

# **THE LAW ON PRICES**

## **I BASIC PROVISIONS**

### **Article 1**

This law shall regulate the mode and conditions for forming the prices of products and services, monitoring fluctuation of prices, affairs of the state authorities in realisation of macroeconomic policy in the field of prices and other issues of significance for the field of prices.

### **Article 2**

A price, in the meaning of this law, is a monetary value for a unit of product, that is, a service, which is formed in accordance with market conditions, namely in accordance with a special regulation.

Tariff and compensation are considered prices as well.

### **Article 3**

The ministry in charge of trade (herewith: the Ministry) shall perform expert and other affairs in the field of prices, such as:

- 1) monitoring and analysing fluctuations of prices of certain products and services in domestic and world market and their impact on market and price stability, as well as on the standard of living of the population;
- 2) analysing effects of economic policy measures on price level, price ratio and market supply;
- 3) proposing economic policy measures for maintaining market and price stability;
- 4) proposing temporary measures in case of disturbances in production, rendering of services and trade in certain products or services;
- 5) participating in the procedure of establishing criteria, i.e. elements for price forming and price levels of products and services, the price forming mode of which shall be determined by a special regulation

## **II PRICE FORMING**

### **Article 4**

Business companies, enterprises, other legal entities and entrepreneurs (herewith: economic entities) shall form prices of products and services freely according to market conditions, except for products and services for which different way of price forming is prescribed by a special regulation.

Economic entities, when forming prices for products and services in the way described under Paragraph 1 of this Article, may not discuss prices, conduct a division of the market and violate competition.

An economic entity may not sell under the same conditions but different prices the same type of product, that is, render the same type of service, unless a special regulation defines otherwise.

### **Article 5**

The Government of the Republic of Serbia (herewith: the Government) in the conditions of free price forming shall ensure stability of market and prices through economic policy measures and prevent violation of competition.

### **Article 6**

The Minister in charge of trade may determine for which products and services important for the standard of living of the population the economic entities shall submit notices on prices for monitoring, data that those notices contain, as well as time periods and manner of submitting those data.

The data on prices of certain products and services from Paragraph 1 of this Article to be submitted to the Ministry shall be considered a business secret.

### **Article 7**

If a special regulation determines that the Government shall give consent to prices of certain products and services, the proposal to the Government for giving that consent shall be submitted by the ministry in charge of the appropriate field, upon previously obtained opinion of the Ministry.

The Ministry shall be obliged, before submitting the opinion from Paragraph 1 of this Article, to obtain an opinion of a consumer organisation.

### **Article 8**

If a special regulation determines that the Government shall be authorised to establish criteria for forming prices and determining prices of certain products, the Government shall decide on those issues on the proposal of the Ministry and the ministry in charge of the appropriate field.

### **Article 9**

In order to ensure conditions for regular supply of the market with certain agricultural and food products, the Government may establish prices of these products based on costs for their production and prices on domestic and world market.

The prices from Paragraph 1 of this Article shall be determined by the Government on the proposal of the Ministry and the ministry in charge of the appropriate field.

### **Article 10**

If disturbances occur in production, rendering of services and trade in certain products or services, which influence significantly the prices of products and services and if the disturbances may not be eliminated with the measures of current economic policy, the Government may prescribe a temporary measure to prevent and eliminate the disturbances.

The Government may prescribe a temporary measure, which shall result in the least restriction of competition.

A disturbance in production, rendering of services and trade in certain products and services implies: natural disaster, monopoly price forming, misuse of dominant position, disturbance in the world market and other extraordinary circumstances.

### **Article 11**

In case of the disturbance from Article 10 of this law on the territory of a local self-government unit, a temporary measure for eliminating the disturbance shall be undertaken by a responsible authority of the local self-government unit.

### **Article 12**

The temporary measure under Article 10 and 11 of this law may last until the disturbances for its introduction are eliminated, but no longer than six months.

The time period from Paragraph 1 of this Article may be exceptionally extended if the disturbance for which the temporary measure has been prescribed is not eliminated in the time period from Paragraph 1 of this Article and if that disturbance may cause grave consequences on life and health and social security of the population and undisturbed operation of economic entities, institutions and other legal entities.

## **III ADMINISTRATIVE SUPERVISION**

### **Article 13**

The Ministry shall perform supervision over the implementation of this law, regulations enacted for its enforcement and other by-laws regulating prices.

#### **Article 14**

Inspection supervision shall be performed by the Ministry through market inspection (herewith: the inspector).

#### **Article 15**

If the inspector in performing supervision ascertains that a legal person sells under the same conditions but different prices the same type of products or renders the same type of service, he shall order the economic entity by a decision to eliminate the ascertained irregularity.

#### **Article 16**

If the inspector in performing supervision ascertains that an economic entity does not submit notices on prices to the Ministry, he shall order the economic entity by a decision to submit that notice and set a deadline for its submission.

#### **Article 17**

If the inspector in performing supervision ascertains that a responsible authority, in accordance with special regulation, has not given the consent for the price of product or service of an economic entity, he shall order by a decision for the price to be returned to the previous level.

If the inspector in performing supervision ascertains that an economic entity sells products and services at prices that are above the price level determined by the decision of a responsible authority in accordance with special regulation, he shall order by a decision for the price to be returned to the previous level.

#### **Article 18**

The appeal against the inspector's decision under Articles 15, 16 and 17 of this law may be lodged with the minister in charge of trade within eight days from the day of the reception of the decision.

The appeal from the decision from Paragraph 1 of this Article shall not postpone the implementation of the decision.

### **IV PENAL PROVISIONS**

#### **Article 19**

A legal person shall be fined for a misdemeanour in the amount from 100.000 to 200.000 dinars if he sells under same conditions but different prices the same type of product or renders the same type of service (Article 4, Paragraph 3).

For the misdemeanour under Paragraph 1 of this Article, a responsible person in the legal person shall be fined with the amount from 8.000 to 10.000 dinars.

In addition to the penalty from Paragraph 1 of this Article, the economic profit gained by committing the misdemeanour shall be taken away.

### **Article 20**

An entrepreneur shall be fined for a misdemeanour in the amount from 80.000 to 100.000 dinars if he sells under same conditions but different prices the same type of product or renders the same type of service (Article 4, Paragraph 3).

In addition to the penalty from Paragraph 1 of this Article, the economic profit gained by committing the misdemeanour shall be taken away.

### **Article 21**

A legal person shall be fined for a misdemeanour in the amount from 50.000 to 80.000 dinars if he does not submit a notice on prices (Article 6, Paragraph 1).

For the misdemeanour under Paragraph 1 of this Article a responsible person in the legal person shall be fined with the amount from 8.000 to 10.000 dinars.

### **Article 22**

An entrepreneur shall be fined for a misdemeanour in the amount from 30.000 to 50.000 dinars if he does not submit a notice on prices (Article 6, Paragraph 1).

### **Article 23**

A legal person shall be fined for a misdemeanour in the amount from 100.000 to 200.000 dinars if he formed the price of product or service for which a responsible authority has not given its consent or if he sells products and services at prices above the price level determined by the decision of the responsible authority (Articles 7-11).

For the misdemeanour from Paragraph 1 of this Article a responsible person in the legal person shall be fined with the amount from 8.000 to 10.000.

In addition to the penalty from Paragraph 1 of this Article, the economic profit gained by committing the misdemeanour shall be taken away.

#### **Article 24**

An entrepreneur shall be fined for a misdemeanor in the amount from 80.000 to 100.000 dinars if he forms the price of a product or service for which a responsible authority has not given its consent or if he sells products and services at prices above the price level determined by the decision of the responsible authority (Art. 7-11).

In addition to the penalty from Paragraph 1 of this Article, the economic profit gained by committing the misdemeanor shall be taken away.

#### **Article 25**

A legal person shall be fined for a misdemeanor with the amount from 50.000 to 80.000 dinars if he does not act according to the inspector's decision (Art. 15-17).

For the misdemeanor from Paragraph 1 of this Article a responsible person in the legal person shall be fined with the amount from 8.000 to 10.000.

For the misdemeanor from Paragraph 1 of this Article an entrepreneur shall be fined with the amount from 20.000 to 50.000.

### **V TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 26**

On the date this Law goes into effect, the validity of the following laws shall expire:

- 1) The Law on Social Price Control System ("Official Gazette of SFRY, no. 84/89 and "Official Gazette of FRY" no. 32/93, 24/94 and 28/96),
- 2) The Law on Social Price Control ("Official Journal of SRS" no. 28/87 - revised text, 6/89, 25/89, 55/90 and "Official Journal of RS" no. 6/90, 53/93, 67/93 and 48/94).

#### **Article 27**

This law becomes effective on the eight day from the day of its publication in the "Official Journal of the Republic of Serbia".