PROTECTION OF COMPETITION

1.70

WHITE BOOK BALANCE SCORE CARD

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Adoption of the new Competition Law and relevant bylaws as soon as possible.	2020		√	
In order to enhance transparency and legal certainty, the Commission should issue clear guidelines and instructions containing the manner of application of certain provisions of the Law, with the involvement of interested parties in commenting proposed documents.	2010		√	
The Commission must decide in all competition cases efficiently and timely. Lack of a clear legal deadline in certain instances must not be an excuse for an inefficient review e.g. in Phase I merger case and individual exemption cases.	2023		√	
The fees in the Tariff Rules should be decreased to a reasonable sum, especially in the merger control area.	2009			√
The Commission should publish decisions on individual exemptions within the shortest possible period from their issuance, i.e. to altogether improve transparency and predictability of decisions.	2018		√	
The Commission should issue publications of the relevant definitions of product markets grouped by industries every six months, with the aim of harmonizing practice.	2018			√
The Commission should increase the activities on the promotion of leniency.	2024			√
Sector inquiries should contain more precise findings related to possible infringements of competition and competitive concerns to enable market participants to immediately comply behaviour in accordance with the findings of the Commission.	2021	√		
Judges of the Administrative Court should complete advanced training in both competition law and economics. All rulings of the Administrative Court and the Supreme Court of Cassation should be made publicly available and explained in detail in terms of the substantive issues of the Commission's decisions.	2010			√
The Commission's practice should be consistent with respect to all market players with detailed reasoning in relation to exceptions from the previous practice and the EU practice. In merger control cases, requests for additional information must be related to the assessment of the concentration having in mind the broad discretionary powers of the Commission. Considering the penal nature of decisions in the area of competition protection and the significant powers of the Commission, predictability, as well as consistency and legal certainty, are of crucial importance for all market players.	2021		√	

CURRENT SITUATION

Harmonization with EU competition rules in Serbia began with the adoption of the currently applicable Competition Law in 2009 (the "**Law**"). The Law set material and technical preconditions for the independent and autonomous functioning of the Commission for Protection of Competition (the "**Commission**"). The Law was amended in 2013, whereas the corresponding by-laws were adopted back in 2009 and 2010, and the new Regulation on the Content and Manner of Submission of Merger Notifications (the "**Merger Control Regulation**") was adopted in 2016.

No progress was made in 2024 regarding the adoption of the new Law but work on drafting new by-laws continued. Following public consultations, in January 2025 the Commission submitted to the Government of the Republic of Serbia for adoption four draft regulations concerning the exemption of certain categories of agreements from the prohibition of restrictive agreements, namely:

- Draft Regulation on Categories of Vertical Agreements Exempted from the Prohibition of Restrictive Agreements;
- Draft Regulation on Categories of Vertical Agreements in the Motor Vehicle Sector Exempted from the Prohibition of Restrictive Agreements;
- Draft Regulation on Categories of Technology Transfer Agreements Exempted from the Prohibition of Restrictive Agreements;
- Draft Regulation on Categories of Agreements in the Railway and Road Transport Sectors Exempted from the Prohibition of Restrictive Agreements.

The Foreign Investors Council warmly welcomes the progress made in drafting these regulations. The Foreign Investors Council has been highlighting this need for years through recommendations in the White Book, considering that the current Law was adopted in 2009, while the accompanying by-laws were adopted in 2010. These are largely outdated and do not reflect current market conditions nor align with the legislation and practices of EU Member States.

However, the Foreign Investors Council expresses concern over the fact that, although the above-mentioned draft regulations were prepared in 2024 and submitted to the Government at the beginning of 2025, none had been adopted by the time of publication date of this White Book. The Foreign Investors Council expresses hope that the four proposed regulations will be adopted soon.

According to data from the Annual Activity Report, the Commission received a total of 227 merger notifications in 2024, of which 205 were submitted under the summary proceedings (approximately 90% of the total number of merger notifications). During the same year, the Commission continued one ex officio proceeding previously initiated based on a merger notification, as well as two proceedings for implementing a concentration without prior Commission approval.

In 2024, the Commission significantly reduced the practice of publishing decisions in merger control proceedings. On its website, the Commission published only five decisions issued in summary proceedings, as well as one conditional clearance decision in an ex officio proceeding, concerning the merger of the two largest coffee producers in Serbia.

The Commission's failure to publish its decisions has resulted in a significant lack of transparency, thereby undermining legal predictability and certainty. The non-publication of decisions creates uncertainty regarding the application of competition rules, which leads to increased compliance costs and higher legal risks for undertakings.

In addition, in 2024, the Commission initiated four new proceedings — three concerning suspected restrictive agreements and one related to possible abuse of a dominant position.

The investigations concerning restrictive agreements involve alleged bid rigging, price coordination among several retail chains, as well as potential coordination or joint conduct of undertakings aimed at restricting competition. The case concerning suspected abuse of a dominant position relates to the alleged imposition of unfair trading conditions and restriction of market access.

The Commission also continued to actively detect and undertake legal actions in relation to concentrations implemented without its prior mandatory approval. In this regard, two new ex officio proceedings were initiated regarding merger control, based on reasonable suspicion that the concentrations had been implemented without prior notification and the Commission's approval, despite meeting the statutory thresholds for mandatory merger notification. Both cases relate to the acquisition of target companies located outside the territory of Serbia by a domestic company. Additionally, the Commission concluded a merger control proceeding initiated in 2023, finding that a concentration involving a change of control over a hotel had been implemented without prior approval and imposed a competition protection measure in the amount of approximately EUR 25,000 on the acquiring party.

In relation to merger control, the Commission's filing fees remained unchanged and continue to be very high.

In 2024, the Commission found that eight companies operating in the market for the supply of office equipment, toner, and consumables, as well as servicing of office equipment, had coordinated their activities, shared markets, and exchanged confidential information, thereby entering into a restrictive agreement. In the course of this proceeding, the Commission sanctioned seven companies, while one company was exempted from paying a fine due to its participation in the leniency program, as it was the first to report the prohibited conduct and provided relevant evidence to the Commission. The total amount of imposed fines exceeded RSD 60 million, with individual fines ranging from RSD several hundred thousand to nearly RSD 28 million.

POSITIVE DEVELOPMENTS

The trend of opening more investigations continued, as well as drafting of the sector inquiries and analysis of the conditions of competition on the relevant markets.

In 2024, the sector analyses of the state and conditions of competition in the pellet market for the period 2020–2022 had been completed, which was published on the Commission's website. In addition, during 2024, the Commission conducted several sector analyses, including:

- a sector analysis of the state and conditions of competition in the market of pharmaceutical products for human use, in the period 2020-2022;
- a sector analysis of the state of competition in the markets of certain food products, in the period 2018-2022;
- a sector analysis of the state and conditions of competition in the market of private healthcare services, in the period 2019-2023, published on the Commission's website in March 2025;
- a sector analysis of the state of competition in the market for the production and distribution of bottled water, in the period 2019-2023.

Through the findings of sectoral inquiries/analyses, the Commission can provide clear and practical guidelines to undertakings, helping them understand competition rules, potential pitfalls, and areas that require improvement. These guidelines promote compliance and reduce the risk of anti-competitive behaviour. Therefore, the need for clear and practical guidelines is paramount. The Commission, however, sometimes does not present clear conclusions about possible Law infringements and identified concerns that prevent undertakings to act proactively and align their behaviour with the Law.

In terms of the events that took place in 2024 and the activities in the area of international cooperation, it can be pointed out that the Commission participated in the Anniversary Conference of the Regional Competition Centre (RCC) in Budapest. Furthermore, the Commission took part in the Annual Conference of the International Competition Network (ICN), organized by Brazil's competition authority. In 2025, as part of the project "EU Support to Serbia's Internal Market", the Commission signed a grant agreement for forensic software with the International and IberoAmerican Foundation for Administration and Public Policy, thereby enhancing its technical capacities for conducting investigations in the context of modern business practices. In addition, the Commission's Guidelines for Drafting Competition Compliance Programs, with the accompanying model and compliance checklists won Antitrust Writing Awards readers vote award in the section of the best "Soft Law" materials of competition authorities and research institutions in Europe.

REMAINING ISSUES

Lack of transparency in the Commission's work

The lack of transparency in the Commission's work is indeed a significant concern. Transparency is crucial in ensuring accountability, promoting fair competition, and building trust among stakeholders, including businesses and the public. When decisions are not promptly and comprehensively published, the ability of interested parties to learn the outcomes of proceedings, understand the reasoning behind the decisions and assess their implications is hindered.

It is, therefore, of foremost importance that all Commission's decisions are promptly published on the Commission's website, to ensure transparency, provide timely information to professional and general public, and to maintain legal certainty. Failure to publish decisions or significant delays in its publication, raise concerns about institutional accountability and consistent application of the Law.

Even though the Commission should regularly publish its

decisions, it is noticeable that it has not done so consistently. The decisions in relevant areas (e.g., merger control) are almost never published, while decisions in other areas (e.g., individual exemptions) are published selectively with significant delays. Such practices do not contribute to either transparency or legal certainty.

This issue has been present in previous years, but during 2024 it was deepened since, by the time of publication of the White Book, only five decisions in merger control cases had been published on the Commission's website, which represents the lowest number to date in comparison with previous years. Of particular concern is the fact that, continuing the trend from 2023, the Commission published only one decision in 2024 in individual exemption proceedings concerning restrictive agreements.

The Commission also does not publicly disclose data on submitted initiatives for investigating competition infringements, not even after decisions have been adopted in such cases. Of additional concern is the fact that the Commission often fails to inform the initiator of the outcome within the prescribed 15-day period from the date of submission. In certain cases, the Commission's notification regarding submitted initiatives was never delivered to the initiators.

The relevant court's decisions issued in the process of control of the legality and correctness of the Commission's decisions are not publicly available at all since such decisions are not published on the Commission's website. An additional shortcoming lies in the fact that the existing database of the Commission's decisions does not allow for more advanced searches based on detailed criteria, which hinders access to relevant case practice.

Observance of deadlines and efficient review by the Commission

The efficient and timely decision-making process by the Commission is of the utmost importance to the business community. Delays in issuing decisions in merger control and antitrust cases can have far-reaching consequences for the parties involved and the overall market dynamics. The parties are not allowed to proceed with their transactions or business operations until they receive the Commission's decision due to the standstill obligation, therefore, any delay in rendering decisions is postponing regular business operations which consequently may cause substantial damages to the parties.

While the Law might not always provide precise deadlines, it is still important for the Commission to conduct its proceedings efficiently and effectively. The absence of specific deadlines should not be used as an excuse for unnecessary delays or inefficiencies in the decision-making. That is particularly important in the summary proceedings (Phase I), i.e. cases of no-issue concentrations and individual exemption procedures without competition effects on the Serbian market.

Furthermore, it is noticeable that the Commission has been applying a more complex methodology in analysing the individual exemption of restrictive agreements, it is essential that complex analysis in individual exemption proceedings should not adversely affect the efficiency of the Commission's decision-making process, in terms of avoiding any unjustified delay. In practice, the review period of individual exemption requests is often prolonged beyond the 60 days deadline as envisaged by the Law. This is causing practical problems for the business community when it comes to implementing agreements and business policies which require prior approval of the Commission. The economic reality requires swift action from all parties including the Commission. Additionally, the rather restrictive and formalistic approach of the Commission is more evident, as well as deviations from the comparative EU practice in the interpretation of certain procedural legal institutes, which is especially relevant in the procedures of individual exemptions. It is necessary, in the context of preparations for the new Law, to examine the acceptability of the concept of individual exemption, which the European Union abolished almost twenty years ago. In the 2019 version of the draft law, the legal institute of self-assessment was introduced, whereby the system of individual exemptions was also retained, which was the proposal of the Foreign Investors Council.

Due process rights

The proceedings before the Commission still do not sufficiently guarantee all procedural rights of the parties, including the right to inspect the case files and powers of the Commission in terms of the treatment of privileged communication. In certain merger control cases, as well as the clear regulation regarding the Commission's authority in handling privileged communications. In some cases of the merger control, the Commission has extensively used its power to request for additional information, often including information not relevant to the assessment of a concentration, resulting in unnecessary delays in issuing decisions. If the Commission uses its broad discretionary

powers to issue requests for supplementary of the merger notification, it should clearly elabourate on the aim, purpose and relevance of the requested information in the context of the specific analysis.

During unannounced inspections, the Commission holds exceedingly broad procedural authority, especially regarding the scope and manner of data processing obtained. In certain cases, the Commission allegedly copied the entire content of emails from managers and employees considered relevant and then conducted keyword-based searches on that content at its premises without the presence of party's counsel, extracting material for inclusion in the case file. This approach significantly diverges from standards applied by the European Commission.

Additionally, the Commission has reportedly dismissed parties' objections to this type of data processing, arguing that it provides a forensic copy of seized material, along with a notification identifying which documents were included in the case file, and allows requests to exclude documents containing privileged communications or irrelevant to the case. This practice does not align with the principle of transparency and calls into question the party's right to "defence".

Lack of an effective judicial review at the second instance

It is noticeable that judges of the Administrative Court still lack comprehensive knowledge in the areas of competition law and economics necessary for proper interpretation of parties' arguments and the Commission's decisions, and for drafting accurate judicial decisions. Decisions of the Administrative Court often lack detailed reasoning and consideration of the merits of the case, limiting their scope only to repeating the Commission's findings and consideration of the basic procedural issues, without deeper analysing the arguments of the parties in dispute.

Such shortcoming is a serious issue, as it prevents effective legal argument exchange, a comprehensive and adequate control of the legality of the Commission's decisions, as well as the development and harmonization of the judicial practices with standards of the European Union (which is a requirement of the Stabilization and Association Agreement), while it also jeopardizes further proceedings of extraordinary legal remedy. Detailed reasoning of the decisions of the Commission and the Administrative Court, with particular explaining acceptance or rejection of parties' arguments and evidence of arguments and evidence presented by the parties to the proceedings, is of considerable importance for establishing judiciary oversight of the Commission's work. Otherwise, there is a risk that the Commission, in the absence of effective control, could potentially misuse its powers and position as an autonomous and independent body.

Calculation of penalties

The method of determining penalties is characterized by inconsistency and unpredictability in the application of the Law. For example, a substantial part of the existing guidelines is not in compliance with the law, the methodology for determining coefficients for individual factors in meting out the penalty is unclear, the Commission's decisions often do not include an overview of the established coefficients for individual factors nor proper reasoning, and total revenues of the party to proceedings is taken as a basis for the calculation of the fine, instead of calculating the fine based on revenues derived from only the relevant market where competition was infringed. In the last version of the draft Competition Law, it was provided that penalties will be calculated based on the relevant turnover, i.e. turnover generated on the relevant market on which the competition infringement was made, which is significant progress with regards to the previous situation, and which is also in line with the EU rules.

A clear and consistent methodology for calculating fines is essential to ensure fairness, transparency, and effective enforcement of the Law, especially considering that fines under the Law can be significant. Non-compliant guidelines, unclear coefficient determination, lack of reasoning, and the use of total revenues instead of relevant market turnover, can all lead to legal uncertainty and undermine the credibility of the enforcement process.

Improvement of economic analysis

Although the Commission has made serious efforts to improve the quality of economic analyses, it is necessary to consistently apply economic analyses in all proceedings before the Commission, taking into account the specifics of each particular case, and further work is needed in improving the quality of reasoning behind the Commission's decisions. In the previous period, it was evident that the Commission has issued contradictory decisions with regard to its previous practice in certain cases, without proper reasoning for such deviation.

Lack of clarity in the application of merger control rules

Some legal uncertainty is also caused by a lack of clarity in the application of merger control rules to transactions that involve the acquisition of control over parts of undertakings, as well as the acquisition of control on a short-term basis. These problems often arise in the interpretation of the term "independent business unit", usually related to the acquisition of control over real estate, where the business community needs clear and timely guidance from the Commission in respect of future practices, which still do not exist, i.e. are not published.

Leniency severely underused in practice

As for the leniency programme, the Commission published that the decision in bid-rigging case from December 2023 is the first ever partial leniency granted in Serbia. Additionally, the procedure concluded in 2024 (mentioned above), in relation to the restrictive agreement in the supply of office equipment, toner, consumables, and servicing services was initiated based on a leniency application by one of the undertakings.

The leniency program is a vital tool in antitrust enforcement, designed to encourage companies to come forward and report their involvement in anti-competitive activities in exchange for reduced penalties or immunity. Its successful implementation can lead to the detection and deterrence of cartels and other anti-competitive behaviour while, at the same time, building trust between the business community and the Commission. However, in practice, it is evident that the Commission rarely reacts effectively to leniency applications, reducing the attractiveness and efficiency of this instrument and discouraging companies from relying on it.

Further digitalisation

The need for further digitalisation of the process and work of the Commission has become evident during the COVID-19 pandemic and remains an issue up to date. The Commission should apply more resources to digitalisation which would ease and simplify their work in the given situation (e.g. holding meetings of the Council electronically, holding meetings with the parties electronically even when it is not possible to meet in person etc.).

New Competition Law and the relevant by-laws

Finally, it appears that the work on the preparation of the new Competition Law has been on hold since 2019. The Foreign Investors Council has been an active member of the Working Group for preparation of the new Competition Law and believes that the whole process of preparation and adoption of the new Law should be continued, as the draft of the new Competition Law provides various legal institutes which already exists within the EU acquis communautaire and which could be beneficial for the purpose of strengthening of the legal certainty in the Serbian competition law framework, such as negative clearance, calculation of fines on the basis of the relevant turnover, etc.

Also, a number of by-laws (e.g. on vertical and horizontal agreements) are severely out of date and need to be amended in order to reflect the economic reality and developed practice on the local and the EU level. As noted, in 2024 the Commission drafted four new by-laws and submitted them to the Government of the Republic of Serbia for adoption. The adoption of these regulations would be an important step toward alignment with EU competition law developments and the creation of a more predictable regulatory framework for undertakings.

FIC RECOMMENDATIONS

- Adoption of the new Competition Law and relevant by-laws as soon as possible (especially with regard to the draft regulations that have been pending adoption for several months).
- In order to enhance transparency and legal certainty, the Commission should issue clear guidelines and instructions containing the manner of application of certain provisions of the Law, with the involvement of interested parties in commenting proposed documents.

- The Commission must decide in all cases efficiently and timely. Lack of a clear legal deadline in certain instances must not be an excuse for an inefficient review e.g. in Phase I merger case and individual exemption cases.
- The fees in the Tariff Rules should be decreased to a reasonable sum, especially in the merger control area.
- The Commission should publish decisions on individual exemptions within the shortest possible period from their issuance, i.e. to altogether improve transparency and predictability of decisions.
- The Commission should issue publications of the relevant definitions of product markets grouped by industries every six months, with the aim of harmonizing practice.
- The Commission should increase the activities on the promotion of leniency and react more efficiently upon submission of leniency applications.
- Sector inquiries should contain more precise findings related to possible infringements of competition and competitive concerns to enable market participants to immediately comply behaviour in accordance with the findings of the Commission.
- Judges of the Administrative Court should complete advanced training in both competition law and economics. All rulings of the Administrative Court and the Supreme Court of Cassation should be made publicly available and explained in detail in terms of the substantive issues of the Commission's decisions.
- The Commission's practice should be consistent with respect to all market players with detailed reasoning in relation to exceptions from the previous practice and the EU practice. In merger control cases, requests for additional information must be related to the assessment of the concentration having in mind the broad discretionary powers of the Commission. Considering the penal nature of decisions in the area of competition protection and the significant powers of the Commission, predictability, as well as consistency and legal certainty, are of crucial importance for all market players.
- The Commission should allocate additional resources to digitalizing its procedures and operations, including upgrading its website particularly the section containing published decisions (which would enable simpler and faster searches using multiple criteria).
- By-laws should clearly define the rights of parties during unannounced inspections, especially with respect to the scope and method of processing data collected by the Commission.

STATE AID 1.33

WHITE BOOK BALANCE SCORE CARD

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Transparency of the procedure - introduction of the registry of state aid and effective control of the compliance with the obligation to report to the aid grantors.	2021		√	
Continuous and effective control of compliance with the law– utilizing different mechanisms envisaged in the Law in order to monitor granted state aid and also impose measures for incompatible state aid.	2021			√
Ensure a harmonised approach for prioritising and monitoring all investments and basing investment decisions on feasibility studies, cost-benefit analysis and environmental impact assessments, and apply to all projects the principles of competition, equal treatment, non-discrimination and transparency in State aid procedures in line with the EU acquis.	2024			√

CURRENT SITUATION

The legal framework regulating the granting of state aid in the Republic of Serbia consists of the Law on State Aid Control from October 2019 (the "**Law**"), which entered into force on 1 January 2020, as well as the relevant bylaws.

Having in mind that the Report of the Commission for State Aid Control (the "**CSAC**") on Allocated State Aid for 2024 has not yet been published, we will look back at the situation and data from the Report on Allocated State Aid for 2023.

The total absolute amount of state aid granted in 2023 amounted to RSD 190.311 million (approx. EUR 1.623 million), while its share in GDP stood at 2.3%, which is lower compared to the previous period, given that in 2022 the share of state aid in GDP was 2.7%, while in 2021 this share was 3.5%.

In 2023, the agricultural sector was granted state aid in the absolute amount of RSD 58.721 million (approx. EUR 501 million), which represents an increase of 1% compared to 2022, and an increase of 44% compared to 2021. State aid was granted to the industry and services sector in 2023 in the absolute amount of RSD 129.821 million (EUR 1.107 million). Compared to 2022 and 2021, this category of state aid is recording significant growth.

POSITIVE DEVELOPMENTS

Under the Law, the CSAC functions as an independent and autonomous organization accountable to the National Assembly, ensuring its independence from the executive power from a formal-legal point of view.

In the previous period, further progress was made in terms of strengthening the financial independence of the CSAC, as well as enhancing its human resource capacities.

During 2024, the CSAC prepared a Draft Regulation on Rules and Conditions for Granting of De Minimis Aid, as well as a Draft Regulation on Rules and Conditions for Granting of De Minimis Aid for Provision of Services of General Economic Interest. These regulations were adopted by the Government of the Republic of Serbia at the beginning of 2025. In addition, the CSAC Council adopted the Rulebook on the Manner of Excluding Protected Information from CSAC Acts. The aim of these draft regulations and the rulebook was to align the content of bylaws with the relevant regulations of the European Union. The Foreign Investors Council has commended this progress as an important step toward enhancing the legal framework for governing the granting of state aid.

REMAINING ISSUES

In the European Commission's report on Serbia's progress in the EU accession process for 2024, it is indicated that,

despite a solid legal framework on state aid control, further alignment of bylaws with the EU acquis is necessary. In addition, the capacity of the CSAC needs to be strengthened through increased staffing, and the implementation of the Law on State Aid Control requires further improvement.

In 2024, governance reforms continued with a slight acceleration, particularly in the energy sector and the digitalization of public administration. The regulatory and administrative burden for doing business has been reduced, but the private sector continues to be affected by a lack of transparency and predictability in the way business-related legislation is adopted. Structural challenges remain for state aid, competition and public procurement. The State retains a strong footprint in the economy and the private sector is underdeveloped and hampered by weaknesses in the rule of law, in particular regarding the tackling of corruption and judicial inefficiency. Last year's recommendations have been partially implemented and remain partly valid.

Furthermore, ensuring full transparency in the work of the CSAC is a prerequisite for legal certainty. The CSAC is required to publish its decisions on its website and to maintain a register of granted state aid, including a de minimis aid register. However, to date, a publicly accessible register of granted state aid has not been established, which hinders full transparency. On the other hand, the de minimis aid register is available to the public, but the records are incomplete and not structured in a user-friendly manner that allows for easy searchability and clarity.

The core obstacles to the further harmonization of national legislation with the European acquis:

- the lack of list of state aid schemes and of an action plan for their harmonization, especially of fiscal state aid schemes established in accordance with the Law on Corporate Income Tax,
- the lack of regional maps,
- the lack of a register of granted state aid, as well as the incompleteness and lack of clarity of the register of granted de minimis state aid,
- notification and the standstill obligations are still not being systematically respected and state aid is occasionally provided to economic operators, particularly foreign investors, without prior approval by the CSAC, and
- lack of strict enforcement with respect to agreements concluded with third countries.

In 2024, the CSAC issued 6 decisions (according to the data available on the website of CSAC), determining the existence of state aid and assessing its compliance with the state aid granting rules. Out of this number, five decisions were issued in the preliminary control procedure, and one in the preliminary phase of an ex post control procedure, which may indicate a passive approach by the CSAC toward verifying the compliance of granted state aid. In addition, three binding opinions were issued on draft regulations. These opinions concern the granting of state aid for services of general economic interest, specifically: (i) compensation granted to the Public Enterprise "Pošta Srbije" for the provision of universal postal services; (ii) market premiums intended for electricity producers using renewable energy sources; and (iii) co-financing of projects in the field of public information. In 2024, the CSAC also responded to 14 inquiries related to the interpretation of whether certain grants and benefits are subject to state aid control under the Law.

Furthermore, according to the CSAC's Activity Report for 2024, no court proceedings were initiated against any of the CSAC's decisions during the relevant period.

State aid policy must be predictable and consistent and primarily based on grantor schemes, while individual aid should be the exception. It is necessary to adopt clear plans and programs based on which companies and the public can be informed about that policy in a timely manner, and not from the decisions of the CSAC.

Attracting investment in underdeveloped regions, as well as defining a clear Government strategy on investment areas (digitalization and green energy) with full respect for state aid rules, are key starting points for achieving a clear and cost-effective state aid granting.

With the new law and bylaws in force, the CSAC must actively work on developing the awareness of all relevant parties about these rules, especially state aid grantors and beneficiaries whose knowledge is limited. The stated is a precondition for the involvement of the economy and the general public in the drafting of state aid policy, target-

ing vulnerable categories or sectors of the economy, so that specific, predictable, and effective solutions can be reached jointly.

It is necessary to raise awareness and capacity of state aid grantors, thus increasing the legal certainty of state aid beneficiaries when allocating funds.

FIC RECOMMENDATIONS

- Transparency of the procedure - establishment of the register of granted state aid, ensuring timely and complete record-keeping within the register of de minimis granted state aid, as well as the effective control of the compliance with the obligation to report to the aid grantors.
- Continuous and effective control of compliance with the law– utilizing different mechanisms envisaged in the Law in order to monitor granted state aid and also impose measures for incompatible state aid.
- Ensure a harmonised approach for prioritising and monitoring all investments and basing investment decisions on feasibility studies, cost-benefit analysis and environmental impact assessments, and apply to all projects the principles of competition, equal treatment, non-discrimination and transparency in state aid procedures in line with the EU acquis.