

TRADE

CURRENT SITUATION

The Law on Trade (Zakon o trgovini, Official Gazette of the Republic of Serbia, no. 52/2019) (the "Law on Trade"), which occupies a central place among the regulations governing the trade of goods and services, entered into force and has been applicable since 30 July 2019. Although the Law on Trade itself stipulates that bylaws will be adopted within 12 months from the date of its entry into force, no significant steps in that direction have been taken, and bylaws adopted until the date of entry into force of the Law on Trade shall apply until further notice, except for the provisions which are contrary to it.

Key novelties of the Law on Trade are:

1. Better definition of the sale incentives

Main forms of reduced-price trade are finally defined, followed with the special rules for each of them. These forms are: seasonal discount, action sale and clearance sale. Seasonal discount may be arranged up to two times a year, provided that the start of the seasonal discount period starts between 25 December and 10 January and between 1 July and 15 July, with restriction that every seasonal discount period cannot exceed 60 days. Action sale is defined as trade of goods/service at a lower price than the previous price of such goods/service and it cannot exceed 31 days. Clearance sale of goods is defined as sale with reduced price in comparison to the previous price, which may be arranged only in case of termination of trader's activity, termination of activities in certain sale point or termination of trade with certain goods, with additional restrictions referring to the allocation of goods on clearance sale and procurement of new quantities.

2. Introduction of the definitions of types of distance trade

For the first time, electronic platform and electronic store are defined, whereas the distance trade is now split to e-commerce and other distance trade. Additionally, specific forms of e-commerce are defined: webshop, electronic platform and drop-shipping. Webshop is a basic form of e-commerce and represents sale of goods and/or services through an electronic store that the trader provides on his website. The electronic platform connects traders and consumers, in a way that the consumer concludes an agreement with the trader, whereas such agreement should determine the platform for ordering, paying and delivery. Specific about

drop-shipping is that the goods are delivered directly from the manufacturer's warehouse to the consumer.

3. Labeling requirements

The Law on Trade imposes obligation of distance trader to make mandatory labeling data directly and permanently available.

4. Lifting the obligation of publishing the retail format

The Law on Trade lifts the obligation of publishing retail format applicable so far, so that the traders can now freely decide whether to publish retail format. In case they decide to publish retail format, the bylaws referring to such format continue to apply.

5. Concealed shopping as new authorization in supervisory procedure

A trade inspector now has the authority to conduct concealed purchase of goods/service, in accordance with regulations related to the supervisory procedure, in order to achieve more efficient detection of illegal trade.

Along with the adoption of the new Law on Trade, the amendments of the Law on Electronic Trade (Zakon o elektronskoj trgovini, Official Gazette of the Republic of Serbia, no. 52/2019) (the "Law on Electronic Trade") were adopted.

(The Law on Trade and the Law on Electronic Trade are hereinafter referred to as the "Laws")

COVID-19

Trade, as well as all other aspects of economy, suffered severe consequences due to the COVID-19 pandemic. Namely, the state of emergency in Serbia was introduced on 15 March 2020, followed by the imposition of the movement restriction, which subsequently affected the working hours of all traders. Further, due to the closure of borders and suspension of air and road traffic, import and export of goods experienced major difficulties.

POSITIVE DEVELOPMENTS

As mentioned above, positive steps were taken with by adopting the Laws. However, there were no further improvements of the Laws during the previous year.

REMAINING ISSUES

Even though the Law on Trade itself envisaged that a set of by-laws would be adopted within 12 months from the date of its entry into force, no further efforts have been made in that direction. Therefore, bylaws adopted until the date of entry into force of the Law on Trade

apply until further notice, which creates difficulties with respect to the newly introduced provisions of the Law on Trade.

When it comes to the Law on Electronic Trade, several provision will be applicable only after the admission of Serbia to the European Union.

FIC RECOMMENDATIONS

- Devote attention to by-laws. (3)
- Harmonization with EU regulations and standards is further needed. (3)
- Simplification of the importation procedure. (3)