays or undertakes to pay the price thereof;

24) Service of general economic interest means a service wherein the quality, conditions of provision or price are fixed or controlled by a state body or another holder of public authority, particularly because of the high value of the initial investment, limited resources necessary for its provision, sustainable development, social solidarity and the need for balanced regional development, with the goal of satisfying the common social interest; in the sense of this law, the services of general economic interest are in particular electronic communication services, distribution and supply of electricity, distribution and supply of gas, distribution and supply of heat, drinking water supply, drainage and purification of rainwater and wastewater, transportation of passengers in public transport, postal services, sanitation, waste disposal, management and maintenance of cemeteries, funeral services, cleaning the public spaces, maintenance of public green spaces and performing chimney-sweeping operations;

25) Package travel (package arrangement), which, as a rule, includes transport, accommodation and other tourist services, means a prepared combination of two or more tourist services, defined by the trader themselves or upon request by the consumer, longer than 24 hours in duration, or a shorter duration that includes an overnight stay, as well as a several-day stay that includes accommodation only for certain periods or duration, regardless of the separate billing or charging for individual services;

26) Timeshare contract means a contract under which the trader undertakes, in the span of at least a year or with a possibility for tacit extension, to offer on at least two occasions one or more real estates for use to the consumer, in which a night can be spent, and the consumer undertakes to remunerate for this;

27) Long-term holiday product contract means a contract under which the trader undertakes to grant a discount or other privileges or benefits to the consumer with regard to accommodation, separately or with other tourist services, and the consumer undertakes to remunerate the trader, and is concluded for the duration of at least a year or with the possibility for tacit extension;

28) Resale assistance contract means a contract obliging the trader to assist the consumer in buying or selling timeshare or long-term holiday products, and the consumer undertakes to remunerate for this;

29) The contract on facilitating timeshare exchange means a contract by which the trader undertakes to include the consumer in a timeshare system, following which the consumers are entitled to cede among each other for a specific time the rights arising from the timeshare contract, and the consumer undertakes to remunerate the trader for this;

30) Out-of-court resolution of consumer disputes is a method of solving disputes between the consumer and the trader through mediation or arbitration, in accordance with the laws that regulate mediation and arbitration, or another dispute resolution method in accordance with other regulations regulating out-of-court resolution;

31) Guarantor shall mean the trader, whether the producer, importer, wholesaler or retailer, who undertakes obligations to the consumer based on a given guarantee;

32) Technical goods shall mean a complex item or device (home appliances, computers, telephones, motor vehicles etc.) that requires electricity, other means of supply (e.g. battery or accumulator) or internal combustion engine to operate;

33) Code of good commercial practice shall mean an agreement or set of rules not imposed by law, bylaws or administrative provisions, which defines the behaviour of traders who undertake voluntarily to observe the requirements of the code in relation to one or more particular commercial practices or business activities;

34) Owner of the code of good commercial practice shall mean any entity, including a trader or group of traders, that is responsible for the formulation and revision of the code of good commercial practice and/or for monitoring the compliance with the code by those who have undertaken to be bound by it;

35) Digital content shall mean data that is produced and supplied in digital form.

II. CONSUMER INFORMATION AND EDUCATION

Price indication

Article 6

Unless otherwise provided by this law, the trader shall indicate in an unambiguous, clearly legible and easily identifiable manner, the selling price or unit price of goods and services, in accordance with the regulations that regulate trade.

Selling price of services

Article 7

The trader shall put up a price list or charge rates for services.

The trader shall indicate the price list or charge rates for services from Paragraph 1 of this article in the shop display or in the business premises, or at another place where the services are offered.

If the trader offers the provision of services at the specialist department of a retail business, setting up a separate price list or charge rates for the services offered at the specialist department shall suffice.

Electricity, gas, central heating and water

Article 8

The trader who offers or advertises the provision of services involving the continuous supply of electricity, gas, central heating or water via pipeline, shall clearly indicate, in an offer or advertisement:

- 1) the usage-based unit price of electricity or central heating;
- 2) the usage-based unit price of water or gas;

The trader shall, besides the unit price from Paragraph 1 of this article, clearly indicate prices that are not calculated according to the usage-based unit measure, including the price of connection to the distribution network.

Gas Stations and Parking Places

Article 9

The trader shall legibly and in due time indicate the unit prices of fuel so that it is easily and visibly legible to the driver of a motor vehicle coming along the road.

A trader who is offering parking places for motor vehicles or a lease of parking places in garages shall legibly indicate at the entrance a price list and the number of free places in order to be easily and visibly legible to the driver of a motor vehicle coming along the road.

Catering facilities

Article 10

In catering facilities, the trader shall indicate the price list of food and drinks on the tables, or present such list to every consumer before taking the order and, upon the consumer's request, at the time of payment.

In catering facilities, the trader shall indicate the price list at the entrance of the catering facility from Paragraph 1 of this article as well.

In accommodation facilities (hotel, motel, tourist resort, camp, pension, hostel, overnight accommodation, rest centre, house, apartment, room or similar) the trader shall indicate:

- 1) the selling price of accommodation, full board and half board, and the amount of the sojourn tax in a visible place, in every room and at the reception desk;
- 2) the selling price of food and drink in price lists, which have to be available to consumers in a sufficient number of copies and at places where the consumers are served.

If the catering facilities from Paragraphs 1 and 3 from this article offer the use of a means of distant communication, the trader shall indicate the price of use per unit of time or the selling price per single use next to that means.

The prices for provided services from Paragraphs 1, 2, 3 and 4 of this article shall include the service charge and all other additional expenses.

Advertising the selling price

Article 11

In any advertisement, the trader shall indicate the selling price of the goods or services and the unit price of the goods or services.

If the price of the service is calculated on a unit of time basis, in an advertisement the trader shall indicate the selling price of the service and the price per unit of time.

Issuing the bill

Article 12

The trader shall issue a bill for the paid goods or services to the consumer.

The bill from the Paragraph 1 of this article must contain basic information on:

- 1) name, address and data of importance for establishing the identity of the trader;
- 2) goods sold or service provided;
- 3) final selling price;
- 4) date of bill issuing.

The trader must comply with the indicated price and the terms of sale.

The charging of fee for issuing and sending the bill to the consumer is prohibited.

The charging of fee for issuing and sending the letter before action to the consumer is prohibited.

The bill from Paragraph 1 of this article must also contain other information in accordance with the particular regulations.

Pre-contractual duty to inform

Article 13

Before the conclusion of a sales or service contract, the trader shall provide the consumer with the following information in a clear and comprehensible manner, in Serbian:

- 1) the main characteristics of the goods or services;
- 2) the trading name, registration number, registered office address and the phone number;
- 3) the selling price or, if the nature of the goods/services is such that the selling price cannot be calculated in advance, the manner in which the selling price is to be calculated, as well as, all additional postal, freight and delivery charges and the possibility that such additional charges may be charged at the expense of the consumer;
- 4) the method of payment, the manner and time of delivery, the manner of execution of other contractual obligations;
- 5) the existence of legal liability for non-conformity of the goods or services with the contract;
- 6) the conditions for the terminating the contract, if the contract is of indeterminate duration or is to be extended automatically;
- 7) the manner of the submission of complaints to the trader, in particular the place of receipt and the manner the trader proceeds upon them, as well as terms related to exercising the rights of the consumers on the grounds of conformity;
- 8) when offering and selling technical goods, the availability of spare parts, connecting devices and similar parts, technical service, i.e. maintenance and

repair service during and after the expiry of the period in which the trader is accountable for non-conformity with the contract, i.e. after the cessation of production and the import of the goods.;

Depending on the circumstance of a particular case or type of goods/service, before the conclusion of the contract, the trader shall inform the consumer on the following:

- 1) the duration of the contract;
- 2) the minimum duration of the consumer's contract obligations;
- 3) the functionality, including applicable technical measures for the protection of digital content;
- 4) any relevant interoperability of digital content with hardware and software that the trader is aware of or can reasonably be expected to have been aware of;
- 5) the existence and conditions for after-sales service and guarantees;

The trader is not obliged to inform the consumer on the information referred in Paragraph 1 and 2 of this article, if those details are obvious from the circumstances of conclusion of the contract.

In the case of a public auction, the information under Paragraph 1, item 2 of this article may be replaced by the address and other data relevant for establishing the identity of the auctioneer.

If the trader and consumer conclude a sales or service contract, the information under Paragraph 1 and 2 of this article shall form an integral part of the contract.

The burden of proof concerning the fulfilment of the obligation under Paragraph 1 and 2 of this article shall be borne by the trader.

If upon the conclusion of the contract the trader does not act in accordance with the information obligation under Paragraph 1 and 2 of this article, the consumer may demand the termination of the contract, irrespective to whether the trader had the intention of leading the consumer to conclude the contract, omitting to inform them. The right to demand the termination of the contract shall cease with the expiry of a one-year period starting from the day of conclusion of the contract.

The provisions of Paragraph 1 and 2 of this article shall also apply to contracts for the supply of water, gas or electricity, where they are not put up for sale in a limited volume or set quantity, of district heating or of digital content that is not supplied on a tangible medium.

Additional expenses

Article 14

The consumer shall not be obliged to pay any form of additional payments including postal charges and freight and delivery payments if the trader has not received the express consent of the consumer to the specific additional expenses in addition to the agreed remuneration for the trader's main contractual obligation.

Before the consumer is bound by the contract or offer, the trader shall seek the express consent of the consumer from Paragraph 1 of this article.

If the trader has not obtained the consumer's express consent to the additional expenses but has inferred it by using default options that the consumer is required to

reject in order to avoid additional payment, the consumer shall not be obliged to pay the fee for additional expenses to the trader. If the consumer has already paid the additional expenses to the trader, he/she shall be entitled to reimbursement of this payment.

Payment of financial obligations

Article 15

Financial obligation that the consumer pays by the post or through the bank or other payment institution, shall be deemed as settled, on the date the bank, postal service or other payment institution accepted the proper payment order or the payment of the debt amount or the a payment order by a third party that effects the payment on behalf of the consumer.

Consumer education and information performed by consumer organisations and associations

Article 16

Consumer organisations and associations (hereinafter referred to as organisations and associations) shall, in an independent and objective manner, provide and perform the education and information of consumers, which must not contain any form of advertising.

The curriculum of primary and secondary schools shall include the education of pupils about the basic principles of consumer protection, as well as about consumers' rights and responsibilities.

The Ministry in charge of consumer protection (hereinafter referred to as the Ministry), in cooperation with the Ministry in charge of education, shall participate in the elaboration of consumer protection educational programs intended for primary and secondary school pupils.

The Ministry and registered organisations and associations under Article 132 of this law, shall cooperate with primary and secondary schools with the purpose of educating pupils about consumers' rights and responsibilities.

III. UNFAIR COMMERCIAL PRACTICES

Prohibition of unfair commercial practices

Article 17

Unfair commercial practices shall be prohibited.

The burden of proof for not performing unfair commercial practices shall be on the trader.

Notion of unfairness

Article 18

A commercial practice shall be regarded as unfair if:

- 1) it is contrary to the requirements of professional diligence;

- 2) it materially distorts or is likely to materially distort the economic behaviour with regard to the product of an average consumer whom it reaches or to whom it is addressed to, or of the average member of the group when a commercial practice is directed at a particular group of consumers.

To materially distort the economic behaviour of consumer means to use a commercial practice to appreciably impair the consumer's ability to make an informed decision, thereby causing the consumer to take a transactional decision that would not have been taken otherwise.

Transactional decision means any decision taken by a consumer concerning whether, how and on what terms to purchase, make payment for in whole or in part, retain or dispose of a product or to exercise a contractual right in relation to the product, whether the consumer decides to act or to refrain from acting.

Commercial practices that are likely to materially distort the economic behaviour of only a clearly identifiable group of consumers who are particularly vulnerable to the practice, or the underlying product, because of their mental or physical infirmity, age or credulity in a way that the trader could reasonably be expected to foresee, shall be assessed from the perspective of the average member of that group.

The provisions under Paragraph 4 of this article are without prejudice to the common and legitimate advertising practice of making exaggerated statements or statements that are not meant to be taken literally.

In particular, a commercial practice shall be regarded as unfair if it is misleading or aggressive, or if the omission of information misleads consumers.

Misleading commercial practices

Article 19

In the sense of this law, a commercial practice shall be regarded as misleading if the trader leads or could lead the consumer to take a transactional action they would not have taken otherwise, by providing false information, by creating a general impression or in any other manner, even when the information the trader provides is correct, if it deceives or could deceive the average consumer in respect of:

- 1) the existence or nature of the product;
- 2) the main characteristics of the product, in particular its availability, benefits, risks, execution, composition, accessories, aftersale customer assistance and complaint handling, method and date of manufacture or provision, delivery, fitness for purpose, usage, quantity, specification, geographical or commercial origin or the results to be expected from its use, or the results and material features of tests or checks carried out on the product;
- 3) the extent of the trader's commitments, the motives for commercial practice and the nature of the sales process, any statement or symbol in relation to direct or indirect sponsorship or approval of the trader or the product;
- 4) the price or the manner in which the price is calculated, or the existence of a specific price advantage;
- 5) the need for a service, part, replacement or repair;

- 6) the nature attributes and rights of the trader or his agent, such as identity and assets, qualifications, status, and ownership of industrial, commercial or intellectual property rights or awards and distinctions;
- 7) the consumer's rights, including the right to replacement of goods or reimbursement referred in Article 52 of this law or the risks the consumer may be exposed to.

A commercial practice shall also be regarded as misleading if the trader, taking into account all the circumstances of a concrete case, leads an average consumer to take a transactional decision that they would not have taken otherwise, through:

- 1) any marketing of a product, including comparative advertising, in a confusing manner that makes it difficult to distinguish from other products, trademarks, trade names or other distinguishing marks of a competitor;
- 2) non-compliance by the trader with the commitments contained in the code of good commercial practice by which the trader has undertaken to be bound, if the rules of such code are binding and verifiable for the trader, as well as if the trader indicated in his business practice that he is bound by that code.

Misleading omissions

Article 20

A commercial practice shall be regarded as a misleading omission, taking into account all its features and circumstances and the spatial and temporal limitations of the communication medium used and any additional measures that the trader has undertaken in order to inform the consumer, if a trader:

- 1) omits material information that the average consumer needs to make an informed transactional decision and thereby causes or is likely to cause a transactional decision that would not have been taken otherwise;
- 2) hides or provides in an unclear, unintelligible, ambiguous or untimely manner such material information, or fails to identify the commercial intent of a communication to the consumer if this causes or is likely to cause the average consumer to make a transactional decision that would not have been taken otherwise.

An invitation to purchase and a commercial communication that indicates the characteristics and price of the product that the trader encloses for the consumer, must include the following information, if not already apparent from the context:

- 1) The main characteristics of the product, to an extent appropriate to the medium and the product;
- 2) The geographical address and identity of the trader, and, where applicable, the geographical address and the identity of the trader on whose behalf he/she is acting;
- 3) The price, including taxes and other duties and additional freight, delivery or postal charges;
- 4) The arrangements for payment, delivery, performance and the complaint handling policy, if they depart from the requirements of professional diligence;

5) The existence of the right to withdrawal from the contract.

As an exemption from Paragraph 2 item 3) of this article, if the price or additional expenses cannot be reasonably calculated in advance due to the nature of the product, the trader shall communicate to the consumer the data upon which the price or the additional expenses are calculated.

Practices that are unconditionally misleading

Article 21

Commercial practices that are, regardless of the circumstances of a particular case, considered misleading:

- 1) An untruthful claim by the trader to be a signatory of the code of good commercial practice or that he is acting in compliance with a certain code of good commercial practice, when the trader is not;
- 2) Displaying a trust mark, quality mark or equivalent without having obtained the necessary authorisation;
- 3) Claiming that a code of good commercial practice has an endorsement from a public or other body that it does not have;
- 4) Claiming that a trader and its commercial practices, or a product, have been approved, endorsed or authorised by a public or private body when they have not, or making such a claim without complying with the terms of the approval, endorsement or authorisation;
- 5) Making an invitation to purchase products at a specified price without disclosing the existence of any reasonable grounds the trader may have for believing that it will not be able to offer for supply, or to procure another trader to supply, those products or equivalent products at that price for a period that is, and in quantities that are, reasonable taking into account the product, the scale of advertising of the product and the price offered;
- 6) Making an invitation to purchase products at a specified price, if the trader, with the intention of causing the consumer to buy some other product, refuses to show the advertised item to the consumer or refuses to take an order for it or deliver the item within a reasonable time, or if it demonstrates a defective sample of the advertised product to the consumer;
- 7) Falsely stating that a product will only be available for a very limited time, or that it will only be available on particular terms for a very limited time, in order to elicit an immediate decision and deprive consumers of sufficient opportunity or time to make an informed choice;
- 8) The trader omitting to inform the consumer in an unambiguous manner, before they accept the offer, that, after the sale of a certain product, it will provide after-sales service to the consumer in a language that is not in official use in the Republic of Serbia;
- 9) Stating or otherwise creating a false impression that a product can be legally sold;
- 10) Presenting rights given to consumers in law as a distinctive feature of the trader's offer;

11) Using an editorial in the media to promote a product after a trader has paid for the promotion without making that clear in the content or by images or sounds clearly identifiable by the consumer;

12) Making a materially inaccurate claim concerning the nature and extent of the risk to the personal security of the consumer if the consumer does not purchase the product;

13) Promoting a product similar to a product made by a particular manufacturer in such a way as to deliberately mislead the consumer into believing that the product is made by the same manufacturer when it is not;

14) Establishing, operating or promoting a system of sale of goods where a consumer pays a fee for the opportunity to receive compensation, which is derived primarily from the introduction of other consumers into the scheme rather than from the sale or consumption of products;

15) Falsely claiming that the trader is about to cease trading or move premises;

16) Claiming that products are able to facilitate winning in games of chance;

17) Falsely claiming that a product is able to cure illnesses, dysfunction or malformations;

18) Providing materially inaccurate information on market conditions, or on the possibility of finding the product with the intention of inducing the consumer to acquire the product at conditions less favourable than normal market conditions;

19) Claiming to offer a competition or prize promotion without awarding the prizes described or a reasonable equivalent;

20) Describing a product as *gratis*, *free*, *without charge* or similar, if the consumer has to pay anything other than the unavoidable cost of responding to the add and collecting or paying for the delivery of the item;

21) Including in marketing material an invoice or similar document seeking payment that gives the consumer the impression that he/she has already ordered the marketed product when he has not;

22) Falsely claiming or creating the impression that the trader is not acting for purposes relating to trade, business, craft or profession, or falsely representing oneself as a consumer;

23) Creating the false impression that after-sales service in relation to a product is also available in the territory of another state, beside that in which the product is sold;

Aggressive commercial practices

Article 22

A commercial practice shall be regarded as aggressive if, taking into account all its features and circumstances, the trader significantly impairs or is likely to significantly impair the average consumer's freedom of choice or conduct with regard to the product through harassment, coercion, including the use of physical force, or undue influence, and thereby causes, or is likely to cause the consumer to make a transactional decision that would not have been taken otherwise.

Undue influence means exploiting a position of power in relation to the consumer to apply pressure, even without using or threatening to use physical force, in a way that significantly limits the consumer's ability to make an informed decision.

In determining whether a commercial practice uses aggressive practices, account shall be taken of:

- 1) its timing, location, nature or persistence;
- 2) the use of threatening or abusive language or behaviour;
- 3) the conscious exploitation by the trader of any specific misfortune or circumstance of such gravity as to impair the consumer's judgment, in order to influence the consumer's judgment;
- 4) any onerous or disproportionate non-contractual barriers imposed by the trader where a consumer wishes to exercise the rights under the contract, including the rights to rescind a contract or to switch to another product or another trader;
- 5) any threat to take any action that cannot legally be taken.

Practices that are unconditionally aggressive

Article 23

Commercial practices that are considered aggressive in all circumstances:

- 1) Creating the impression that the consumer cannot leave the premises until a contract is concluded;
- 2) Conducting personal visits to the consumer's home, without their prior consent, except in circumstances and to the extent legally justified to enforce a contractual obligation;
- 3) Making persistent and unwanted solicitations by telephone, fax, e-mail or other means of electronic communication, except in circumstances and to the extent legally justified to enforce a contractual obligation;
- 4) Requiring a consumer who wishes to claim on an insurance policy to produce documents that could not reasonably be considered relevant to whether the claim was valid, or failing systematically to respond to pertinent correspondence, in order to dissuade a consumer from exercising contractual rights;
- 5) Including in an advertisement a direct exhortation to children to buy advertised products, or persuade their parents or other adults to buy advertised products for them;
- 6) Demanding that the consumer pay, return or keep a product that they have not ordered;
- 7) Explicitly informing a consumer that if he/she does not buy the product, the trader's job or livelihood will be in jeopardy;
- 8) Creating the false impression that the consumer has already won, will win, or on performing a particular act will win, a prize or other equivalent benefit, when in fact either there is no prize or other equivalent benefit, or if taking any action in relation to claiming the prize or other equivalent benefit is subject to the consumer paying money or incurring a cost.

Special protection of minors

Article 24

Sale, serving and gifts of alcohol drinks, including beer, tobacco products or pyrotechnic articles to persons below the age of 18 is prohibited.

In the case of doubt whether the consumer is a person below the age of 18, the trader is not obliged to sell or serve an alcohol drink or beer, tobacco product or pyrotechnic articles, until the consumer shows a valid identity document, passport or driving licence.

The units of local self government may adopt special rules concerning the access of persons below the age of 18 to the catering facilities that serve alcohol drinks and beer.

Code of good commercial practice

Article 25

Traders or a group of traders and code owners are responsible for control of the observance of the rules of the Code of good commercial practice by the traders.

The Ministry shall encourage the control of unfair commercial practices by traders or groups of traders that have acceded to a code of good commercial practice.

The Ministry shall encourage traders or a group of traders that have acceded to a code of good commercial practice to inform the consumers about the existence and contents of their code.

Prohibition of discrimination

Article 26

It is prohibited to refuse to sell goods to a customer that is displayed or otherwise prepared for sale, or to refuse to provide a service that can be performed, if that is not contrary to another rule and the generally accepted business customs;

Any unfounded form of discrimination against consumers is prohibited, especially on the basis of race, sex, nationality, sexual orientation, social origin, birth, religion, political or other beliefs, property, culture, language, age or mental or physical disability.

If the trader offers special sales incentives when goods and services are purchased, in accordance with the law regulating trade, the trader shall indicate them clearly and visibly, state the conditions for their use, and adhere to them without unreasonable discrimination.

The burden of proof of the existence of grounds for discrimination shall be borne by the trader.

IV. CONSUMER PROTECTION IN EXERCISING RIGHTS DERIVING FROM DISTANCE CONTRACTS AND OFF-PREMISES CONTRACTS

1. Consumer information and the right of withdrawal

Information duty for distance and off-premises contracts

Article 27

Before the conclusion of a distance or off-premises contract, in addition to the information required under Article 13 of this law, the trader shall provide the consumer with the following information in a clear and comprehensible manner:

1) the address where the trader operates his business, if that address is different from the address of his registered offices or the place of residence, as well as the address, fax number and e-mail of the trader he represents, where the consumer can file a claim.

2) the selling price of goods that includes total costs for the accounting period, in the case of a contract of indeterminate duration or a contract containing a subscription; where such contracts provide for payment at a fixed rate, the selling price shall include the total monthly costs; where the total costs cannot be reasonably calculated in advance, the manner in which the price is to be calculated shall be provided;

3) the cost of using the means of distance communication for the conclusion of the contract where that cost is calculated other than at the basic rate;

4) the conditions, time limit and procedures for exercising the right of withdrawal from the contract in accordance with Article 28 of this law, where such a right exists;

5) the liability of the consumer to pay reasonable costs to the trader in line with Article 35 Paragraph 3 of this law, if the consumer exercises the right of withdrawal after having made a request in accordance with Article 28 Paragraph 2 or Article 29 of this law;

6) where the right of withdrawal from a contract is not provided for in accordance with Article 37 of this law, the information that the consumer cannot benefit from the right of withdrawal or, where applicable, the circumstances under which the consumer loses their right of withdrawal;

7) the existence of a contractual relationship with the postal operator through which the consumer may, in the case of a claim due to lack of conformity, send the goods at the trader's expense;

Depending on the circumstances of a particular case or type of goods, the trader shall provide the consumer with the following information:

1) the liability of the consumer to bear the costs for the return of goods in the case of withdrawal from the contract, or in the case of a distance contract, if the goods, due to its nature, cannot be returned by mail;

2) the existence of the relevant codes of good commercial practice and how the content of the code may be viewed, where applicable;

3) the minimum duration of the consumer's contract obligations;

4) the existence and conditions of any deposits or other financial guarantees to be paid or provided by the consumer at the request of the trader;

5) the possibility of having access to out-of-court dispute resolution mechanisms, which the trader shall accept in advance, and the methods for such access;

The provisions of Paragraph 1 and 2 of this Article shall also apply to contracts for the supply of water, gas or electricity, where they are not put up for sale in a limited volume or set quantity, of district heating or of digital content that is not supplied on a durable medium.

In the case of a public auction, the information referred to in Article 13 Paragraph 1, item 1) and Paragraph 1, item 1) of this article may be replaced by the equivalent details for the auctioneer.

The information referred to in Paragraph 1, items 4) and 5) and Paragraph 2, item 1) of this article may be provided by means of the model forms from Article 28 of this law.

Prior to the conclusion of a distance contract for financial services, the trader shall provide the consumer, in a clear and understandable manner, with the following information:

- 1) the main characteristics of the financial service;
- 2) the selling price of the financial service including all related taxes, fees, charges and expenses, or the way of calculating the price if the selling price of the financial service is not shown;
- 3) special risks involved in a financial instrument;
- 4) the period for which the information provided is valid;
- 5) the arrangement for payment.

If the trader fails to comply with the information requirements on additional charges referred to in Article 13, item 3) and Paragraph 2, item 1) of this article, the consumer shall not bear those costs.

The trader shall be obliged to provide the consumer with information from Paragraphs 1, 2 and 6 of this Article in the Serbian language.

The information referred to in Paragraphs 1, 2 and 6 and of this Article are an integral part of the distance contract or off-premises contract.

The burden of proof concerning the fulfilment of the obligations under Paragraphs 1, 2 and 6 of this Article and Article 30 and 31 of this law shall be borne by the trader.

Consumer's right of withdrawal

Article 28

The consumer shall have a period of fourteen days from the conclusion of the contract to withdraw from a distance or off-premises contract, without giving any reason and without incurring any costs other than those provided for in Articles 34 and 35 of this law.

The consumer exercises his right to withdrawal with a statement, which he may provide on a special form for withdrawal from a distance or off-premises contract (hereinafter referred to as the withdrawal form) or in any other unambiguous manner.

The withdrawal statement for a distance or off-premises contract is deemed to be timely if it was dispatched to the trader within the period under Paragraph 1 above, or if the consumer returns the goods received based on the contract under Paragraph 1 of this Article.

The withdrawal statement has legal effect from the day on which it is dispatched to the trader.

If the trader offers an option for the consumer to fill in and submit an electronic withdrawal form, upon receiving the electronic withdrawal form, he shall, without delay, confirm the receipt of the form to the consumer in written or through a durable medium.

The consumer's right to withdrawal from the contract expires upon the expiry of the withdrawal period referred in article 29 of this law.

The burden of proof concerning the compliance with the provisions of this article on the exercise of right to withdrawal shall be on the consumer.

The Minister in charge of consumer protection (hereinafter referred to as the Minister) prescribes the form and the content of the withdrawal form.

The calculation of withdrawal period

Article 29

In the case of service contracts, the withdrawal period of fourteen days shall be calculated starting from the conclusion of the contract.

In the case of sales contracts, the withdrawal period of fourteen days shall be calculated starting from the day on which the consumer or a third party other than the carrier and indicated by the consumer acquires physical possession of the goods.

In the case of multiple goods ordered by the consumer in one order and delivered separately, the withdrawal period of fourteen days shall be calculated starting from the day on which the consumer or a third party other than the carrier and indicated by the consumer acquires physical possession of the last delivery.

In the case of the delivery of goods consisting of multiple lots or pieces, the withdrawal period of fourteen days shall be calculated starting from the day on which the consumer or a third party other than the carrier and indicated by the consumer acquires physical possession of the last lot or piece.

In the case of contracts for the periodic delivery of goods during an indefinite period of time, the withdrawal period of fourteen days shall be calculated starting from the day on which the consumer or a third party other than the carrier and indicated by the consumer acquires physical possession of the first delivery.

If the trader has not provided the consumer with information referred in Article 27 Paragraph 1 item 4), in a manner prescribed by Article 30, Paragraph 1 and Article 31, Paragraph 2 of this law, the consumer may withdraw from the contract within twelve months from the day of the conclusion of the contract.

If the trader has not provided the consumer with information referred in Article 27 Paragraph 1 item 4), in a manner prescribed by Article 30, Paragraph 1 and Article 31, Paragraph 2 of this law, but he provides the consumer with such information within twelve months from the conclusion of the contract, the withdrawal period of fourteen days shall start from the day the consumer received the withdrawal form.

The withdrawal period from Paragraph 1 through 7 of this article shall end with the expiry of the last hour of the last day of the period.

With regard to a financial service distance contract, the withdrawal period referred to in Paragraph 1 of this Article shall start at the moment of concluding the contract, i.e. the point the consumer has received the information on the content of the contract if it was received after the contract was concluded, and shall end in the last hour of the last day of the period.

With the exception from Paragraph 1 of this Article, with life insurance distance contracts, the consumer has the right to withdraw within 30 days without giving any reason.

Formal requirements for distance contracts

Article 31

If the trader makes a telephone call to the consumer with a view to concluding a distance contract, he shall, at the beginning of the conversation with the consumer, disclose his/her identity and the commercial purpose of the call.

The trader shall, on a durable medium within a reasonable time after the conclusion of the distance contract, and at the latest at the time of the delivery of the goods or before the performance of the service begins, provide the consumer with the following:

- 1) the withdrawal form;
- 2) the information from Article 27, Paragraph 1 and 2 of this law in legible and comprehensible Serbian language;
- 3) the contract or contracting document

If the delivery of digital content is not performed on a durable medium, the trader shall obtain the prior express consent of the consumer and his confirmation where the consumer states that he is aware that such delivery deprives him of the right to withdrawal.

If a distance contract to be concluded by electronic means places the consumer under an obligation to pay, the trader shall make the consumer aware in a clear and prominent manner, and directly before the consumer places the order, of the information provided for in Article 13, Paragraph 1, item 1) and Paragraph 2, item 1) and Article 27, Paragraph 1, item 1) and Paragraph 2, item 3) of this law.

If submitting the order implies an obligation to pay, such information must be clearly indicated on the order form, or on the activating button or a similar function, if the placing an order entails activating a button or a similar function.

If the trader has not complied with the obligation from Paragraph 5 of this Article, the consumer shall not be bound by the contract or order.

Trading websites shall indicate clearly and legibly at the beginning of the ordering process at the latest the existence of any delivery restrictions and which means of payment are accepted.

Where a consumer wants the performance of services or the supply of water, gas or electricity, where they are not put up for sale in a limited volume or set quantity, or of district heating to begin during the period provided for in Article 29 of this law, the trader shall require the consumer to make an express request for this.

Performance and delivery

Article 32

With respect to off-premises and distance contracts, the trader shall provide the service or undertake the delivery of goods within a maximum of thirty days from the day of the conclusion of the contract, unless the parties have agreed otherwise.

If the ordered goods or services cannot be delivered, the trader shall promptly inform the consumer about their unavailability.

Paragraphs of this Article do not apply to contracts on financial services.

Legal consequences of withdrawal

Article 33

If the consumer exercises the right to withdrawal in accordance with Article 28 of this law, the contract shall be deemed as null and void, while obligations prescribed in Article 34 and Article 35 of this law shall prevail.

Obligations of the trader in the event of withdrawal

Article 34

The trader shall reimburse all payments received from the consumer, including the costs of delivery without undue delay and in any event not later than 14 days from the day he received the withdrawal form or any other unequivocal statement.

The trader shall carry out the reimbursement using the same means of payment as the consumer used for the initial transaction, unless the consumer has expressly agreed otherwise and provided that the consumer does not incur any fees as a result of the reimbursement.

Notwithstanding Paragraph 1 of this Article, the trader shall not be required to reimburse the supplementary costs, if the consumer has expressly opted for a type of delivery other than the least expensive type of standard delivery offered by the trader.

Unless the trader has offered to collect the goods, with regard to sales contracts, the trader may withhold the reimbursement until receiving the goods back, or until the consumer has supplied evidence of having sent back the goods, whichever is the earliest.

In the case of off-premises contracts where the goods have been delivered to the consumer's home at the time of the conclusion of the contract, the trader shall collect the goods at its own expense if, by their nature, those goods cannot normally be returned by post.

Obligations of the consumer in the event of withdrawal

Article 35

The consumer shall send back the goods to the trader or to a person authorised by the trader, without delay and in any event not later than 14 days from the day he sent the withdrawal form or any other unequivocal statement.

The deadline shall be met if the consumer sends back the goods before the period of 14 days has expired.

The consumer shall bear the direct cost of returning the goods unless the trader has agreed to bear them or unless the trader failed to inform the consumer that the consumer has to bear them.

The consumer shall only be liable for the diminished value of the goods resulting from any handling of the goods other than what is necessary to establish the nature, characteristics and functioning of the goods.

The consumer shall in any event not be liable for the diminished value of the goods where the trader has failed to provide notice of the right of withdrawal in accordance with Article 27 Paragraph 1 item 4) of this law.

If the consumer exercises the right of withdrawal after having made a request in accordance with Article 30 Paragraph 4 or Article 31 Paragraph 8 herein, the consumer shall to pay to the trader an amount proportionate to the services that have been provided until the time the consumer informed the trader of the exercise of the right of withdrawal.

The proportionate amount to be paid by the consumer to the trader shall be calculated on the basis of the selling price agreed in the contract, which may not be higher than the market value of what has been provided.

The consumer shall bear no cost for:

1) the performance of services or the supply of water, gas or electricity, where they are not put up for sale in a limited volume or set quantity, or of district heating, in full or in part, during the withdrawal period, where:

(1) the trader has failed to provide information in accordance with Article 27 Paragraph 1 item 4) and 5) of this law, or

(2) the consumer has not expressly requested the performance to begin during the withdrawal period in accordance with Article 30 Paragraph 4 and Article 31 Paragraph 8 of this law; or

2) the supply, in full or in part, of digital content that is not supplied on a durable medium where:

(1) the consumer has not given prior express consent to beginning the performance before the end of the 14-day period;

(2) the consumer has not acknowledged the loss of the right of withdrawal when giving consent; or

(3) the trader has failed to provide confirmation in accordance with Article 30 Paragraph 2 or Article 31 Paragraph 3 of this law.

Except as provided for in this article, the consumer shall not incur any liability as a consequence of the exercise of the right of withdrawal.

Effects of the exercise of the right of withdrawal on ancillary contracts

Article 36

If the consumer exercises the right of withdrawal from a distance or an off-premises contract, any ancillary contracts shall be rescinded, without any costs for the consumer, except as provided for in Articles 34 and 35 of this law.

The provision under Paragraph 1 of this Article applies to credit agreements linked to consumer contracts, regardless of whether the credit was granted to the consumer by the trader or by a third party.

If the credit was granted to the consumer by a third party for the purpose of financing the obligations from a certain contract with the trader:

1) the trader shall inform the creditor about the withdrawal from the contract;

2) the creditor shall reimburse to the consumer the sum of money, together with interest, that has been paid for the goods or services up to the moment of the withdrawal, without delay and not later than 30 days from the day he/she was informed about the withdrawal.

Exceptions to the right of withdrawal

Article 37

The consumer shall not have the right of withdrawal from distance and off-premises contracts in the case of:

- 1) service contracts after the service has been fully performed if the performance has begun with the consumer's prior express consent, and with the acknowledgement of losing the right of withdrawal once the contract has been fully performed by the trader;
- 2) the supply of goods or services for which the price is dependent on fluctuations in the financial market that cannot be controlled by the trader and that may occur within the withdrawal period;
- 3) the supply of goods made to the consumer's specifications or clearly personalised;
- 4) the supply of goods that are liable to deteriorate or expire rapidly;
- 5) the supply of sealed goods that are not suitable for return due to health protection or hygiene reasons and were unsealed after delivery;
- 6) the supply of goods that are, after delivery, according to their nature, inseparably mixed with other items;
- 7) the supply of alcoholic beverages, the price of which has been agreed upon at the time of the conclusion of the sales contract, the delivery of which can only take place after 30 days and the actual value of which is dependent on fluctuations in the market that cannot be controlled by the trader;
- 8) contracts where the consumer has specifically requested a visit from the trader for the purpose of carrying out urgent repairs or maintenance. If, on the occasion of such a visit, the trader provides services in addition to those specifically requested by the consumer or goods other than the replacement parts necessarily used in carrying out the maintenance or in making the repairs, the right of withdrawal shall apply to those additional services or goods;
- 9) the supply of sealed audio or sealed video recordings or sealed computer software that were unsealed after delivery;
- 10) the supply of a newspaper, periodical or magazine with the exception of subscription contracts for the supply of such publications;
- 11) contracts concluded at a public auction;
- 12) the provision of accommodation other than for residential purposes, the transport of goods, car rental services, catering or services related to leisure activities if the contract provides for a specific date or period of performance;
- 13) the supply of digital content that is not supplied on a durable medium if the performance has begun with the consumer's prior express consent and an acknowledgment of thereby losing the right of withdrawal.

The consumer may not withdraw from a distance contract on financial services in case of:

- 1) financial services whose price depends on fluctuations in the financial market outside the supplier's control;

- 2) contracts on travel, baggage and similar short-term insurance of less than a month's duration;
- 3) a contract that has been fully performed by both parties with the consumer's express consent.

2. Prohibition of certain means of distance communication

Direct marketing

Article 38

Direct marketing through phone, fax or electronic mail are prohibited without the prior consent of the consumer.

Direct marketing through other means of distance communication are prohibited without the prior consent of the consumer.

If the consumer explicitly agrees to commercial practices using phone, fax, electronic mail or other means of distance communication, the consumer shall be informed by the trader of the commercial nature of the communication in a clear and comprehensible manner, in the Serbian language, before the trader provides information on certain goods or services.

Inertia selling

Article 39

It is prohibited to supply goods or services to the consumer without their being ordered by the consumer beforehand, if such a supply involves a demand for payment.

The absence of a response from the consumer following such an unsolicited supply shall not constitute consent.

No claims against the consumer may be grounded on the delivery of unsolicited goods and services and the consumer is entitled to retain the sent goods, without the obligation to pay for the goods or the provided service.

It shall not be considered as the case under Paragraph 1 if the trader:

- 1) delivers other goods or provides another service of the same price and quality to the consumer instead of ordered goods or services;
- 2) informs the consumer that they are not obliged to accept goods or services that they have not ordered or to pay for sending the goods back to the trader.

Advertising using the means of distance communication

Article 40

When advertising through the means of distance communication, the trader shall make the advertising messages clearly identifiable as such, also making the natural or legal person on whose behalf the advertising message is made clearly identifiable.

The trader shall make the promotional competitions or games and special offers clearly identifiable as such and the conditions that are to be met to qualify for them shall be easily accessible, and clearly and unambiguously presented.

V. CONSUMER PROTECTION IN EXERCISING THE RIGHTS FROM CONTRACTS CONTAINING UNFAIR TERMS

Transparency requirements

Article 41

Contract terms shall be binding on consumer if they are expressed in plain, intelligible language, and are understandable to a reasonable person as educated and informed as the particular consumer.

Contract terms shall be made available to the consumer in a manner that gives a real opportunity to become acquainted with them before the conclusion of the contract, with due regard to the means of communication used.

The contract term shall be binding on the consumer if the consumer has agreed to it.

A term pre-drafted by the trader in a manner indicating that the consumer has accepted it unless they explicitly opt out of that term, is not binding for the consumer.

Interpretation of contract terms

Article 42

In the case of doubt about the meaning of a contract term, the interpretation most favourable to the consumer shall prevail.

Unfair contract terms

Article 43

Unfair contract terms are null and void.

An unfair contract term means any term that, in contravention of the principle of good faith, results in a significant disproportion in contractual rights and responsibilities of the parties to the detriment of the consumer:

The unfairness of a term shall be assessed taking into account:

- 1) the nature of the goods or services the contract relates to;
- 2) the circumstances under which the contract has been concluded;
- 3) other terms of the same contract or of another related contract;
- 4) the manner in which the contract was drafted and communicated to the consumer by the trader.

Contract terms considered unfair in all circumstances

Article 44

Contract terms that have the following objects or effects shall be unfair regardless of the circumstances of a particular case:

- 1) excluding or limiting the liability of the trader for death or personal injury caused to the consumer through an act or omission of that trader;
- 2) limiting the trader's obligation to respect commitments undertaken on its behalf by its agents or conditioning the obligation of the trader to

perform or accept the obligation taken over on their behalf by their agent with a particular condition that is at the trader's discretion;

- 3) excluding or hindering the consumer's right to take legal action or exercise any other legal remedy for the protection of their rights, particularly by requiring the consumer to take disputes exclusively to arbitration contrary to the legal provisions of this law;
- 4) restricting or limiting the evidence available to the consumer or imposing a burden of proof that, according to the applicable law, should lie with the trader;
- 5) determining the territorial jurisdiction of the court which is not in the place of residence/domicile of the consumer.

A contract term from Paragraph 1 shall be regarded as unfair if it is giving the trader:

- 1) the exclusive right to establish whether the delivered goods or provided services are in conformity with the contract;
- 2) the exclusive right to interpret the contract terms.

Contract terms presumed to be unfair

Article 45

A contract term that has the following object or effect shall be presumed to be unfair:

- 1) excluding or limiting the legal rights of the consumer vis-à-vis the trader or a third party in the event of the total or partial non-performance or inadequate performance by the trader of any of the contractual obligations, including the rights of the consumer to offset a debt owed to the trader against a claim that the consumer may have against him;
- 2) allowing the trader to retain a payment by the consumer when the latter fails to conclude or perform the contract, or refuses to conclude the contract, where the same right is not granted to the consumer;
- 3) requiring any consumer who fails to fulfil their contractual obligation to pay damages that significantly exceed the damage suffered by the trader;
- 4) allowing the trader to rescind the contract at will where the same right is not granted to the consumer;
- 5) enabling the trader to rescind an open-ended contract without reasonable notice except where the consumer has failed to perform their contractual obligations;
- 6) tacit reconduction of a fixed-term contract, if it is required that the consumer gives a long notice not to accept the extension of the contract in relation to the period for which the contract has been concluded;
- 7) allowing the trader to increase the price agreed with the consumer when the contract was concluded without giving the consumer the right to rescind the contract;
- 8) obliging the consumer to fulfil all his/her obligations where the trader has failed to fulfil all its obligations;

- 9) giving the trader the possibility of transferring its obligations under the contract without the consumer's consent;
- 10) restricting the consumer's right to re-sell the goods by limiting the transferability of any guarantee provided by the trader;
- 11) enabling the trader to unilaterally alter the terms of the contract including the characteristics of the product or service;
- 12) unilaterally amending contract terms communicated to the consumer in a durable medium through contract terms to which the consumer has not consented through the means of distance communication.

VI. CONSUMER PROTECTION IN EXERCISING RIGHTS DERIVING FROM SALES CONTRACTS

1. Delivery and the passing of risk

Delivery

Article 46

The seller shall deliver the goods to the buyer or a certificate by which the goods may be taken over without undue delay, but not later than 30 days from the conclusion of the contract, if not otherwise agreed.

The seller shall deliver to the consumer the goods of the agreed quantity and quality.

Where the seller, in addition to sales, offers the delivery of goods at the address specified by the consumer, the seller shall be bound to deliver goods in the agreed condition and in the agreed term, along with a certificate of the receipt of the goods in a written form.

The seller shall write the delivery term legibly and clearly on the bill or contracting document.

The delivery of goods to the address specified by the consumer shall not be considered proper delivery if the goods are left in front of the house or apartment or in another place.

Where the seller operates a telephone line for the purpose of contact in relation to concluded contracts, the consumer, when contacting the seller, shall not be bound to pay more than the basic rate.

Documents accompanying the goods

Article 47

The seller shall be bound to hand to the consumer instructions for use and installation and other information allowing the consumer to learn the characteristics of the goods, when it is needed, given the nature, characteristics and purpose of the goods, in accordance with special regulations, written in clear and comprehensible Serbian.

The instructions for use and installation may be made in a separate writ, i.e. they may be attached to or printed on the goods or their packing, in the form of text, a picture or a drawing or in combination thereof.

When technical goods are sold, the seller is also obliged to submit a list of authorised services on the territory of the Republic of Serbia, in addition to the documents referred to in Paragraph 1 of this Article.

Termination of contract due to delivery failure

Article 48

Where the seller has failed to fulfil the obligation to deliver the goods at the time agreed upon with the consumer or within the time limit set out in Article 46 Paragraph 1 of this law, the consumer shall call upon the seller to make the delivery within an additional period of time appropriate to the circumstances.

If the seller fails to fulfil the obligation to deliver the goods within the additional period, the consumer shall be entitled to rescind the contract.

Where the seller has refused to deliver the goods or has not delivered them within the agreed delivery period, and the fulfilment of the obligation is essential taking into account all the circumstances attending the conclusion of the contract or where the consumer informs the seller, prior to the conclusion of the contract, that delivery by or on a specified date is essential for him, the consumer shall be entitled to rescind the contract without leaving the seller an additional period for fulfilment.

In the case of the termination of the contract, the seller shall, without undue delay, and not later than 3 days after the termination of the contract, reimburse the consumer for all the amounts paid under the contract.

Passing of risk

Article 49

Until the moment of delivery of the goods to the consumer or a third party indicated by the consumer, other than the carrier or dispatcher, the risk of loss or damage to the goods shall be borne by the seller.

After the moment of delivery of the goods to the consumer or a third party indicated by the consumer, other than the carrier or dispatcher, the risk of loss or damage to the goods shall be borne by the consumer.

If the consumer has rescinded the contract or requested a replacement of goods because the goods delivered were not in conformity with the contract, the risk under Paragraphs 1 and 2 of this article shall not pass to the consumer.

However, if the goods are not delivered due to the refusal of the consumer or a third party indicated by the consumer, other than the carrier or dispatcher, to receive the goods, or if they prevent the delivery by their behaviour and without reason, the risk under Paragraphs 1 and 2 of this article shall pass to the consumer with the expiry of the delivery date, i.e. 30 days after the conclusion of the contract if the delivery date is not agreed upon.

2. Conformity of goods

Conformity with the contract

Article 50

The seller shall deliver the goods in conformity with the contract.

Delivered goods shall be presumed to be in conformity with the contract if they satisfy the following conditions:

- 1) they comply with the description given by the seller and possess the qualities of goods that the seller has presented to the consumer as a sample or model;
- 2) they are fit for any particular purpose the consumer requires them for and that was known or must have been known to the seller at the time of the conclusion of the contract;
- 3) they are fit for the purposes for which goods of the same type are normally used;
- 4) they show the quality and performance that are normal in goods of the same type and that the consumer can reasonably expect, given the nature of the goods and taking into account any public statements on the specific characteristics of the goods made about them by the seller, the producer or a representative, particularly in advertising or on the labelling.

Liability for a lack of conformity

Article 51

The seller shall be liable for any lack of conformity of the delivered goods with the contract, which is demonstrated and:

- 1) was present at the moment of passing the risk to the consumer, irrespective of whether they knew about the lack of conformity;
- 2) appears after passing of the risk to the consumer, if it derived from a cause that existed before that;
- 3) could have been easily noticed by the consumer, if the seller declared that the goods were in conformity with the contract.

The seller shall also be liable for a lack of conformity occurring due to improper packing, incorrect installation or assembly by the seller or a person under the seller's supervision, as well as when the incorrect installation or assembly of the goods is due to a shortcoming in the instructions the seller has handed to the consumer so the latter can install or assemble the goods.

The seller shall not be liable for the lack of conformity if, at the moment of contract conclusion the consumer knew or could not be unaware of the lack of conformity of the goods with the contract, or if the cause of the lack of conformity was in material provided by the consumer.

The seller's liability for lack of conformity with the contract may not be limited or excluded contrary to the provisions of this law.

The seller shall not be bound by public statements, in regard to the characteristics of goods if:

- 1) the seller was not, and could not reasonably have been, aware of the statement in question;
- 2) by the time of the conclusion of the contract, the statement had been corrected;
- 3) the decision to buy the goods could not have been influenced by the statement.

Request for removal of the lack of conformity

Article 52

If the goods delivered do not conform to the contract, the consumer who has notified the seller about the lack of conformity is entitled to demand that the seller eliminates this lack of conformity, without additional charge, through repair or replacement, or to demand a price reduction or rescind the contract in relation to those goods.

The consumer, primarily, is entitled to choose whether the lack of conformity shall be remedied by repair or replacement.

The consumer has the right to demand a price reduction or rescind the contract if:

- 1) if the repair or replacement of the goods is not possible or cannot be completed within the due term;
- 2) the consumer may not exercise the right to repair or replacement, or if the seller has not completed the repair or replacement in due term;
- 3) the repair or replacement cannot be completed without significant inconveniences for the consumer taking into account the nature and purpose of the goods;
- 4) elimination of the lack of conformity by repair or replacement represents a disproportionate burden for the seller.

The disproportionate burden for the seller in terms of Paragraph 3 of this Article is present if, in relation to the price reduction and termination of the contract, it imposes excessive costs, in view of:

- 1) the value the goods would have if they conformed with the contract;
- 2) the significance of the conformity in a particular case;
- 3) whether the lack of conformity can be remedied without causing significant inconvenience to the consumer.

The consumer is entitled to request a replacement, an adequate price reduction or to rescind the contract for the same or another lack of conformity that appears after the first repair, and the repeated repair is only possible upon the consumer's express consent.

Any repair or replacement must be completed in due term, upon the consumer's consent, and in line with Article 56 of this law, without significant inconveniences for the consumer, taking into account the nature of the goods and the purpose for which the consumer acquired the goods.

If the lack of conformity appears in the first 6 months from the passing of the risk to the consumer, the consumer may choose to request either that the goods are restored to conformity by replacement or an adequate price reduction, or to state the termination of the contract.

If the lack of conformity appears within 6 months from the passing of the risk to the consumer, the removal of the lack of conformity by repair shall be possible upon the consumer's express consent.

Any costs necessary to restore the goods to conformity with the contract, in particular the costs of labour, material, taking over or delivery, shall be borne by the seller.

In the case of the seller's obligations that stem from the lack of conformity of goods, the seller is entitled to demand from the producer in the supply chain of goods, to reimburse him for all the actions he has taken in accordance with that obligation.

The consumer may not rescind the contract if the lack of conformity of the goods is minor.

The rights under this Article do not affect the right of the consumer to demand the seller to reimburse for damage due to the lack of conformity, in accordance with the general rules on liability for the damage.

Time limits and the burden of proof

Article 53

The seller shall be responsible for any lack of conformity of the goods that becomes apparent within two years from the time the risk passed to the consumer.

If a lack of conformity occurs within six months from the day of passing the risk to the consumer, the lack of conformity shall be assumed to have existed at the time of the passing of the risk, unless it is contrary to the nature of the goods or the nature of the specific lack of conformity.

In the case of second-hand goods, the seller and the consumer may agree on a shorter period in which the seller is liable for the lack of conformity, which may not be less than one year.

The time limits set forth in Paragraphs 1 to 3 of this Article shall not apply in the period the seller uses to eliminate the lack of conformity.

3. Guarantee

Guarantor and guarantee card

Article 54

Guarantee means any statement where the guarantor makes promises related to the goods, and it is legally binding in accordance with the terms of the statement and related advertising.

The guarantee card is a document in writing or electronic form, or on another durable medium, that contains all the data of the guarantee, drafted in plain intelligible language and legible, particularly information on:

- 1) the rights of the consumer on the basis of this law, and that the guarantee does not exclude or affect the consumer's rights stemming from the seller's legal liability for the lack of conformity of the goods with the contract;
- 2) the name and address of the guarantor;
- 3) the name and address of the seller if the seller is not also a guarantor;
- 4) date of delivery of the goods to the consumer;
- 5) data that identifies the goods (model, type, serial number and alike);

6) the contents of the guarantee and the conditions and procedures for the fulfilment of the rights from the guarantee;

7) the duration of the guarantee period and the area of the guarantee;

Upon the consumer's request, the guarantor shall issue the guarantee card, which is, as a rule, drafted in a written form, on paper.

If the consumer agrees, the guarantee card may be issued in an electronic form, or on another durable medium available to the consumer.

The validity of the guarantee is not affected by a violation of the obligation of the guarantor referred to in Paragraph 2 of this Article, and the consumer may demand that the guarantee be fulfilled in accordance with the statement given.

The guarantee does not exclude or influence the rights of the consumer concerning the conformity of the goods with the contract.

Misuse of the word 'guarantee'

Article 55

During the conclusion of a sales contract and related advertising, the trader shall refrain from employing the word *guarantee* or any other expression with this meaning, if based on the sales contract the consumer does not receive more rights compared to the rights granted by the legal liability of the trader for the lack of conformity of goods, or other rights granted by this law.

4. Claims

Claims and the manner of resolution of claims

Article 56

The consumer can make a claim with the seller for exercising rights deriving from Articles 52, 54 and 81 of this law, as well as due to price miscalculation or other defects.

The seller shall be obliged to visibly indicate at the selling point information on the manner and place of receipt of claims and to ensure the presence of an authorised person for receiving the claims during working hours.

The consumer may make a claim orally at the selling point where the goods were bought, or at another place specified for the receipt of claims, by phone, in writing, electronically or on a durable medium, by showing the receipt or other proof of purchase (copy of the receipt, slip or similar).

The seller shall be obliged to record the claims received and keep records for at least two years from the day the consumer submitted the claim.

The seller shall be obliged to issue to the consumer a written certificate or confirm the receipt of the claim electronically, i.e. to communicate the number under which the consumer's claim has been notified in the received claim records.

The records of received claims shall be kept in the form of a bound book or in an electronic format and shall contain in particular information on the applicant, and the date of receipt of the claim, data on the goods, a short description of the lack of conformity and the request from the claim, as well as the date of the issuance of the certificate on the receipt of the claim, the decision on a response, the date of the

submission of the decision, the contractual due term for resolution to which the consumer has given consent, the manner and date of the resolution of the claim and the information on the extension of time limits for the resolution of the claim.

The seller shall promptly respond to the consumer, in written or electronic form, within no more than 8 days from the date of receipt of the claim. The seller's response to consumer's claim must contain a decision on accepting the claim, an answer to the consumer's request and a specific proposal and a time limit for its resolution. The resolution period shall not be longer than 15 days, or 30 days for technical goods and furniture, starting from the day the consumer submitted a claim.

The seller shall proceed in accordance with the decision, the proposal and the time limit for resolving the claim if the consumer's prior consent has been obtained.

If the seller, for objective reasons, is not in the position to meet the consumer's request within the agreed timeframe, the seller shall inform the consumer about any extension of the time limit for resolution of the claim and provide a new timeframe for its resolution, and acquire the consumer's consent, which he is obliged to register in the records of received claims. The extension of the time limits for resolution of the claim shall be applied only once.

The inability of the consumer to deliver the packing to the seller cannot be a condition for the resolution of the claim or a reason for the refusal to restore the goods to conformity.

VII CONSUMER SAFETY

Liability for safety

Article 57

The goods and services placed on the market to be used or likely to be used by consumers must be safe and comply with the regulations that regulate safety.

Traders, who place the goods and services on the market, intended for consumers or likely to be used by consumers, shall comply with the safety requirements prescribed by special regulations.

Procedures in the event of violation of fundamental consumer rights

Article 58

If there is a reasonable doubt that the consumer right to safety has been violated or that consumer protection has been endangered by the goods and services hazardous to life, health, property and environment, or by the goods whose possession and use is illegal, the Minister in charge of consumer protection shall propose to the Government to promptly issue a decision on the urgent enforcement of unannounced coordinated inspections, conducted by the competent inspection authorities.

VIII. PRODUCT LIABILITY

Defect

Article 59

A product is defective when it does not provide the safety which is rightfully expected, taking all circumstances into account, including the advertising, the use which could reasonably be expected and the time when the product was put into circulation.

A product shall not be considered defective solely because a product of a higher quality was later put into circulation.

Right to compensation

Article 60

The injured person is entitled to compensation if they can prove the damage, the defect and the causal relationship between that defect and damage.

The injured person is entitled to compensation of moral damage in accordance with the general rules on civil liability.

Liability of the producer

Article 61

The producer shall be liable for damage caused by their defective product regardless of whether they knew about the defect or not.

Exemption from liability

Article 62

The producer shall not be liable for damage caused by a defective product if it proves that:

- 1) it did not put the product into circulation;
- 2) the defect that caused the damage did not exist at the time the product was put into circulation or that it came into existence afterwards;
- 3) the product was neither manufactured by the producer for sale or any form of distribution, nor manufactured in the course of its business;
- 4) the defect is due to the compliance of the product with mandatory regulations adopted by a competent body.

The producer of a component part shall not be liable if it can prove that the defect is attributable to the design of the product or to the instructions given by the producer.

The liability of the producer may be reduced or disallowed when the injured person, or any person for whom the injured person is responsible, has contributed to the occurrence of damage by his/her fault.

The liability of the producer of a defective product shall not be reduced when a third party partially contributed to the damage.

The liability of two or more persons for the same damage

Article 63

Where two or more persons are liable for the same damage, they shall be liable jointly and severally.

Unenforceable claims

Article 64

An expiration period of three years shall apply to proceedings for the recovery of damages, starting from the day the injured party became aware of the damage, the defect and the identity of the producer.

In any case, the rights of the injured person shall expire within the period of 10 years from the day the producer put the defective product into circulation.

Limitation and exclusion of liability

Article 65

The liability of the producer for damage caused by a defective product may not be limited or excluded by contractual provision.

IX. CONSUMER PROTECTION IN EXERCISING THE RIGHTS DERIVING FROM SERVICE CONTRACTS

Quality of material

Article 66

If it is agreed upon that the seller manufactures the object using their own material, and the quality of the material is not determined, the seller shall provide material of average quality.

The provisions of Articles 50 to 55 of this law are applied to the seller with regard to the quality of the material used.

Material supplied by the consumer

Article 67

The seller shall be liable for damage caused by a defect in material that was noticed or should have been noticed by the seller, if the seller fails to warn the consumer about defects in the material delivered to him.

If the consumer demands that the object is manufactured from the material whose defects were indicated by the seller, the seller shall proceed according to the consumer's demand, unless it is obvious that the material is not suitable for work or that manufacturing from such material would harm the reputation of the seller, in which case the seller may rescind the contract.

The seller shall warn the consumer about defects in their order and about other circumstances they are aware of, or should have been aware of, which may be of importance for the quality or timeliness of the performance; otherwise the seller shall be liable for damage.

Provided service

Article 68

The service is deemed to be provided, when the contracted work is completed.

If the object of the service is in the possession of the seller for the purposes of service delivery, the service shall be deemed provided when the object is returned to the consumer after the completion of the work.

If the period for service delivery is not agreed, the seller shall provide the service in the period required for the provision of a similar service.

The seller shall not be liable for a delay caused by the consumer's faulty behaviour.

Service provision

Article 69

Unless otherwise agreed, the seller shall acquire the material and spare parts necessary for the delivery of the service.

The seller shall carry out the work as agreed under the contract, by the rules of its profession and with professional diligence.

Delegating service provision to third party

Article 70

The seller may entrust the performance of the work to a third party, unless the contract or the nature of the work dictates otherwise.

In the case from Paragraph 1 of this Article, the seller shall be liable for the execution and conformity of the service.

Performing additional work

Article 71

If, during the provision of the service, additional work becomes necessary, the seller shall request the permission of the consumer to perform such work.

If the consumer cannot be reached within a reasonable time, the additional work may only be done if the costs charged for the work are minor in relation to the agreed price of the service, or in relation to the cost estimate given for the service.

If the consumer cannot be reached within a reasonable time, and if the maximum price was agreed under the contract; the price may not be increased due to the costs of performing additional work.

The seller shall notify the consumer about hazards to health or property from postponing additional work.

Supervision

Article 72

The seller shall enable the consumer to:

- 1) supervise the performance of the work;

2) give instructions as per the nature of work.

Should the seller fail in their duties under Paragraph 1 of this Article, it shall be presumed that there is a lack of conformity of the provided service with the contract.

Duty to inform

Article 73

Should it, either upon the conclusion of the contract or thereafter, become evident that the service, taking into account its price, the value and characteristics of the object of the service or other circumstances, evidently would not be appropriate from the point of view of the consumer, or that its price is much higher than the consumer may reasonably expect, the seller shall inform the consumer thereof without delay.

If the seller cannot inform the consumer about the facts under Paragraph 1 of this article within a reasonable time, or fails to issue the necessary instructions to the consumer, the seller shall interrupt the provision of the service unless it can be reasonably assumed that the consumer nevertheless wishes the service to be provided.

Should the seller fail in his duties under Paragraphs 1 and 2 of this Article, it shall be presumed that there is a lack of conformity of the provided service to the contract.

Price of the service

Article 74

The seller may demand payment for preliminary investigations of the contents or price of the services made at the request of the consumer, unless the consumer, on the basis of the practice prevailing in the field or on other grounds, had reason to presume that the preliminary investigations would be undertaken without charge.

The seller shall not be entitled to demand payment for the work or material lost or other additional costs if the subject of contractual obligation that was in possession of the seller is damaged, destroyed or otherwise lost without the fault of the consumer.

Cost estimate

Article 75

If the seller has given a cost estimate with an express guarantee of its accuracy, the final price may not exceed the estimate.

If the seller has given a cost estimate without an express guarantee of its accuracy, the final price may exceed the estimate by 15 per cent at the most, unless otherwise is agreed by the contracting parties.

The cost estimate shall be deemed to relate to the selling price charged for the service, unless otherwise agreed.

Should a dispute arise as to whether a quoted amount is to be deemed fixed price or a cost estimate, the burden of proof shall be borne by the seller.

Payment of the price and itemisation

Article 76

If the moment of payment for the service has not been agreed, the consumer shall pay the price after the performance of the service as laid down by Article 68 of this law.

The consumer shall not be obliged to pay the price before the supervision and acceptance of the provided service.

If the contractual obligation of the seller includes several separately charged services, the seller shall, upon the request of the consumer, provide a written itemisation on the basis of which the consumer may evaluate the determined prices for each of the services provided.

A consumer may refuse to pay for the service until receiving the itemisation under Paragraph 3 of this Article.

The consumer's failure to pay the price

Article 77

If the payment is delayed, due to the consumer failing to pay the price or a part of the price in advance, the seller may rescind the provision of the service until the price is paid.

The consumer shall immediately be notified by the seller of the termination of the service.

Should the interruption of the delivery cause a danger to health or a considerable hazard to property, the seller shall undertake the measures necessary to prevent the danger.

A seller who rescinds its performance under Paragraphs 1, 2 and 3 of this Article shall be entitled to compensation by the consumer for the extra costs thereby incurred.

Rescission due to breach of the terms of contract

Article 78

If during the provision of a service, the seller turns out to breach the terms of the contract or does not provide the services in accordance with the contract, in a way that may cause a lack of conformity of the results of the work to the contract, the consumer may warn the seller accordingly and assign an adequate time limit for conforming the work to the obligations.

Should the seller fail to act according to the consumer's demand within the time limit under Paragraph 1 of this article, the consumer may rescind the contract and claim damage.

Rescission prior to the expiry of the time limit

Article 79

If it is obvious that the seller cannot provide a service that is in conformity with the contract within the time limit, where the time limit is an essential element of the contract, the consumer may:

- 1) rescind the contract without leaving additional reasonable time required for the provision of the service;
- 2) request compensation for damage

If the seller is late in completing the work, where the contractual period is not an essential element of the contract, a consumer who has no interest in the provision of the service after expiry of the agreed period can:

- 1) rescind the contract, without leaving time required for the provision of the service;
- 2) claim damages.

Conformity of service

Article 80

The seller shall render the service in conformity with the services contract.

The service does not conform to the contract if:

- 1) the service, by its content, quality and purpose does not correspond with the information the seller has given when advertising the service, or otherwise before the conclusion of the contract;
- 2) the service contradicts the information the seller has given during the provision of the service, if such information may be deemed to have had an effect on the consumer's decisions;
- 3) it does not have special properties to fit the purpose required by the consumer, which the seller knew or must have known at the time of the conclusion of the contract;
- 4) it does not have the regular characteristics of services of the same type;
- 5) the service does not correspond to reasonable expectations, given the nature of the services and taking into account any public statements of the seller on the specific characteristics of the service, particularly in advertising;
- 6) the service, in its contents, quality and purpose, does not correspond to the description that a third party gave on behalf of the seller before the conclusion of the contract, through an advertisement or in a similar way.

The seller shall not be liable for the lack of conformity of the service if:

- 1) the seller did not know, or was not obliged to know that a third party gave the description on their behalf referred to under Paragraph 2 point 6) of this Article;
- 2) if the description under Paragraph 2 point 6) of this Article was corrected timely and adequately.

Liability for the lack of conformity

Article 81

Where the services do not conform to the contract, the consumer shall be entitled to demand that the seller provides a service that is in conformity to the contract.

Where performance of a service in conformity to the contract is impossible or unlawful or would cause the seller a disproportionate burden, the consumer may choose to demand a price reduction or to have the contract rescinded.

If the service does not conform to the contract, the provisions of Article 50 to 56 of this law shall apply with regard to consumer rights and the liability of the seller.

Liabilities of persons acting on order

Article 82

The seller shall be liable for services performed by persons acting under its order, as if the seller had performed them personally.

X. SERVICES OF GENERAL ECONOMIC INTEREST

Access to services of general economic interest

Article 83

The consumer has the right to be regularly and continuously supplied with services of general economic interest, of an appropriate quality at an affordable price.

In the procedure following the consumer's request for connection to a distribution network and further use of services, the trader shall:

- 1) in advance, introduce the consumer with all conditions for the use of services of general economic interest and publish these conditions;
- 2) not discriminate consumers;
- 3) calculate the price per the real cost of the provided services.

The trader providing the service of general economic interest shall maintain the quality of service in accordance with the law, special regulations and rules of profession.

The trader providing the service of general economic interest, as well as other entities that decide on consumers' rights and responsibilities with regard to services of general economic interest, shall establish advisory bodies that will include the representatives of registered consumer organisations and associations from Article 132 of this law, while the decisions shall be made in a transparent, objective, non-discriminatory manner, after receiving the opinion from the advisory body.

Vulnerable consumer

Article 84

Vulnerable consumer is a consumer that, due to economic or social position, living conditions, special needs or other difficult personal circumstances acquires or uses a product or service under particularly difficult conditions, or is excluded from the use of a product or provision of a service.

The criteria for defining vulnerable consumers and the specific conditions for the provision of services of general economic interest to vulnerable consumers in individual areas of services of general economic interest shall be set by the Government, upon the proposal of the Minister competent for the respective area.

Programs for the protection of vulnerable consumers in services of general economic interest

Article 85

Programs developed in the area of services of general economic interest define the measures and instruments aimed at providing vulnerable consumers with effective protection, in particular with regard to accessibility, availability, disconnection from the distribution network or withholding services, pricing, information, consumer advice, and assistance to consumers in resolving consumer issues.

The Government shall issue a program for the protection of vulnerable consumers in individual areas of services of general economic interest at the proposition of the Minister competent for the respective area.

Protection against suspension of the provision of services

Article 86

The trader may suspend the provision of services of general economic interest if the consumer fails to settle his current liabilities for provided services for two months from the maturity date of the first unpaid bill.

Prior to the suspension under Paragraph 1 of this Article, the trader shall notify the consumer in writing or electronically:

- 1) about the consumer's obligations under the contract;
- 2) to pay due obligations within a deadline that may not be shorter than 30 days from the date of delivery of this notification.

If the consumer contests the existence or scope of the obligation from Paragraph 1 of this Article, and continues to pay subsequent bills for the same service, the trader is not allowed to disconnect the consumer from the distribution network and suspend the supply of a service of general economic interest until the completion of court proceedings initiated by the trader and the subject of which is the disputed liability.

In the case of the suspended provision of a service, the trader shall be obliged to resume the provision of a service to the consumer within 2 days of receiving payment for outstanding debts.

No suspension of heating services or the supply of electricity or gas the consumer needs for heating shall be allowed during the winter months if there is a consumer who is vulnerable because of their age, handicap or illness in the household.

The trader shall not be allowed to authorise another legal or natural person to address the consumer for the purpose of realising contractual claims, without the consumer's prior express consent given in person, by telephone, fax, post, e-mail or other means of distance communication,

The prohibition from Paragraph 6 of this Article shall apply according to sales and service contracts.

In the case of the disconnection of the consumer from the distribution network, or the suspension of the supply of services of general economic interest, the trader shall not be allowed to condition the consumer to settle the barred debt in order to reconnect him to the distribution network or continue the provision of services.

Pre-contractual information

Article 87

Prior to the conclusion of any contract for the provision of services of general economic interest, and in addition to other information duties of the trader laid down in Article 13 of this law and other regulations, the trader shall provide the consumer with the following information:

- 1) the consumers' right to be supplied with a service of general economic interest of a specified quality at an affordable price;
- 2) special discounts and packages, with a clear indication of conditions thereof;
- 3) criteria for acquiring the vulnerable consumer status, special conveniences intended for vulnerable consumers and the modalities of their fulfilment;
- 4) the amount of the tariff covering connection charges, all types of usage charges including details of standard discounts applied and special and targeted tariff schemes, and the timeframe for connection to the supply network;
- 5) the means by which up-to-date information on all applicable tariffs and maintenance charges may be obtained;
- 6) the right of the consumer to change the provider of a service of general economic interest without additional charge;
- 7) any compensation and refund arrangements that apply if the contracted service quality levels are not met;
- 8) reference to any possible out-of-court consumer dispute resolution system;
- 9) terms and procedures for changing contractual terms and the right to rescind the contract before the expiry of the contractual deadline;
- 10) the availability of and conditions and kinds of fees for maintenance services, if the trader offers a maintenance service.

Prior to the conclusion of the contract, the consumer must be provided with all the relevant documentation, including the text of the contract, in a written form or on a durable medium.

Further information duties of the trader

Article 88

The trader shall notify the consumer directly of any change in charges, not later than 30 days before the changes come into effect.

The trader shall notify the consumer about any change in the pricing methodology and the general contract terms publicly and in advance, not later than 30 days before the changes come into effect.

Where changes in the pricing methodology and in prices for the provision of services of general economic interest are subject to prior approval or consent from a holder of public authority, the trader shall inform the consumer about the changes publicly and in advance, not later than 30 days before the changes come into effect.

Right to withdraw

Article 89

The consumer has the right to withdraw from a contract for the provision of services of general economic interest if he/she does not agree with the trader's modifications of price, tariffs or the standard contract terms stated in the trader's notification, or the quality of provided services.

The consumer is obliged to pay for the services delivered prior to the withdrawal.

Right to change the service provider

Article 90

The trader shall be obliged to allow the consumer to conclude a contract with another trader that provides services of general economic interest of the same type, without paying any charge and additional expenses.

The period within which the trader shall be obliged to allow the consumer to conclude the contract under Paragraph 1 of this Article shall not be longer than a month from the day the trader is informed about such intention, unless otherwise stipulated by law.

If the contract on the provision of services of general economic interest is concluded for a fixed term, the date of the contract expiry must be indicated on every bill.

Billing itemisation

Article 91

The trader shall enclose bills for provided services of general economic interest without delay and in terms that facilitate the consumer to monitor the consumption and charge for a calculation period of no more than one month.

In the bill for the provided services of general economic interest, the trader shall state elements enabling the consumer to:

- 1) verify and monitor the amount of incurred charges;
- 2) adequately monitor their consumption and thereby exercise a reasonable degree of control over their expenditure in relation to the quality of the service rendered.

The trader shall deliver detailed billing itemisation to the consumer at no charge upon their request.

When the consumer is delayed, charges for late payments must be cost-related and the trader must not calculate an interest rate on outstanding debts contrary to the mandatory norms, especially the law regulating the amount of the default interest rate.

The service of reading measuring units for the purpose of billing shall be free of charge.

Services that are free of charge to the user should be identified on the bill so that consumers are made aware of their existence.

Special procedures for receiving claims

Article 92

In addition to conditions under Article 56 of this law, the traders providing services of general economic interest shall install easily accessible and free-of-charge help-lines to help consumers contact the trader without difficulties regarding connection problems, quality and the usage of services of general economic interest.

The traders providing services of general economic interest shall establish commissions for the resolution of consumer claims which must include the representatives of registered consumer organisations and associations referred in Article 132 of this law.

XI. CONSUMER RIGHTS SPECIFIC TO CONTRACTS IN PACKAGE TOUR AND TIMESHARINGS

1. Consumer rights specific to contracts in package tour

Pre-contractual information

Article 93

The organiser of the package travel (hereinafter referred to as the organiser) or the retailer of the package travel (hereinafter referred to as the retailer) shall, within a reasonable time and before the conclusion of a package tour contract, provide the consumer with information, in the Serbian language, on following:

- 1) the selling price of the package, including all taxes and additional costs such as landing, embarkation or disembarkation fees or tourist taxes;
- 2) the total amount the consumer must pay before the start of a package tour, the payment schedule, the amounts of the forthcoming instalments of price;
- 3) the destination, the means, characteristics and categories of means of transport, and the dates, times and points of departure and return;
- 4) times and places of the temporary stops, types of transport and features of the means of transport and equipment and the degree of comfort of the means of transport and services provided in the means of transport;
- 5) the accommodation (location, type, category and features of the tourist facility under the rules of the host state), accommodation unit (room, apartment, studio, equipment, comfort level and other features);

- 6) the number, type, features and way of serving the meals;
- 7) visits, excursions or other services that are included in the selling price agreed for the package tour;
- 8) the optional conclusion of an insurance policy to cover the cost of the cancellation of a package tour by the consumer in the event of accident or illness, or the costs of assistance and return from a package tour;
- 9) information required for the realisation of a package tour, travel documents and the deadlines for obtaining the necessary visas, as well as customs and administrative formalities;
- 10) detailed and up-to-date information on health formalities required for the package tour and the stay, and complete health recommendations;
- 11) conditions for the realisation of a package tour, number of passengers and period for informing the consumer on the termination of the contract on a package tour, in the case of an insufficient number of passengers;
- 12) the name, business name and the headquarters of the organiser or retailer, for the service of court summons;
- 13) the name and headquarters of the person who concluded the contract on travel guarantee in the event of insolvency.

Information on the organiser's local representative, or of local agency whose assistance a consumer in difficulty could call on, and an emergency telephone number and other information that will enable contracting the organiser directly, shall be enclosed by the organiser or retailer at the conclusion of the contract on a package tour and not later than by the beginning of the package tour.

Information on the obligation to enclose details that allow direct contact with a minor that travels or spends time abroad without the parents' or guardian's escort and on the name, address and phone number of a person responsible for the minor in the place of abode abroad, shall be provided to the consumer by the organiser or retailer before the conclusion of the contract on a package tour and not later than 14 days before the beginning of the package tour.

In addition to Serbian, pre-contractual information may be provided in another language as well.

Accessibility of information

Article 94

The information referred to in Article 93 of this law shall be provided to the consumer in a clear and comprehensible manner:

- 1) free of charge;
- 2) in writing, on paper or another durable medium easily accessible to the consumer;
- 3) in letters and numbers of the same size as the rest of the contract.

In the case of booking a package tour using means of distance communication, the organiser or retailer shall make the information referred to in Article 93 of this law permanently accessible to the consumer during the duration of reservation.

The burden of proof concerning the fulfilment of the obligation under Article 93 shall be borne by the organiser or retailer.

Advertising and offering for sale

Article 95

In advertising regarding a package tour and offering for sale, the organiser or retailer shall inform the consumer about the right to be informed on the data referred to in Article 93 of this law and the procedure for obtaining that information.

If the organiser or retailer offers a package tour contract to the consumer during a promotion or sales event, the organiser or retailer shall clearly indicate the commercial purpose and the nature of the event, and shall make available to the consumer the information referred to in Article 93 of this law at any time during the promotion or sales event.

Formal requirements for concluding a package tour contract

Article 96

The package tour contract shall be concluded in writing, obligatory in the Serbian language, and if the contracting parties have agreed so, in the second language as well, on paper or on another durable medium.

The consumer shall receive from the organiser or retailer, after the conclusion of the contract on a package tour, at least one copy of the signed contract.

In the event of the conclusion of a package tour contract, the information referred to in Article 93 of this law shall form an integral part of the contract, shall bind the organiser and shall not be altered unless the parties expressly agree otherwise, or unless the changes are a consequence of force majeure.

The organiser or retailer shall communicate to the consumer any change of information referred to in Article 93 of this law in reasonable time, prior to the conclusion of a package tour contract, in writing, on paper or on another durable medium easily accessible to the consumer.

In the case of booking a package tour using means of distance communication by the consumer, the organiser or retailer shall communicate to the consumer any change in the information referred to in Article 93 of this law, in reasonable time, prior to the conclusion of the package tour contract using means of distance communication by which the consumer has made the reservation.

The organiser or retailer shall expressly mention in the package tour contract any change in the information referred to in Article 93 of this law that has occurred from informing the consumer on certain details until the conclusion of the contract.

In addition to the information referred to in Paragraph 3 of this article, the package tour contract shall also contain:

- 1) special requirements of the consumer to which the organiser has agreed;
- 2) address, procedure and time limits for filing consumer complaints as well as the time limit for resolving consumer complaints;
- 3) the name and address of the organiser or retailer and the name and the address of the consumer and insurer;

- 4) date and place of the conclusion of the package tour contract, and the signatures of the contracting parties;
- 5) the conditions under which the consumer is entitled to withdraw from the contract regulated by this article.

If the organiser concludes a contract on a package tour through a retailer, the name and address of the retailer must be explicitly stated in the contract.

The replacement of a consumer with another person

Article 97

The consumer may pass the right to use the contracted services, before the start of the package tour, to a third party who fulfils special conditions specified for the respective package tour.

In the case under Paragraph 1 of this article, the organiser may only request compensation of expenses resulting from the replacement.

In order to pass on the right to use the contracted services to a third party, the consumer has to inform the organiser about the intended replacement of a reservation within a reasonable time before the departure.

The consumer guarantees to the organiser the settlement of any liabilities towards him/her and for any additional costs arising from the replacement of reservation.

Alteration of the contract prior to departure

Article 98

If, before the date of departure agreed upon under the contract, the organiser is forced to alter any of the essential contract terms, such as the price, destination, vehicle, the characteristics or category of transport, date, type, location, category or comfort level of the accommodation, organiser or retailer shall communicate the alterations to the consumer without delay, in writing or on a durable medium easily accessible to the consumer.

In the case of booking a package tour through means of distance communication, the organiser or retailer shall communicate the alterations under Paragraph 1 of this article to the consumer using the means of distance communication that were previously employed to make the reservation.

The consumer may accept the changes of the contract referred to in Paragraph 1 of this Article including the change of the selling price of the package tour or rescind the package tour contract.

The consumer shall, not later than 3 days from the day he received the notification, however not later than the departure date, inform the organiser or retailer of the decision under Paragraph 3 of this article without delay and in writing, on paper or another durable medium, or using the means of distance communication previously employed to make the reservation.

In the event of the rescind of the contract in accordance with Paragraph 3 of this article, the organiser or retailer, shall reimburse the consumer in full, without any deductions.

Withdrawal

Article 99

Prior to the commencement of the package tour, the consumer may withdraw from contract, entirely or partially, at any time.

Should the consumer withdraw from the contract prior to the commencement of the package tour within a time limit that qualifies as reasonable with regard to the kind of package travel (timely withdrawal), the organiser shall only be entitled to the reimbursement of the incurred administrative expenses.

In the case of an untimely withdrawal from a contract, the organiser may request from the consumer compensation as a percentage of the price of the package travel, which shall be determined in proportion with the time left before departure, and which must be justified economically.

If the consumer withdraws from the contract due to circumstances he/she could not avoid or remove and that, in the case of their existence at the time of the conclusion of the contract, would be a justified reason for the contract not to be concluded, and if the consumer, organiser or retailer provide an adequate replacement, the organiser only has the right to compensation of the actual expenses.

Circumstances referred to in Paragraph 4 of this article are the sudden illness or death of the passenger or his immediate family member; natural disaster; official announcement of the state of emergency in the country of destination.

Organiser and consumer's rights and responsibilities in the event of rescission, non-execution or partial execution of the travel contract

Article 100

If, before the date of departure agreed upon in the contract, the consumer rescinds the contract pursuant to Article 98 of this law, or if the organiser rescinds the contract for whatever reason other than the fault of the consumer, the consumer shall be entitled to opt for one of the following:

- 1) to accept a substitute package tour of equivalent or higher quality and pay the difference in price;
- 2) to accept a substitute package tour of lower quality, in which case the organiser shall refund the difference in price to the consumer;
- 3) to request to be reimbursed for all the sums paid to the organiser under the contract on the package tour.

The organiser shall compensate the consumer for the costs resulting from the rescission, except where:

- 1) the rescission is on the grounds that the number of persons enrolled for the package is lower than the minimum number required, but only if the organiser informed the consumer, prior to the contract conclusion, of the condition of the minimum number of persons required for the package tour to take place and with a five-day deadline at most until the day of the start of the package tour for informing the consumer in the event of rescission;
- 2) the contract rescission due to the impossibility of the performance of contractual obligations for which none of the parties is responsible, where overbooking shall not qualify as impossibility of performance.

Special rights of students or pupils

Article 101

In the case of organising stays for pupils or students for schooling, that is studies abroad, the organiser shall provide lodging, supervision and care for the student or pupil with a host family or other adequate accommodation, in cooperation with the student or pupil and in accordance with the relevant standards.

The organiser shall arrange the possibility of regular university, school or training attendance for the student or pupil during their stay in the host country abroad.

The organiser or retailer shall inform the consumer, not later than 14 days prior to the departure, of the name, address and telephone number of the host family and the name, address and telephone number of a person responsible at the place of stay who may be referred to for assistance by the pupil or student while staying abroad.

The organiser or retailer shall provide the pupil or student with the required information concerning the culture, habits and way of life in the host country.

If the organiser or retailer has failed to fulfil the obligations under Paragraphs 3 and 4 of this article, the consumer shall be entitled to rescind the contract prior to departure at no cost.

The burden of proof concerning the fulfilment of the obligations under Paragraphs 3 and 4 of this Article shall be borne by the organiser or retailer.

The consumer is entitled to rescind the contract at any time prior to departure. If the consumer rescinds the contract after departure, the organiser shall arrange for the repatriation of the student or pupil to the place of departure.

The organiser has the right to the reimbursement of the costs of the repatriation of the student or pupil, if the consumer rescinds the contract after departure due to reasons that cannot be attributed to the organiser or retailer.

1. Conformity of the package tour

Liability

Article 102

The organiser shall provide the consumer with the package tour in a way that was concluded and in accordance with the information given to the consumer, as provided under Article 93 of this law.

The package tour is in conformity with the contract if it has the warranted characteristics or if it is suitable for customary use or for the use assumed under the contract.

The organiser is responsible for the conformity of service, including services rendered to the consumer by a third party (providers of transport, lodging, nutrition and entertaining, or cultural, sports or other programs for leisure).

The provisions of Articles 80 to 82 of this law shall apply to the organiser's liability for the conformity of package travel, unless otherwise stipulated.

Immediate relief in the case of a lack of conformity

Article 103

Where, after departure, the organiser finds that services conforming to the contract are not being provided, or will be unable to provide them, the organiser shall offer the consumer suitable alternative arrangements for the continuation of the package tour at no extra cost for the consumer, and shall compensate the consumer for any difference between the price of the services agreed upon and those actually supplied.

If the provision of the service under Paragraph 1 of this article is not possible or if the consumer does not accept it for good reasons, the organiser shall compensate the consumer for the costs resulting from the alterations after departure, and provide the consumer, at no extra cost, with adequate means of transport to return to the place of departure, or to another return-point to which the consumer has agreed.

If the organiser fails to provide the consumer with services under Paragraph 1 of this article or to provide the consumer with adequate means of transport to return to the place of departure, or to another return-point to which the consumer has agreed, the consumer may:

- 1) acquire suitable alternative services at his/her own expense;
- 2) return with adequate means of transport to the place of departure or another place agreed with the organiser.

In the case under Paragraph 3 of this article, the consumer may claim the reimbursement of the expenses from the organiser.

Right to price reduction

Article 104

The organiser, the organiser's local representative, or the local agency the consumer has been advised by the organiser or retailer to call in the case of inconvenience, shall make prompt efforts to:

- 1) address any complaints during the execution of the package tour;
- 2) remedy any departure from the contract that the consumer points out.

If the notified departure from a package tour contract was not remedied on the spot, the consumer shall be entitled to have the price proportionally reduced.

If the notified departure from the package tour contract that was not remedied on the spot amounts to non-performance or partial performance in relation to the scope and quality of the services agreed upon under the contract, the consumer shall be entitled to have the paid cost for the package tour reimbursed.

The reduction of the price shall be precluded if the consumer negligently fails to notify the discrepancy between provided and contracted services.

Rescission due to lack of conformity

Article 105

If the rendered package tour is not in conformity with the contract, the consumer may demand that the organiser remedy the observed failures in a reasonable period of time.

If the organiser fails to procure relief for the lack of conformity within a reasonable time in accordance with Article 103, the consumer shall be entitled to rescind the contract.

The consumer shall not be obliged to allow a reasonable period of time for the organiser to remedy the lack of conformity if:

- 1) suitable alternative arrangements are impossible, or if the organiser has explicitly refused to provide the consumer with another appropriate service;
- 2) they have no interest in remedying the lack of conformity.

The costs of transport back to the place of departure, or to another return-point to which the consumer has agreed, and other extra costs in relation to the rescission shall be borne by the organiser.

Impossibility of performance

Article 106

Should the performance of the organiser become impossible due to an event for which none of the parties is responsible, the consumer's obligation shall be terminated as well.

If, in the case under Paragraph 1 of this article, the consumer has performed a portion of the contract obligations, the consumer may request restitution from the organiser in accordance with the rules on unjust enrichment.

The costs of transport back to the place of departure, or to another return-point to which the consumer has agreed, shall be borne by the parties to the contract in equal shares, while other extra costs in relation to the termination of the contract shall be borne by the consumer.

Liability for damage

Article 107

The consumer may demand reimbursement for damage, including immaterial loss, caused by the non-performance, partial performance or delay in performance of obligations arising from the package tour contract, irrespective of whether such obligations are to be performed by the organiser or by a third party, who is supposed to fulfil the obligations from the package tour contract on behalf of the organiser.

If in the case under Paragraph 1 of this Article, the consumer requests compensation for damage from the organiser because a third person that is supposed to fulfil the obligation from the package tour contract on behalf of the organiser has not fulfilled it or has fulfilled it partially or is late, the organiser may demand a refund of the paid amount from the third party.

The organiser shall be released from the liability under Paragraph 1 if it proves that the non-performance, partial performance or delay in performance was caused by the consumer's intentional or grossly negligent behaviour.

Guarantees in the event of insolvency

Article 108

The organiser is obliged to obtain a prescribed travel guarantee in the event of insolvency, which may be an insurance policy or a bank guarantee.

If the organiser or retailer fails to provide the consumer with the insurance policy or a copy of a bank guarantee, or the information on the travel guarantees in accordance with the law, the consumer is entitled to withdraw from the contract and receive full reimbursement for the paid amount, without any deduction.

Complaint handling and cut-off period

Article 109

The consumer shall notify the organiser, the organiser's local representative or the local agency the consumer has been advised to call by the organiser or retailer in the event of inconvenience, of any failure in the performance of the contract on a package tour perceived on the spot within one month from the detection of the deficiency, in writing, on paper or in another appropriate manner.

The organiser or retailer shall inform the consumer before departure, in a clear and comprehensible manner, in writing, on paper or on another durable medium easily accessible to the consumer, of the consumer's duty to notify referred to in Paragraph 1 of this article and of any possible consequences of a failure to notify.

The organiser shall provide to the consumer a convenient and accessible means of communication with the person responsible for receiving consumer complaints during the execution of the package tour.

If the organiser fails to fulfil the duty in accordance with Paragraphs 2 and 3 of this Article, the consumer's failure to notify the organiser, the organiser's local representative or the local agency the consumer has been advised to call by the organiser or retailer in the event of inconvenience, of any failure in the performance of the contract on the package tour perceived on the spot, shall not influence the validity of the consumer's complaint or any of their further requests.

The consumer shall be precluded from exercising their rights under Article 101 of this law for a reduction in price, Article 105 for contract rescission and Article 107 for the reimbursement of damage if the consumer fails to inform the organiser in time about deficiencies of the provided services, unless the consumer failed to comply with the time limit from Paragraph 1 of this Article without being at fault.

2. Timesharing, long-term holiday product, resale and exchange contracts

Pre-contractual information

Article 110

Within a reasonable time before a timesharing, long-term holiday product, resale or exchange contract is concluded, the trader shall provide the consumer with accurate and full information listed in the standard information forms for timeshare contracts, long-term holiday product contracts, resale contracts and exchange contracts.

The standard information forms referred to in Paragraph 1 of this Article shall be provided by the trader free of charge, in writing, on paper or on another durable medium easily accessible to the consumer, in a clear and comprehensible manner.

The standard information forms for timesharing contracts, long-term holiday product contracts, resale contracts and exchange contracts, shall be regulated by the Government, following the joint proposal of the Minister and the Minister in charge of tourism.

The standard information forms must be written in the Serbian language. The forms may, in addition to Serbian, be written in the second language as well, if the contracting parties agree so.

Advertising

Article 111

Any advertising or offering by the trader regarding timeshare, long-term holiday product, resale or exchange contracts shall indicate the possibility and procedure of obtaining the information referred to in Article 110 of this law.

If a timeshare, long-term holiday product, resale or exchange contract is offered for sale to the consumer in person, at a promotion or sales event, the trader shall clearly indicate the commercial purpose and the nature of that event.

Information referred to in Article 110 of this law shall be available to the consumer at any time during the promotional or sales event.

A timeshare or long-term holiday product shall not be marketed or sold as an investment.

Formal requirements in respect of contract formation

Article 112

Timeshare, long-term holiday product, resale or exchange contracts shall be concluded in writing, mandatory in Serbian and if the contracting parties agree, in the second language as well, on paper or on another durable medium.

After signing a timeshare, long-term holiday product, resale or exchange contract, the trader shall provide at least one copy of the signed contract to the consumer.

In the case of the formation of a timeshare, long-term holiday product, resale or exchange contract, information referred to in Article 110 of this law shall form an integral part of the contract, obliging the trader, and they shall not be altered unless the parties expressly agree otherwise, or unless the changes are a consequence of force majeure.

The trader shall communicate to the consumer any change of information referred to in Article 110 of this law in reasonable time, prior to the conclusion of a contract, referred to in Paragraph 1 of this article, in writing, on paper or on another durable medium easily accessible to the consumer.

The trader shall expressly mention in the contract, referred to in Paragraph 1 of this article, any change in the information referred to in Article 110 of this law that has occurred between informing the consumer about certain details and the conclusion of the contract.

A timeshare, long-term holiday product, resale or exchange contract, in addition to information required under Article 110 of this law, the change of data must contain:

- 1) information on the date and place of contract formation;

- 2) name, address and signature of the consumer;
- 3) name, address and signature of the trader, or the name, address and signature of the authorised person of the trader.

Within a reasonable time, prior to the formation of the contract, the trader shall expressly inform the consumer on:

- 1) the consumer's right of withdrawal;
- 2) the period within which the consumer can withdraw from the contract;
- 3) prohibition of advance payment prior to the expiry of the period within which the trader can withdraw from the contract.

In the case of the contract conclusion, the information from Paragraph 7 of this article shall be the integral part of the contract and the consumer must sign the contract clauses regarding consumer rights under Paragraph 7, separately from the contract.

A timeshare, long-term holiday product, resale or exchange contract shall include a separate standard withdrawal form.

The separate standard withdrawal form for a timeshare, long-term holiday product, resale or exchange contract shall be regulated by the Government, following a joint proposal of the Minister and the Minister in charge of tourism.

Right of withdrawal

Article 113

The consumer has a period of fourteen days from contract formation to withdraw from a timeshare, long-term holiday product, resale or exchange contract or a binding preliminary contract, without giving any reason.

In the case of the concurrent formation of a timeshare and an exchange contract, the withdrawal period shall apply from the day of the receipt of the concluded timeshare and exchange contract.

Extension of the withdrawal period

Article 114

If the trader fails to enclose a withdrawal form for the consumer in writing, on paper or on another durable medium, the consumer may withdraw from a time sharing contract or binding preliminary contract, long-term holiday product contract or binding preliminary contract, resale contract or binding preliminary contract, and an exchange contract or binding preliminary contract within the period of a year and 14 days from the day of receipt of the concluded contract or the binding preliminary contract.

If the trader encloses a withdrawal form for the consumer for a timeshare, long-term holiday product, resale or exchange contract before a year has passed since the receipt of the concluded contract or the binding preliminary contract, the withdrawal period begins from the day the consumer receives the withdrawal form.

If the trader fails to communicate to the consumer the information under Article 110 of this law in writing, on paper or on another durable medium, the consumer shall be entitled to withdrawal from the contract or the binding preliminary contract on timeshare, long-term holiday product, resale or exchange within the period of three months and fourteen days from the day of the receipt of a copy of the concluded contract or preliminary contract.

If the trader communicates to the consumer the information under Art. 110 of this law before the expiry of the period of three months from the day of the receipt of the concluded contract on a timeshare, long-term holiday product, resale or exchange, the withdrawal period begins on the day of the receipt of the notification.

Exercising the right of withdrawal

Article 115

The statement through which the consumer withdraws from a timeshare, long-term holiday product, resale or exchange contract has legal effect if it is communicated in writing, on paper or on another durable medium.

The statement referred to in Paragraph 1 of this Article can be communicated by the consumer to the trader on the withdrawal form.

The statement referred to in Paragraph 2 of this Article shall be deemed communicated on time if it is sent before the expiry of the withdrawal period.

Legal effects of the withdrawal

Article 116

The exercise of the right of withdrawal from a timeshare, long-term holiday product, resale or exchange contract shall terminate the obligation of the contracting parties to perform or conclude a contract.

Where the consumer exercises the right of withdrawal from the timeshare, long-term holiday product, resale or exchange contract, the consumer shall neither bear any cost nor be liable for any value corresponding to services that may have been provided prior to withdrawal from a contract or preliminary contract.

Advance payment

Article 117

In relation to timeshare, long-term holiday product, resale or exchange contracts, any arrangement of advance payment, provision of payment guarantees, reservation of money on accounts, explicit acknowledgement of debt or any other consideration to the trader or to any third party by a consumer is prohibited before the expiry of the withdrawal period.

In relation to the resale contract, any arrangement of advance payment, provision of guarantees, reservation of money on accounts, explicit acknowledgement of debt or any other consideration to the trader or to any third party by the consumer is prohibited before the conclusion of a timeshare contract, or before the trader has otherwise fulfilled all the obligations under the resale contract.

Contract on long-term holiday products

Article 118

For a long-term holiday product contract, payment shall be made according to a staggered payment schedule, setting out equal amounts of instalments of price for each year of the duration of the contract.

Any payment contrary to Paragraph 1 of this Article shall be prohibited.

The total amount of the consumer's liabilities, including any membership fee, shall be divided into equal yearly instalments.

The trader shall send the consumer a request for the payment of any instalment in writing, on paper or on another durable medium, not later than fourteen days before the instalment becomes due.

After the payment of the first instalment, the consumer may withdraw from the contract on long-term holiday products without incurring any interest by giving a withdrawal notice to the trader within fourteen days of the receipt of a request for the payment of an instalment.

Termination of ancillary contracts

Article 119

If the consumer exercises the right to withdraw from the timeshare, long-term holiday product, resale or exchange contract, any ancillary contracts are automatically terminated without any cost for the consumer, including contracts on loans, regardless of whether the trader or a third party has granted the loan to the consumer.

If the loan has been granted by a third party, the trader shall be obliged to inform the creditor that the consumer has withdrawn from the timeshare, long-term holiday product, resale or exchange contract.

The resale of timeshare and long-term holiday product contracts

Article 120

The trader shall be obliged to advise and support the consumer if the latter intends to resell a timeshare contract or long-term holiday product contract.

If the trader does not provide sufficient advice and support to the consumer in the manner referred to in Paragraph 1 of this Article, the consumer may request the trader to buy back a timeshare contract or long-term holiday product.

Guarantees in the event of insolvency

Article 121

The provisions of Article 108 of this law shall apply to guarantees of the trader for services under timeshare, long term holiday product, resale or exchange contracts that have not been performed due to the insolvency of the trader.

Joint liability

Article 122

The trader, persons taking part in the sale of timesharing under the trader's order, persons entrusted by the trader to perform tasks under the timesharing contract, other traders in the chain of sale of timesharing, as well as intermediaries, shall be jointly liable to the consumer for the performance under the contract and for the legal consequences of the non-performance of the contractual obligations.

XII. THE STRATEGY AND SYSTEM OF CONSUMER PROTECTION

The Strategy for Consumer Protection

Article 123

The Strategy for Consumer Protection (hereinafter referred to as the Strategy) regulates long-term objectives and activities necessary for the comprehensive implementation of the consumer protection policy and an action plan for the realisation of the Strategy.

Upon a proposal by the Ministry, the Government adopts the Strategy.

Institutions in charge of consumer protection

Article 124

The institutions in charge of consumer protection are the National Assembly of the Republic of Serbia, the Government, the Ministry, the National Council for Consumer Protection, other ministries and regulatory bodies with competences in the area of consumer protection, the autonomous province and local self-government authorities, and consumer organisations and their associations.

The consumer protection institutions from Paragraph 1 of this Article mutually cooperate on the implementation of the Strategy and the Action Plan and with the purpose of improving consumer protection

Cooperation in the area of consumer protection

Article 125

Chambers of commerce, chambers of professionals and trader's organisations shall encourage and promote consumer protection, in particular among their members.

Chambers of commerce, chambers of professionals and trader's organisations shall cooperate with the institutions in charge of consumer protection referred to in Article 124 of this law with a view to improving consumer protection.

Activities of the Ministry

Article 126

The Ministry shall perform the following tasks:

- 1) consumer protection policy making;
- 2) conduct the proceeding and issue measures for the protection of the collective interest of consumers;
- 3) file a request for the initiation of a misdemeanour procedure for the violation of collective interest of consumers.
- 4) integration of consumer protection policy in other state policies;
- 5) cooperation and coordination with institutions in charge of consumer protection from Article 124 of this law, as well as other entities involved in consumer protection;
- 6) improvement of the legal framework for consumer protection and harmonisation with the European Union legislation in the consumer protection area;

7) ensuring the implementation of regulations and coordination of market surveillance in the consumer protection area;

8) drafting and submitting the Strategy for Consumer Protection and the Action Plan for the implementation of the Strategy to the Government for adoption;

9) monitoring and evaluating the success in the implementation of the Strategy for Consumer Protection;

10) carrying out professional and administrative tasks for the needs of the National Council for Consumer Protection;

11) support the establishment and coordination in development of the bodies for out-of-court dispute resolution;

12) support for the operation and development of organisations and associations;

13) cooperation with provincial and local self-government authorities in relation to the development of consumer protection on the provincial and local levels;

14) cooperation with institutions dealing with consumer protection on the regional and international levels;

15) the encouragement and implementation of educational and information activities aimed at raising the awareness of consumers and the public about the consumer rights and the consumer policy;

16) cooperation with the ministry in charge of education on the elaboration of consumer protection educational programs intended for primary and secondary school pupils;

17) the promotion of research and scientific projects in the area of consumer protection;

18) conduct operation and surveillance of the Consumer Complaints Register established in accordance with Article 139 of this law;

19) monitor the market with regard to unfair commercial practices and unfair terms in consumer contracts;

20) provide an opinion and recommendation on the existence of unfair commercial practices and unfair terms in consumer contracts;

21) encouraging the adoption of code of good commercial practice by the chambers of commerce, chambers of professionals and trader's organisations.

National Council for Consumer Protection

Article 127

For the purpose of improving the consumer protection system and promoting cooperation among the institutions in charge of consumer protection and other entities involved in consumer protection, the Government is establishing a national Council for Consumer Protection (hereinafter referred to as the National Council).

The National Council shall especially perform the following tasks:

1) participate in the drafting of the Strategy;

- 2) report to the Government about the situation in the field of consumer protection and the implementation of the Action Plan for the implementation of the Strategy;
- 3) recommend measures and activities for the improvement of consumer protection;
- 4) give opinions and recommendations on issues in the consumer protection area to the institutions in charge of consumer protection;
- 5) inform the public about its work and consumer protection issues.

Composition of the National Council for Consumer Protection

Article 128

The National Council shall consist of representatives of the Ministry and other state bodies and holders of public offices, registered organisations and associations, chambers of commerce, chambers of professionals, and other participants in the market, as well as independent experts in the field of consumer protection.

The representatives of the Ministry, ministries in charge of food safety, product safety, health, energy, telecommunications, justice, finance, tourism and environmental protection shall be the mandatory members of the National Council.

Representatives of registered organisations and their associations account for at least one third of the total members of the National Council.

Members of the National Council coming from registered organisations and associations are proposed by the Consumer Council referred to in Article 138 of this law, within 30 days from the receipt of the Ministry's request.

The National Council shall be chaired by the Minister.

Activities of the autonomous province and local self-government authorities

Article 129

The autonomous province and local self-government unit authorities shall undertake activities under their competence with the purpose of improving consumer protection, in particular:

- 1) support activities of organisations and associations, in particular in relation to ensuring funding, adequate premises and other necessary conditions for work
- 2) encourage and support activities directed to consumer protection, in particular the provision of information, advice and education for consumers;
- 3) instigate and support the participation of consumer representatives in all bodies where decisions are made on the provincial and local levels in areas of importance for consumers, such as services of general economic interest;
- 4) plan and implement activities in the area of consumer protection on their territory in line with the Strategy;
- 5) support the establishment and operation of bodies for out-of-court resolution of consumer disputes on their territory;

The autonomous province and local self-government authorities shall submit an annual report to the Ministry about the implemented activities on the improvement of

consumer protection in accordance with items 1 through 5 of this Paragraph, not later than 15 March each year for the previous calendar year.

Organisations and associations

Article 130

Consumer organisations and their associations, within the meaning of this law, shall be organisations or associations established in accordance with the law regulating the establishment and the legal status of associations of citizens, which meet the following conditions:

- 1) have consumer protection as the area of goal accomplishment;
- 2) they are non-profit and independent, especially in relation to traders and political parties;
- 3) a person in a managing position in an organisation or association shall not be:

(1) a person employed in a state-run institution or a state-run regulatory body, or in a body of the provincial or local self-government dealing with consumer protection issues;

(2) a person in a managing or supervisory position with the trader or in a trader's organisation;

(3) a person in a managing or supervisory position in a political party.

Activities of organisations and associations

Article 131

Organisations and associations shall perform their activities in line with the law and their statutes.

Activities of organisations and associations include:

- 1) information, education, counselling and providing legal assistance to consumers in exercising consumer rights;
- 2) receiving, registering and handling consumer complaints;
- 3) carrying out independent examinations and comparable analysis of goods and services and publishing their results;
- 4) carrying out examinations and studies in the consumer protection area and publishing their results.

Organisation and Association Register

Article 132

The Ministry shall establish and keep a Register of Organisations and Associations (hereinafter referred to as the Register).

The records shall be released publicly on the official website of the Ministry.

The Register shall also include annual and financial statements about the implemented activities of organisations and associations entered in the Register.

Entry into the Register

Article 133

Entry of an organisation or association in the Register shall be made by the Ministry.

Organisations and associations submit an application for registration in the Register.

The application shall contain: the name of the organisation or association, a certificate of the entry into the Register with the Business Registers Agency, the statute of the organisation or association and relevant evidence that the organisation or association meets all the conditions prescribed in articles 130,131,134, and 136 of this law.

The Minister shall prescribe in more detail the terms and conditions for registering into the Register, the content and the manner of keeping the Register as well as the content of the application form necessary for entry.

Conditions for entry into the Register

Article 134

To be entered in the Register, an organisation or association shall necessarily meet the following conditions, besides the conditions stipulated in Articles 130, 131 and 136:

- 1) that consumer protection is their core activity;
- 2) it should have been active in the consumer protection area for at least three years;
- 3) it should have adequate personnel, financial and technical resources that are necessary for consumer protection activities;
- 4) representatives of the organisation or association shall have adequate experience, expertise and skill to perform activities in the consumer protection area;
- 5) it shall submit a report to the Ministry about the implemented activities and achieved results in consumer protection, including the related financial statement, which shall certify its experience in the field for at least three years;

To be entered in the Register, a consumer association shall necessarily include at least three organisations.

When establishing whether the conditions for entry in the Register are met, the Ministry shall solicit an opinion from the Consumer Council from Article 138 of this law.

The Consumer Council shall forward its opinion from Paragraph 3 of this Article to the Ministry within 30 days from the day the Ministry requested the opinion.

If the Consumer Council has not provided the opinion from Paragraph 3 of this Article, the Ministry shall proceed with the procedure of entry in the Register.

The rights of entered organisations and associations

Article 135

The rights of organisations and associations entered in the Register in accordance with this law are:

- 1) the right to be funded through public **invitations** by the Ministry;

- 2) right to initiate a proceeding for the protection of collective interest of consumers, in accordance with Article 147 of this law;
- 3) the right to represent consumer interest in court and out-of-court proceedings;
- 4) the right to represent consumer interest in consumer protection consultative bodies at national, regional and local level;
- 5) the right to participate in the work of working groups that prepare regulations and strategic documents that regulate consumer rights;
- 6) the right to use National Consumer Complaints Register referred to in Article 139 of this law, in order to receive, register and handle consumer complaints;
- 7) the right to participate in the work of the Consumer Council from Article 138 of this law.

Funding organisations and associations

Article 136

Activities of registered organisations and associations, especially the activities under Article 131 Paragraph 2, items 1, 2 and 5 of this law, may be funded or co-funded from the Budget of the Republic of Serbia, in accordance with the law, Strategy and annual operational plans adopted by the Government,.

European and international projects in the field of consumer protection that are implemented by registered organisations and associations may be co-financed from the Budget of the Republic of Serbia.

Registered organisations and associations shall submit the financial statement on the activities funded in accordance with Paragraphs 1 and 2 of this article to the Ministry, not later than 15 March each year for the previous calendar year, while the Ministry shall release them publicly on its official website.

Registered organisations and associations acquiring funds from sources other than the Budget of the Republic of Serbia shall inform the competent ministry not later than 30 days from the receipt of those funds.

Organisations and associations shall not accept funds or other assets, goods, rights or services, with the exception of the gifts of small value, including any form of donation or grant, from natural or legal entities with which the conflict of interest exists, especially from traders or traders' organisations, except in cases of service providing with compensation (training or similar) in accordance with the law and the statute of the organisation or association.

Removal from the Register

Article 137

An organisation or association shall be removed from the Register if:

- 1) it no longer meets the conditions from Articles 130, 134 and 136 of this law.
- 2) it makes a gross violation of the obligation under Article 138, Paragraph 4 of this law;
- 3) misuses the word *organisation* or *association*;

4) it fails to submit an annual report to the Ministry about the implemented activities and achieved results in consumer protection, including the related financial statement, in accordance with Article 132 Paragraph 3, by 31 March of the current year for the previous year;

5) violates consumer principles of the Ethical code adopted by the Consumer Council under Article 138 of this law

Removal from the Register is made upon a decision of the Ministry.

When establishing whether the conditions for deregistration from the Register have been met, the Ministry shall solicit an opinion from the Consumer Council from Article 138 of this law.

The Consumer Council shall forward its opinion from Paragraph 2 of this Article to the Ministry within 30 days from the day the Ministry requested the opinion.

If the Consumer Council has not provided the opinion from Paragraph 2 of this Article, the Ministry shall proceed with the removal from the Register.

Consumer Council

Article 138

All organisations and associations entered in the Register under Article 132 of this law shall constitute the Consumer Council.

The Consumer Council shall perform following tasks:

1) harmonize organizations and associations' opinions on important consumer issues;

2) propose representatives of organizations and associations for the National Council and other bodies;

3) adopt the Ethical Code for organizations and associations and monitor its implementation;

4) provide its opinion to the Ministry in the procedure of entry in and removal from the Register referred to in Articles 133 and 137 of this Law;

5) make recommendation on the removal of an organisation or association from the Ministry's Register.

6) discuss other issues in accordance with the Law and the Rules.

The Consumer Council shall adopt the Rules of procedure.

Consumer Council's decisions shall be published on the web site of the Ministry and web sites of registered consumer organisations and associations.

Organisations and associations that do not publish the decisions of the Consumer Council on their web sites are in gross violation of the Law.

XIII. CONSUMER COMPLAINTS AND THE OUT-OF-COURT RESOLUTION OF CONSUMER DISPUTES

National Consumer Complaints Register

Article 139

A consumer complaint means any application or complaint intended to report the violation of consumer rights granted by this or any other law.

The Ministry shall operate the National Consumer Complaints Register.

The Ministry shall release publicly and deliver to the National Council a report on the operation of the National Consumer Complaints Register once a year, not later than 1 March of the current year for the previous year.

A report on the operation of the National Consumer Complaints Register shall contain in particular:

- 1) information on consumers' complaints and legal assistance offered;
- 2) perceived shortcomings in the collection, registration and resolution of consumer complaints;
- 3) areas in which the most complaints by consumers have been recorded;
- 4) proposals for improving the procedure of collecting, registering and resolving consumer disputes.

Consumer dispute

Article 140

A consumer dispute is any dispute deriving from a contractual relationship between the consumer and the trader.

In the court procedure of a consumer dispute, in the sense of the law regulating civil procedure, the court fees for the lawsuit shall not be charged if the value of the dispute does not exceed RSD 500,000.

The out-of-court resolution of consumer disputes

Article 141

A consumer dispute may be resolved in an out-of-court resolution procedure.

The Minister shall regulate in more detail the conditions for the out-of-court resolution of consumer disputes, and in particular the rules and criteria on the operation of bodies dealing with the out-of-court resolution of consumer disputes as well as the application form for initiating such a procedure, in order to provide a process for the resolution of consumer disputes that shall be independent, impartial, transparent, efficient, fast and fair.

The out-of-court resolution of consumer disputes, in terms of this law, shall not apply to:

- 1) the resolution of disputes under procedures established by the trader;
- 2) direct negotiations between the consumer and the trader;
- 3) the endeavour of judges to resolve the dispute in a court procedure by making the parties reach a settlement;
- 4) in procedures that the trader has initiated against the consumer;

- 5) in disputes the value of which exceeds RSD 500,000.

Bodies involved in the out-of-court resolution of consumer disputes

Article 142

The Ministry shall make a list of bodies for the out-of-court resolution of consumer disputes that fulfil the conditions stipulated by Article 141 Paragraph 2 of this Law, and announces it publicly.

The list of bodies involved in the out-of-court resolution of consumer disputes contains:

- 1) name, seat, address and web address of all bodies for the out-of-court resolution of consumer disputes;
- 2) information on their internal organisation and the manner of funding, including data on natural persons in charge of the dispute resolution, their professional experience, remuneration and who has hired them;
- 3) rules of procedure;
- 4) average duration of a dispute;
- 5) language, i.e. languages in which a complaint may be filed and the procedure conducted;
- 6) kinds of consumer disputes covered by the procedure;
- 7) reasons why the body may refuse the out-of-court resolution of a consumer dispute.

Bodies competent for the out-of-court resolution of consumer disputes shall release in public and submit to the Ministry a report on the number of received requests for the initiation of disputes, initiated and resolved disputes, significant problems that were evidenced, and alike, in line with Article 141 paragraph 2 of this Law, once a year no later than 31 January in the current year for the previous year.

If the bodies involved in the out-of-court resolution of consumer disputes cease to meet the stipulated conditions, do not release in public and do not submit a report from the previous paragraph of this article, they shall be removed from the list of bodies for out-of-court resolution of consumer disputes.

Right to court protection

Article 143

Initiating and running an out-of-court consumer dispute resolution procedure shall not exclude or influence the exercising of the right to court protection, in line with the law.

The application of other regulations

Article 144

The provisions of the law regulating mediation, arbitration and other rules governing the out-of-court resolution of disputes shall apply to the procedure of managing and finalising an out-of-court resolution of a consumer dispute.

XIV. PROTECTION OF THE COLLECTIVE INTEREST OF CONSUMERS

Collective interest of consumers

Article 145

The violation of the collective interest of consumers exists in the following cases:

- 1) when the right of at least ten consumers in total, granted by this law is violated by the same action or in the identical manner, by the same person, or
- 2) in the event of unfair commercial practices in the sense of Articles 17 to 23 of this law, or unfair terms in consumer contracts in the sense of Articles 41 to 45 of this law.

The violation of the collective interest of consumers under Paragraph 1, item 1) of this article shall exist in cases when the right of less than ten consumers in total is violated, if the competent authority determines that there has been a violation of the collective interest of consumers, in particular with regard to duration and frequency of the trader's actions, as well as the fact that these actions exert negative effects on every consumer in a given factual situation.

The procedure for the protection of the collective interest of consumers

Article 146

At the request of an authorised person or ex officio, the Ministry shall initiate and conduct the procedure for the protection of the collective interest of consumers.

If, during the surveillance activities, the Ministry has a reasonable belief that certain actions or inactions of market participants, especially the existence of unfair commercial practices or unfair contract terms, violates or threatens to violate the collective interest of consumers, the Ministry shall, ex officio, initiate the procedure for determining the violation of the collective interest of consumers.

If, based on submitted applications, information or other available data, the Ministry reasonably assumes that there has been a violation of the collective interest of consumers, the Ministry shall, ex officio, initiate the procedure for the protection of the collective interest of consumers.

The procedure for the protection of the collective interest of consumers may be conducted against an individual trader or a traders' organisation from the same or different business fields, whose actions are in contravention of the provisions under Article 145, Paragraph 1 of this law.

The rules of general administrative procedure shall apply to the procedure for protection of the collective interest of consumers, unless this law stipulates otherwise.

Entities authorised to file a request for the protection of the collective interest of consumers

Article 147

A registered organisation or association under Article 132 of this law may file a request for the protection of the collective interest of consumers.

Parties and the initiation of a procedure

Article 148

The person who files the request and the person against whom the procedure has been initiated are the parties in the procedure.

Persons who submit the application for the determination of the violation of the collective interest of consumers, provide information or data, professionals or organisations whose analyses are used in the procedure, as well as other state bodies and organisations that cooperate with the Ministry during the procedure, shall not have the status of a party.

The conclusion on the initiation of the procedure shall be adopted and it shall contain, in particular the description of activities or acts that could violate of the collective interest of consumers, legal basis and reasons for the initiation of the procedure, while all persons who are in the possession of data, documents or other relevant information are invited to submit these information to the Ministry.

The conclusion on the initiation of the procedure is not appealable.

Decisions in the procedure for the protection of the collective interest of consumers

Article 149

The Ministry shall decide on the existence of a violation and determine measures, by issuing the decision.

The Ministry shall inform the person against whom the procedure for the protection of the collective interest of consumers has been initiated about important facts, evidence and other elements that are objects of the procedure, and invite him to reply within 15 days starting from the day he received the notification.

In his reply, the person against whom the procedure has been initiated may propose actions he is prepared to undertake in order to eliminate the violation of the law, along with the conditions and time limits for their realisation (a corrective statement).

The measure for the protection of the collective interest of consumers and time limits for its enforcement shall be the integral part of the decision that determines the violation of the collective interest of consumers.

The decision of the procedure for the protection of the collective interest of consumers may be appealed through an administrative procedure.

The measure for the protection of the collective interest of consumers

Article 150

If the violation of the collective interest is confirmed, the measure for the protection of the collective interest of consumers shall be issued and it shall order the person against whom the procedure has been conducted to undertake or stop certain activities, in particular:

- 1) to stop the violation of any provision of this law or any other regulation, by which he violates the collective interest of consumers and to refrain from such behaviour in future;
- 2) to remove the determined irregularity;
- 3) to stop the unfair commercial practice and to refrain from such or similar behaviour in future;
- 4) to immediately stop contracting the unfair contract terms.

In the decision referred to in Article 149 and Paragraph 1 of this article, the Ministry may instruct the trader to inform the Ministry about the enforcement of the imposed measures, within the stipulated time limits.

The decision stipulating the measures under Paragraph 1 of this article shall be published on the Ministry's website.

If the Ministry determines that there has been a violation of the collective interest of consumers, they shall file a request for the initiation of a misdemeanour procedure before the competent misdemeanour authority indicated by this law.

Temporary measure

Article 151

If there is a risk of harmful effects on consumer rights and interests, upon the applicant's proposal, the Ministry may order the cessation of certain activities or impose an obligation on the violator to undertake actions that prevent or remove the harmful effects.

The temporary measure may be valid until the issuing of the decision in the procedure.

The termination of the procedure

Article 152

If in his corrective statement, the trader promises not to continue or repeat the activity or act that violates the collective interest of consumers, the Ministry shall terminate the procedure.

The termination of the procedure under Paragraph 1 of this article shall last for maximum 3 months.

The Ministry shall, ex officio, monitor the fulfilment of obligation under Paragraph 1 of this article.

If the party against whom the procedure has been conducted fails to fulfil or infringes specified obligations before the expiry of three months, or in the meantime, commits a new infringement, the Ministry shall continue with the procedure.

If the party against whom the procedure has been conducted fulfils the specified obligations within the stipulated time limits, The Ministry shall terminate the procedure.

The procedure for the compensation of damage

Article 153

Initiating or conducting a procedure for the protection of the collective interests of consumers, shall not prevent the consumer who suffered the damage to initiate a procedure for the compensation of the damage before the competent court or to initiate a procedure before the court for the cancellation or determination of the invalidity of the contract, i.e. to initiate before the court any other proceedings requesting to exercise rights.

XV. SURVEILLANCE

Surveillance authority

Article 154

Surveillance of the implementation of this law and regulations adopted based on this law shall be performed by the Ministry in charge of consumer protection.

Other ministries with competences in the area of consumer protection and the bodies of public administration and local self government shall perform surveillance of the specific sectors, and in cooperation with the Ministry from Paragraph 1 of this law take an active part in the market surveillance and undertake actions prescribed by this law or other regulations.

The inspection surveillance of the implementation of this law or regulations adopted based on this law, shall be performed by the Ministry from Paragraph 1 of this article and the ministries from Paragraph 2 of this article through the work of surveillance inspectors in charge of specific sectors, in accordance with the authorisations prescribed by this law or regulations that regulate inspection surveillance of specific sectors.

Surveillance cooperation

Article 155

The ministries and other bodies referred to in Article 154 shall cooperate in the performance of surveillance, i.e. they shall inform each other of the measures undertaken, exchange information, provide direct assistance and undertake joint measures and activities of importance for the implementation of the inspection surveillance.

In order to promote cooperation and resolve the issue of competences and upon the proposal of the Minister in charge of consumer protection, the Government may establish coordination bodies.

The Ministry may submit a request for the delivery of information to other ministries, the bodies of public administration or local self government and other organisations that exercise public powers important for consumer protection.

Bodies from Paragraph 3 of this law shall cooperate with the Ministry and act upon instructions within the stipulated time limits, provide information, documents and other evidence in their possession, including sectoral analyses and provide opinions on important consumer issues.

If the bodies from Paragraph 3 of this article fail to act upon the Ministry's request, act partially or do not meet the stipulated time limits, The Ministry shall inform the entity which is the supervisor of that body or organisation, meaning the entity to whom this body or organisation responds, and demand the undertaking of special measures with purpose of collecting necessary data, in order to promptly receive necessary information, documents or other evidence that the body in question possesses, including sectoral analyses or the opinion.

Competences of authorised inspectors

Article 156

In conducting the inspection surveillance, the inspector in charge shall have all the rights, duties and jurisdictions prescribed by this Law and the laws regulating inspection surveillance in the relevant field.

The inspector in charge, during surveillance, shall check whether the trader or seller:

- 1) indicates prices in accordance with Article 6 to 10 of this Law;
- 2) advertises the selling price in accordance with Article 11 of his law;
- 3) issues bills in accordance with Article 12 of this Law;
- 4) informs the consumer in accordance with Articles 13, 27, 87, 88, 93, 111 of this Law;
- 5) charges additional payments without the prior express consent of the consumer, in accordance with Article 14 of this Law;
- 6) conducts unfair commercial practices, in accordance with Article 19 to 23 of this Law;
- 7) sells, serves or gives tobacco products, alcohol and beer or pyrotechnic articles to underage persons, in violation of Article 24 of this law;
- 8) discriminates against consumers, in violation of Article 26 of this Law;
- 9) gives the consumer a withdrawal form that relates to distance and off-premises contracts, in accordance with Articles 30 and 31 of this Law;
- 10) delivers goods in accordance with Article 32 Paragraph 1 of this Law;
- 11) has reimbursed the payment received from the consumer, as well as the costs of delivery, in the case of the withdrawal from the contract within a legally stipulated time of 14 days, in accordance with Article 34 Paragraph 1 of this Law;

- 12) performs direct advertising in accordance with Article 38 of this Law;
- 13) dispatches unordered goods in accordance with Article 39 paragraph 1 of this Law;
- 14) conducts advertising through means of distance communication in accordance with Article 40 of this Law;
- 15) supplies unordered goods in accordance with Article 46 of this Law;
- 16) supplies documentation accompanying the goods in accordance with Article 47 of this Law;
- 17) acts in accordance with Article 48, Paragraph 4 of this law;
- 18) sells goods for which the guarantor gives a guarantee, submits a completed and stamped guarantee card, and whether the guarantee card has been prepared and filled out, in accordance with Article 54 of this Law;
- 19) misuses the term “guarantee” or any other words with similar meaning, in accordance with Article 55 of this Law;
- 20) accepts, records and responds to claims in accordance with Article 56 of this Law;
- 21) performs additional work without the express consent of the consumer, in violation of Article 71 of this law;
- 22) suspends the provision of services of general economic interest to the consumer, in violation of Article 86 of this Law;
- 23) makes an itemisation of the bill in accordance with Article 91 of this Law;
- 24) establishes a help-line dealing with connection to the supply network, quality and usage of services of general economic interest, in accordance with Art. 92 of this Law;
- 25) advertises or offers for sale package tours, in accordance with Article 95 of this Law;
- 26) informs the consumer about data pertaining to the host family or the responsible person at the place of stay whose assistance may also be demanded while staying abroad, in accordance with Article 101 Paragraph 3 of this Law;
- 27) provides guarantee for the event of insolvency in accordance with Articles 108 and 121 of this Law;
- 28) advertises timeshares, long-term holiday products, resale or exchange, in accordance with Article 111 of this Law;
- 29) allows the separate signing of contract clauses on the right of the consumer to withdraw, the withdrawal period and the prohibition of advance payment during the withdrawal period in accordance with Article 112 Paragraph 7 and 8 of this Law;
- 30) implements the measure for the protection of the collective interest of consumers referred to in Article 150 of this law.

The inspector in charge, in conducting the surveillance, checks whether the provider of the guarantee:

1) sells the goods with a guarantee card made in accordance with Article 54 Paragraph 2 of this Law;

2) misuses the word *guarantee* or some other words with similar meaning, in accordance with Article 55 of this Law.

The inspector's decision

Article 157

If the violation of the law is determined, the inspector shall instruct the trader or seller to eliminate the determined shortcoming.

The inspector may, in his decision from Paragraph 1 of this article, set the time limits within which the trader or seller is obliged to eliminate the shortcomings, which may not be shorter than 24 hours or longer than 2 months, unless prescribed otherwise.

Procedure for inspection surveillance

Article 158

Inspection surveillance, in the sense of this law, shall be performed *ex officio* and initiated with the inspector taking his first action in the inspection procedure.

Any reports on the violation of the law, other information, notifications, applications or requests submitted in order to perform inspection surveillance shall have the status of an initiative for the initiation of the procedure, while the applicant of those initiatives shall not have the status of a party in the procedure.

The inspector shall draft the inspection report with regard to all activities in the inspection procedure important for the determination of the factual situation.

The inspector shall draft an official note with regard to all issues that are not of immediate importance for the determination of the factual situation.

If the inspector determines that there has been a violation of the law, he shall, issue and deliver a decision in accordance with his powers within 5 days starting from the day the inspection started or ended.

During the inspection period and at the place of inspection, the inspector may issue a temporary decision which is abolished by the decision from Paragraph 5, or which becomes invalid with the expiry of the period stipulated for the issuing of the decision from Paragraph 5 of this law.

The temporary decision is not appealable.

Complaints

Article 159

A complaint against the decision from Article 150 and 157 of this Law may be submitted to the Minister within eight days.

The complaint referred to in Paragraph 1 of this Article shall not postpone the execution of the decision.

Against the second instance decision of the Minister, the party who was imposed with the administrative measure may initiate a procedure before the Administrative Court within 14 days, while the complaint shall not postpone the execution of the decision.

XVI. PENALTY PROVISIONS

Penalty

Article 160

A fine in the amount of RSD 300,000.00 to 2,000,000.00 shall be imposed on a legal entity for:

- 1) Failure to indicate a price, in accordance with Article 6 to Article 10 of this Law.
- 2) Failure to advertise the selling price, in accordance with Article 11 of this Law;
- 3) Failure to issue a bill to the consumer, in accordance with Article 12, Paragraph 1 and 2 of this Law;
- 4) Failure to obey the indicated price and terms of sale in accordance with Article 12 Paragraph 3 of this law;
- 5) Failure to charge for the issuing and sending of the bill or warnings to the consumer in accordance with Article 12, Paragraph 4 and 5 of this law;
- 6) Failure to inform the consumer, in accordance with Article 13 of this Law;
- 7) Failure to inform the consumer about the existence of additional expenses, in accordance with Article 14 of this Law;
- 8) Collecting additional payments without the consumer's prior express consent, in accordance with Article 14 of this Law;
- 9) Performing unfair commercial practice in accordance with Article 18 of this law;
- 10) Deceiving the consumer in accordance with Articles 19 to 21 of this law;
- 11) Performing aggressive commercial practice in accordance with Article 22 and 23 of this law;
- 12) Selling, serving or gifting alcohol drinks, including beer, tobacco products, pyrotechnic articles to persons below the age of 18, in violation of Article 24 Paragraph 1 of this Law;
- 13) Refusing to sell goods to a customer that are displayed or otherwise prepared for sale, or refusing to provide a service that can be performed, if that is not contrary to another rule and the generally accepted business customs, in violation of Article 26 Paragraph 1 item 1) of this Law;
- 14) Discriminating against the consumer in an unfounded manner, in accordance with Article 26 Paragraph 2 of this Law;
- 15) Offering special sales incentives for the purchase of goods and services in violation of Article 26 Paragraph 3 of this Law;
- 16) Failing to provide the consumer with information before the conclusion of a distance or off-premises contract, in accordance with Article 27 of this Law;
- 17) At the conclusion of a distance contract and off-premises contract, failing to give the consumer a withdrawal form that relates to distance and off-premises contracts, in accordance with Articles 30 and 31 of this Law;

- 18) Failing to deliver goods to the consumer within a deadline prescribed by Article 32 Paragraph 1 of this Law;
- 19) Failing to reimburse the amount paid, which he received from the consumer, and the costs of delivery, in case of the withdrawal from the contract within a legally stipulated time of 14 days, in accordance with Article 34 Paragraph 1 of this Law;
- 20) Direct marketing contrary to Article 38 of this Law;
- 21) Delivering unordered goods, in accordance with Article 39 Paragraph 1 of this Law;
- 22) Conducting advertising through means of distance communication, in accordance with Article 40 of this Law;
- 23) Failing to deliver goods or a certificate to the consumer by which the goods may be taken over, in accordance with Article 46 Paragraph 1 of this Law;
- 24) Failing to deliver goods to the consumer in the agreed quantity, in accordance with Article 46, Paragraph 2 of this law;
- 25) Failing to legibly and clearly write the delivery term on the bill, in accordance with Article 46 Paragraph 4 of this Law;
- 26) Failing to hand documents related to the goods to the consumer when delivering goods, in accordance with Article 47 of this Law;
- 27) Failing to return paid amounts to the consumer under the contract in the case of termination, in accordance with Article 48 paragraph 4 of this Law;
- 28) Failing to hand to the consumer a completed and stamped guarantee card for the goods for which guarantee was given during sales, in accordance with Article 54, Paragraph 3 and Article 81, Paragraph 3 of this Law;
- 29) As a provider of a guarantee, failing to make a guarantee card in accordance with Article 54 Paragraph 2 and Article 81, Paragraph 3 of this Law;
- 30) Misuses the word *guarantee* or some other words with similar meaning, in accordance with Article 55 and Article 81 Paragraph 3 of this Law
- 31) Failing to indicate visibly at the selling point information on the manner and place of receipt of claims and ensuring the presence of an authorised person for receiving the claims during working hours, in accordance with Article 56 Paragraph 2 and Article 81 Paragraph 3 of this Law;
- 32) Failing to issue a written certificate to the consumer or to confirm the receipt of a claim electronically, in accordance with Article 56, Paragraph 4 and Article 81 Paragraph 3 of this Law;
- 33) Failing to keep and maintain records of received claims from consumers, in accordance with Article 56 Paragraph 5 and 6 and Article 81 Paragraph 3 of this Law;
- 34) Failing to respond to the consumer's claim in a manner and within the term stipulated in Article 56 Paragraph 7 and Article 81 Paragraph 3 of this Law;
- 35) Failing to decide upon the accepted request from the consumer's claim in a manner stipulated in Article 56 Paragraph 8 and Article 81 Paragraph 3 of this Law;

- 36) Failing to inform the consumer about any extension of the time limit for the resolution of the claim, in accordance with Article 56 Paragraph 9 and Article 81 Paragraph 3 of this Law;
- 37) Failing to obtain the consent of the consumer for additional work, in accordance with Article 71 of this Law;
- 38) Suspending the provision of services of general economic interest to the consumer, in violation of Article 86 of this Law;
- 39) Authorising another legal or natural person to address the consumer for the purpose of realising contract claims, without the consumer's prior express consent given in person, by telephone, fax, post, e-mail or other means of distance communication, in order to realise claims from the contract, in violation of Article 86 Paragraph 6 of this Law;
- 40) Suspending the provision of the service in accordance with Article 86, Paragraph 5 of this law;
- 41) Failing to inform the consumer about information from Articles 87 and 88 of this Law;
- 42) Failing to issue a bill for services of general economic interest in accordance with the requirements from the itemisation of the bill in Article 91 of this Law;
- 43) Failing to install a free help-line, in accordance with Article 92 of this Law;
- 44) Failing to inform the consumer about the information from Article 93 of this Law;
- 45) Advertising or offering for sale package tours in violation of Article 95 of this Law;
- 46) Failing to inform the consumer, not later than 14 days prior to the departure, of the name, address and telephone number of the host family, and of the name, address and telephone number of a person responsible at the place of stay who can be referred to for assistance by a pupil or student while staying abroad, in violation of Article 101 Paragraph 3 of this Law;
- 47) Failing to provide the consumer with the guarantee for the event of insolvency with package tour and timeshare contracts, in accordance with Article 108 Paragraph 1 and Article 121 of this Law;
- 48) Failing to inform the consumer about the information from Article 110 of this Law;
- 49) Advertising or offering timeshares, long-term holiday products, resale or exchange, in violation of Article 111 of this Law;
- 50) Allowing the separate signing of contract clauses on the right of the consumer to withdraw, the withdrawal period and the prohibition of advance payment during the withdrawal period, in violation of Article 117 Paragraph 6 of this Law;
- 51) Violating the collective interest of consumers from Article 145 of this law;
- 52) Acting contrary to the measures for the protection of the collective interest of consumers from Article 150 of this law;
- 53) Acting contrary to the instructions from the inspector's decision from Article 157 of this law;

A fine of RSD 50,000.00 to 150,000.00 shall be imposed on a natural person or responsible person in a legal entity for actions referred to in Paragraph 1 of this Article.

A fine of RSD 50,000.00 to 500,000.00 shall be imposed on an entrepreneur for actions referred to in Paragraph 1 of this Article.

Protection measure

Article 161

In addition to the misdemeanour penalty from Article 160 Paragraph 1 of this Law, a legal entity may be imposed a temporary prohibition on performing certain business activities for the period of six months to one year and the protective measure of publicising the decision.

In addition to the misdemeanour penalty from Article 160 Paragraph 2 of this Law, a responsible person in a legal entity may be imposed a temporary prohibition on performing certain jobs for the period of three months to one year.

In addition to the misdemeanour penalty from Article 160 Paragraph 3 of this Law, an entrepreneur may be imposed a temporary prohibition on performing certain business activities for the period of six months to one year.

XVII TRANSITIONAL AND FINAL PROVISIONS

Article 162

By-laws that shall be adopted on the basis of authorisations from this Law shall be adopted within a period of six months from the date this Law enters into force.

Article 163

Organisations and associations registered in the Register on the basis of the Law on Consumer Protection (*Official Gazette of the Republic of Serbia*, No.73/10) and the Rulebook on Registering Consumer Organisations and Associations (*Official Gazette of the Republic of Serbia*, No. 32/11) on the date this Law enters into force, are considered registered in the Register established on the basis of Article 132 of this Law.

Article 164

On the date of the start of the application of this Law, the Law on Consumer Protection (*Official Gazette of the Republic of Serbia*, No, 73/10) shall no longer be in force.

Article 165

This law enters into force on the eighth date following its publishing in the *Official Gazette of the Republic of Serbia* and shall be applied starting from the expiration of three months from the date this law enters into force.