

LAW ON TOBACCO

I BASIC PROVISIONS

Subject of the Law

Article 1

This Law governs the requirements and methods of production, processing, and trade of tobacco and processed tobacco, as well as of production, classification, and trade of tobacco products, and of keeping registers, lists of records, and records; establishes the types of data related to the contents and labeling of the tobacco products; establishes the Tobacco Administration Office, and governs the supervision of the implementation of this Law.

Glossary

Article 2

Specific expressions used in this Law shall have the following meaning:

1) **Tobacco** are the leaves of the cultivated PLANT species *Nicotiana tabacum L.* in all forms and grades of production, processing, and packaging of the plant, not intended for direct consumption (unprocessed tobacco);

2) **Processed tobacco** is tobacco processed by means of a technological procedure of seasonal and non-seasonal fermentation, as well as by thermal treatment, specifically entailing: whole processed tobacco leaf (in the case of oriental or semi-oriental tobacco), parts of leaf blade/strips and ribs (in the case of Virginia and Burley tobacco types) and shreds and small pieces of leaf blade (in the case of all tobacco types), except for tobacco foils or reconstituted tobacco which falls into the category of tobacco-based products;

3) **Tobacco products** are the products complying with the quality standards prescribed by the Law, and these are: cigars, cigarillos, cigarettes, smoking tobacco, and other tobacco products.

(1) **Cigars and cigarillos** are:

a) Rolls of tobacco that can be smoked as they are, entirely made of natural tobacco;

b) Rolls of tobacco that can be smoked in the given form, with the outer wrap made of natural tobacco;

c) Rolls of tobacco made of the blend of stripped tobacco, with the outer wrap in the natural color of the cigar and completely covering the product, with a filter where provided for, except in cases of tipped cigars where both the tip and the wrap are made of reconstituted tobacco, provided that the weight per unit is at least 1.2 grams without the

filter or mouthpiece, and provided that it has a wrap spirally wined under an acute angle of at least 30° to the longitudinal axis of the cigar;

d) Rolls of tobacco made of the blend of stripped tobacco, with the outer wrap in the natural color of the cigar and completely covering the product, with a filter where provided for, except in cases of tipped cigars, where both the tip and the wrap are made of reconstituted tobacco, and provided that the weight per unit is at least 2.3 grams and the circumference over at least one third of its length is not less than 34 mm.

(2) Cigarettes are:

a) Rolls of tobacco that can be smoked in the given form, but do not fall under cigars and cigarillos, as described in Item 3) Sub-item 1);

b) Rolls of tobacco that are inserted into tubes of cigarette paper with a simple, non-industrial procedure;

c) Rolls of tobacco that are wrapped into cigarette paper with a simple, non-industrial procedure;

The roll described in Item 3) Sub-item (2) implies two cigarettes with a total length without the filter or the mouthpiece of more than 9 cm, but less than 18 cm, three cigarettes with a total length without the filter or the mouthpiece of more than 18 cm, but less than 27 cm, and so on.

(3) Tobacco for smoking is:

a) Cut, or otherwise minced, torn, or pressed into blocks tobacco, which can be smoked without further industrial processing;

Tobacco put up for retail, that does not fall under the products described in Sub-items (1) and (2), and that can be smoked.

(4) Other tobacco products are:

a) Tobacco intended for retail, which can be consumed without further industrial processing, and which is prepared specifically for chewing or sniffing, but not smoking;

b) Products entirely or partially made of substances other than tobacco, but meeting all other criteria for products described in Sub-item (1) or Sub-item (3), and considered as cigarettes or tobacco for smoking for tax and other legal purposes;

c) Products partially made of substances other than tobacco, but meeting all other criteria for products described in Sub-item (2), and which are considered as cigars or cigarillos for tax and other legal purposes, if they fulfill one of the following requirements:

- They have a wrap made of natural tobacco;
- They have a wrap and envelope made of reconstituted tobacco;
- They have a wrap made of reconstituted tobacco.

d) Products partially made of substances other than tobacco, but meeting all other criteria for products described in Sub-item (4) under a);

4) Domestic tobacco products are tobacco products manufactured in the Republic of Serbia (hereinafter: the Republic) by an entity entered into the Register of Manufacturers of Tobacco Products, and which are entered into the Register of Brands of Tobacco Products, in accordance with this Law;

5) **Tobacco production** is the production of nursery tobacco plants, growing tobacco in the fields, harvesting, curing, classification, and packaging of tobacco by the tobacco producer;

6) **Tobacco processing** is arranging, fermentation, as well as other activities included in the technological procedure of tobacco processing and packaging;

7) **Manufacturing of tobacco products** is the industrial procedure of preparation, production, and packaging of products described in Item 3) of this Article;

8) **Tobacco producer** is a business entity, which produces tobacco, and which is entered into the Register of Tobacco Producers or into the List of Records of Tobacco Producers;

9) **Tobacco processor** is a business entity, which processes tobacco, and which is entered into the Register of Tobacco Processors;

10) **Manufacturer, wholesaler, or retailer of tobacco products**, is a business entity which manufactures, wholesales or retails the products from Item 3) of this Article, and which is entered into the Register of Manufacturers of Tobacco Products, the Register of Wholesalers of Tobacco Products, as well as the List of Records of Retailers of Tobacco Products;

11) **Importer of tobacco, processed tobacco, or tobacco products**, is a business entity or a company, which is importing, on its behalf and for its account, the products from Items 1) to 3) of this Article, and which is entered into the Register of Importers of Tobacco, Processed Tobacco, and Tobacco Products;

12) **Exporter of tobacco, processed tobacco, or tobacco products**, is a business entity, which is exporting, the products from Items 1) to 3) of this Article, and which is entered into the Register of Exporters of Tobacco, Processed Tobacco, and Tobacco Products;

13) **Trade of tobacco/processed tobacco** is the trade, as well as import and export of tobacco, and/or processed tobacco;

14) **Trade of tobacco products** is the trade, as well as import and export of tobacco products;

15) Legal person is an entity having the properties of associated entity in the sense of the law governing the enterprise profit tax.

II THE TOBACCO ADMINISTRATION OFFICE

The Establishment

Article 3

The Tobacco Administration Office (hereinafter: the Administration Office) is established herewith as a governing body within the ministry in charge of finance.

The Competencies

Article 4

The Administration Office shall perform the following activities:

- 1) Establish the fulfillment of requirements and issues the licenses for production, processing, import and export of tobacco, and/or processed tobacco;
- 2) Establish the fulfillment of requirements and issues the licenses for trade (wholesale, retail, import and export) in tobacco products;
- 3) Establish the fulfillment of requirements for cigarettes of other manufacturers to be considered as domestically manufactured cigarettes, in accordance with the regulations governing the excise taxes;
- 4) Keep the registers and lists of records;
- 5) Keep the records related to production, processing, and trading in tobacco and/or processed tobacco, as well as of manufacturing and trading in tobacco products;
- 6) Cooperate with the bodies and organizations in charge of preventing the illegal trade in tobacco products;
- 7) Monitor the market situation for the production, processing and trade of tobacco, processed tobacco, and tobacco products;
- 8) Coordinate the implementation of the procedure of public tender for issuing licenses for manufacturing tobacco products, and prepares the proposal of the document which issues that license; establishes the fulfillment of requirements for the renewal and withdrawal of the license for manufacturing tobacco products, and prepares the proposal of the document which renews or withdraws that license;
- 9) Ensure the publishing of the decisions on entering into registers which are kept in accordance with this Law, and issue certification to the effect that the manufacturer of tobacco products and/or importer of tobacco products, has notified the Administration Office about the retail price of tobacco products;
- 10) Participate in the drafting of alterations and amendments to this Law and assessments on the implementation of the same;
- 10a) Participate in drafting the bylaws for implementation of this Law's provisions within the field of jurisdiction of the ministry in charge of financial affairs;
- 11) Perform other activities in accordance with the law.

III REGISTERS, LISTS OF RECORDS AND RECORDS

Registers

Article 5

The registers that shall be kept in accordance with this Law are:

- 1) The Register of Tobacco Producers;
- 2) The Register of Tobacco Processors;
- 3) The Register of Manufacturers of Tobacco Products;
- 4) The Register of Wholesalers of Tobacco Products;
- 5) The Register of Importers of Tobacco, Processed Tobacco, and Tobacco Products;
- 6) The Register of Exporters of Tobacco, Processed Tobacco, and Tobacco Products;
- 7) The Register Brands of Tobacco Products.

The registers from Paragraph 1 of this Article are kept by the Administration Office.

Into the registers from Paragraph 1 of this Article are specifically entered: the business name, and/or the name of the entered entity, the address of its registered seat, its business, registration number, tax identification number (TIN), and other data of consequence for the business of the entered entity.

The entities entered into the registers from Paragraph 1 of this Article are obliged to report to the Administration Office all changes of the data entered into the register within 15 days of the date the change was effectuated.

The minister in charge of finance further defines the contents and the method of keeping the registers from Paragraph 1 of this Article.

The List of Records

Article 6

The lists of records that shall be kept in accordance with this Law are:

- 1) The List of Records of Individual Tobacco Producers;
- 2) The List of Records Retailers of Tobacco Products.

The lists of records from Paragraph 1 of this Article are kept by the Administration Office.

Into the lists of records from Paragraph 1 of this Article are specifically entered: the name, surname and the address of the individual, the business name, and/or the name of the entered entity, the address of its registered seat, its business, registration number, tax identification number ("PIB"), unique national identification number ("JMBG"), registration number, and other data of consequence for the business of the entered entity.

The retailer of tobacco products is obliged to report to the Administration Office all changes of the data entered into the list of records within 15 days of the date the change was effectuated.

The minister in charge of finance further defines the contents and the method of keeping the lists of records from Paragraph 1 of this Article.

Records

Article 7

Entities entered into registers from Article 5 of this Law, or the list of records from Article 6 Paragraph 1 Item 2) of this Law, are obliged to keep separate records related to production, processing and trade in tobacco, processed tobacco and tobacco products, and to preserve them for five years.

Entities entered into registers enumerated in Article 5 Paragraph 1 Item 3) through 6) of this Law and entities entered in the list of records enumerated in Article 6 Paragraph 1 Item 2) of this Law, are obliged to submit to the Administration Office semiannual and annual reports on data recorded by them, not later than 15 days after the expiration of the period the report pertains to.

The entities entered into the registers from Article 5 Paragraph 1 Items 1) and 2) of this Law are obliged to submit quarterly reports to the ministry in charge of agriculture containing the data recorded in accordance with Paragraph 1 of this Article.

The reports from Paragraph 3 of this Article are submitted at latest within ten days of the expiration of the period that the report is submitted for.

Entities entered into registers enumerated in Article 5 Paragraph 1 Item 1) and 2) of this Law are obliged, upon the Administration Office's request, to submit reports on data recorded by them, within the timeframe as determined by the Administration Office.

The minister in charge of agriculture further defines the contents and manner of keeping the records by the tobacco producers and processors.

The minister in charge of finance further defines the contents and manner of keeping the records by the manufacturers of tobacco products, wholesalers and retailers of tobacco products, as well as importers and exporters of tobacco, processed tobacco, and/or tobacco products.

IV TOBACCO PRODUCTION AND PROCESSING

Types of tobacco and tobacco seeds

Article 8

The following types of tobacco are produced on the territory of the Republic: Virginia, Burley, Oriental, and Semi-Oriental.

Within the types from Paragraph 1 of this Article, on the territory of the Republic are grown the types contained on the list of types of agricultural and forest plants, established in accordance with the regulations of the seeds.

Tobacco producers are obliged to use the seeds of tobacco produced in conformity with the regulations of the seeds in production of tobacco nursery plants.

Tobacco seeds and/or tobacco nursery plants may be acquired only by a tobacco producer who fulfills conditions for tobacco production and is entered in the Register of Tobacco Producers.

1. Tobacco producers

Requirements

Article 9

Tobacco production may be performed by a business entity which fulfills the following requirements:

- 1) That it is entered into the corresponding register kept by an organ in charge of registration;
- 2) That it has, in its possession, leased, or in cooperation with an individual producer, at least 5 ha of arable land;
- 3) That it has technical capabilities for agricultural processing and preparation of the land for planting, harvesting, curing, sorting, packaging, and other necessary activities preceding the preparation of tobacco for processing;
- 4) That it has a signed preliminary agreement/agreement with a tobacco processor;
- 5) That the responsible person within the legal subject has not been convicted by a valid court decision on the territory of the Republic for a criminal act of illegal production and/or trade of tobacco within the three years preceding the submission of the application;
- 6) That it has at its disposal adequate premises for storing tobacco, if it plans to engage in tobacco purchase.

The fulfillment of requirements from Paragraph 1 of this Article is determined by the Administration Office at the application of the legal entity.

The following evidence should be submitted with the application from Paragraph 2 of this Article:

- 1) The excerpt from the register that the legal entity is entered in;
- 2) Proof of disposal over at least 5 ha of arable land;

3) The document issued by the competent government agency on fulfillment of the requirements from Paragraph 1 Item 3) of this Article;

4) All preliminary agreements/agreements signed with tobacco processors, unless the applicant is also entered into the Register of Tobacco Processors;

5) The certificate of no criminal conviction, which may not be older than 30 days on the date of the submission of the application;

6) The document issued by the competent government agency on fulfillment of the requirements regarding the disposal over adequate storage space for tobacco.

The Administration Office shall adopt either a decision, or an executive decision, regarding the application from Paragraph 2 of this Article.

The decision shall reject an incomplete application; the executive decision refuses the application, or issues the license for tobacco production.

The executive decision from Paragraph 5 of this Article shall be adopted by the Administration Office after obtaining the opinion of the ministry in charge of agriculture.

An appeal to the decision from Paragraph 5 of this Article may be sent to the minister in charge of finance within 15 days of receipt of the decision.

The executive decision from Paragraph 5 of this Article is the final action in the administrative procedure.

An individual tobacco producer may produce tobacco if he/she has signed a cooperation agreement with a tobacco producer entered into the Register of Tobacco Producers, and/or a tobacco processor entered both into the Register of Tobacco Processors and Register of Tobacco Producers, respectively.

The minister in charge of agriculture further defines the requirements from Paragraph 1 Items 2), 3) and 6) of this Article.

Validity of the license

Article 10

The executive decision issuing the license for engaging in the business of tobacco production (hereinafter: the license for tobacco production) contains the period of validity that the license is issued for.

The license from Paragraph 1 of this Article is issued for the period of five years.

Entering into the Register of Tobacco Producers

Article 11

The entering into the Register of Tobacco Producers is performed at the request of the entity that has obtained the license for tobacco production in accordance with this Law.

The request from Paragraph 1 should be submitted within 30 days of obtaining the license.

The agreements signed with the tobacco processor(s) should be submitted with the request from Paragraph 1 of this Article.

The Administration Office is required to adopt the executive decision within 15 days from receiving the request for entering into the Register of Tobacco Producers.

The executive decision from Paragraph 4 of this Article is the final action in the administrative procedure.

After being entered into the Register of Tobacco Producers, the tobacco producer may commence with the business of tobacco production.

Renewal of the license for tobacco production

Article 12

The tobacco producer may renew its license for tobacco production by submitting a request to the Administration Office at the latest 60 days before the expiration date of the existing license.

Renewal of the license from Paragraph 1 of this Article is done in a manner and under conditions prescribed for its issuance.

The Administration Office is required to adopt a decision on the request within 30 days of the submission of the request for renewal of the license, and at the latest before the expiration date of the existing license.

If the Administration Office does not adopt a decision within the deadline set in Paragraph 3 of this Article, the tobacco producer has the right to continue with the business of tobacco production in accordance with the existing license.

Withdrawal of the license for tobacco production

Article 13

The license for tobacco production shall be withdrawn:

- 1) At the request of the license holder;
- 2) If the license holder ceases to fulfill the requirements prescribed by this Law for its issuance;
- 3) If the responsible person within the license holder is convicted by a valid court decision for a criminal act of illegal production and/or trade of tobacco;

4) If the responsible person within the license holder is convicted by a valid court decision for a violation of this Law;

5) If the license holder does not submit the request for entering into the Register of Tobacco Producers within the prescribed deadline.

The competent body is required to inform the Administration Office of the decision from Paragraph 1 Items 3) and 4) within eight days of the date the decision went into effect.

The Administration Office is required to adopt a decision on withdrawing the license for tobacco production within seven days from receiving the request, or the information from Paragraphs 1 and 2 of this Article.

The executive decision from Paragraph 3 of this Article is the final action in the administrative procedure.

Removal from the Register of Tobacco Producers

Article 14

The tobacco producer shall be removed from the Register of Tobacco Producers:

- 1) Within five days of the expiration of the license;
- 2) Within five days of the date the executive decision on refusing the request for renewal of the license goes into effect, or
- 3) Within 15 days of the date of receipt of the executive decision on the withdrawal of the license.

The Administration Office adopts the executive decision on removal from the Register of Tobacco Producers.

The executive decision from Paragraph 2 of this Article is the final action in the administrative procedure.

The Administration Office is required to inform the tobacco processor, which has signed preliminary agreements or agreements with the tobacco producer being removed from the register, of the executive decision from Paragraph 2 of this Article, within seven days of adopting that executive decision.

The ban on the trade of cut and minced tobacco

The Records

Article 16

The tobacco producer is required to keep records of data related to production and trade in tobacco, in accordance with Article 7 of this Law.

Obligations of the Tobacco Producer

Article 16a

A tobacco producer entered into the Register of Tobacco Producers is obliged to sell tobacco exclusively to a tobacco processor entered into the Register of Tobacco Processors and/or to an exporter of tobacco, processed tobacco and/or tobacco products entered into the Register of Exporters of Tobacco, Processed Tobacco and/or Tobacco Products.

An individual tobacco producer entered into the List of Records of Individual Tobacco Producers is obliged to sell tobacco exclusively to an entity he/she has signed a cooperation agreement with as stipulated by Article 9 Paragraph 9 of this Law.

Tobacco not traded in accordance with Paragraph 1 and 2 of this Article shall be regarded as tobacco for smoking and other tobacco products (cut tobacco) as stipulated by the law governing the excise taxes.

2. Tobacco Processors

Requirements

Article 17

Tobacco processing may be performed by a business entity, which fulfills the following requirements:

- 1) That it is entered into the corresponding register kept by an organ in charge of registration;
- 2) That it possesses its own premises for purchase of tobacco, storage of purchased tobacco, arranging, processing and classification of tobacco;
- 3) That it possesses its own equipment for tobacco processing;
- 4) That it possesses its own laboratory, or has a signed contract with an authorized domestic or foreign laboratory for the analysis and quality assessment of tobacco;
- 5) That it has a signed preliminary agreement/agreement with a manufacturer of tobacco products;
- 6) That the responsible person within the legal subject has not been convicted by a valid court decision on the territory of the Republic for the criminal act of illegal production and/or trade of tobacco or processed tobacco, within three years preceding the submission of the application.

If the legal entity transports the tobacco in its own means of transportation, the means of transportation must be clearly labeled as transportation of tobacco, and must comply with the sanitary and all other stipulated requirements.

The fulfillment of requirements from Paragraph 1 of this Article is determined by the Administration Office at the application of the legal entity.

The following evidence should be submitted with the application from Paragraph 3 of this Article:

- 1) The excerpt from the register that the legal entity is entered in;
- 2) The document issued by the competent government agency on fulfillment of the requirements from Paragraph 1 Items 2), 3) and 4), and Paragraph 2 of this Article;
- 3) All preliminary agreements/agreements signed with manufacturers of tobacco products, unless the applicant is also entered into the Register of Manufacturers of Tobacco Products;
- 4) The certificate of no criminal conviction, which may not be older than 30 days on the date of the submission of the application;

The legal entity is required to fulfill the requirements stipulated in Paragraph 1 of this Article for processing at least one type of tobacco.

If a tobacco processor does not fulfill the requirements from Paragraph 1 of this Article for processing more than one type of tobacco, it may contract, for the types of tobacco that it does not fulfill the requirements for, the processing services from a legal entity that fulfills these requirements.

The Administration Office adopts either a decision, or an executive decision, regarding the application from Paragraph 3 of this Article.

The decision rejects an incomplete application; the executive decision refuses the application, or issues the license for tobacco processing.

The executive decision from Paragraph 8 of this Article is adopted by the Administration Office after obtaining the opinion from the ministry in charge of agriculture and from the ministry in charge of health care.

The decision from Paragraph 8 of this Article may be appealed to the minister in charge of finance within 15 days from receiving the decision.

The executive decision from Paragraph 8 of this Article is the final action in the administrative procedure.

The means of transportation intended for transportation of tobacco and/or processed tobacco, may be used for transportation of other consumer goods, but not at the same time.

The minister in charge of agriculture and the minister in charge of health care further define the requirements from Paragraph 1 Items 2), 3) and 4) of this Article.

The minister in charge of health care further defines the requirements from Paragraph 2 of this Article.

Validity of the license

Article 18

The executive decision issuing the license for engaging in the business of tobacco processing (hereinafter: the license for tobacco processing), contains the period of validity that the license is issued for.

The license from Paragraph 1 of this Article is issued for a period of five years.

Entering into the Register of Tobacco Processors

Article 19

The entering into the Register of Tobacco Processors is performed at the request of the entity that has obtained the license for tobacco processing in accordance with this Law.

The request from Paragraph 1 should be submitted within 30 days of obtaining the license.

The agreements signed with the manufacturers of tobacco products should be submitted with the request from Paragraph 1 of this Article.

The Administration Office is required to adopt the executive decision within 15 days from receiving the request for entering into the Register of Tobacco Processors.

The executive decision from Paragraph 4 of this Article is the final action in the administrative procedure.

After being entered into the Register of Tobacco Processors, the tobacco processor may commence with the business of tobacco processing.

Renewal of the license for tobacco processing

Article 20

The tobacco processor may renew its license for tobacco processing by submitting a request to the Administration Office at the latest 60 days before the expiration date of the existing license.

Renewal of the license from Paragraph 1 of this Article is done in a manner and under conditions prescribed for its issuance.

The Administration Office is required to adopt a decision on the request within 30 days of the submission of the request for the renewal of the license, and at the latest before the expiration date of the existing license.

If the Administration Office does not adopt a decision within the deadline set in Paragraph 3 of this Article, the tobacco producer has the right to continue with tobacco production in accordance with the existing license.

If the Administration Office does not adopt a decision within the deadline set in Paragraph 3 of this Article, the tobacco processor has the right to continue with the business of tobacco processing in accordance with the existing license.

Withdrawal of the license for tobacco processing

Article 21

The license for tobacco processing shall be withdrawn:

- 1) At the request of the license holder;
- 2) If the license holder ceases to fulfill the requirements prescribed by this Law for its issuance;
- 3) If the responsible person within the license holder is convicted by a valid court decision for the criminal act of illegal production and/or trade of tobacco or processed tobacco;
- 4) If the responsible person within the license holder is convicted by a valid court decision for a violation of this Law;
- 5) If the license holder does not submit the request for entering into the Register of Tobacco Processors within the prescribed deadline.

The competent body is required to inform the Administration Office of the decision from Paragraph 1 Items 3) and 4) within eight days of the date the decision went into effect.

The Administration Office is required to adopt a decision on withdrawing the license for tobacco processing within seven days from receiving the request, or the information from Paragraphs 1 and 2 of this Article.

The executive decision from Paragraph 3 of this Article is the final action in the administrative procedure.

Removal from the Register of Tobacco Processors

Article 22

The tobacco producer shall be removed from the Register of Tobacco Processors:

- 1) Within five days of the expiration of the license;
- 2) Within five days of the date the executive decision on refusing the request for renewal of the license goes into effect;
- 3) Within 15 days of the date of receiving the executive decision on withdrawal of the license;

4) If the responsible person within a business entity entered in the Register of Tobacco Processors was convicted by a valid court decision for a felony of illicit production and/or illicit trade of tobacco or processed tobacco;

5) If the responsible person within a business entity entered into the Register of Tobacco Processors was punished by a valid court decision for a misdemeanor stipulated by this Law.

The Administration Office adopts the executive decision on removal from the Register of Tobacco Processors.

The executive decision from Paragraph 2 of this Article is the final action in the administrative procedure.

The competent authority is obliged to notify the Administration Office on the above within eight days from the day of the decision stipulated by Paragraph 1 Item 4) and 5) of this Article entering into force.

The Administration Office is required to inform the manufacturer of tobacco products, which has signed preliminary agreements or agreements with the tobacco processor being removed from the register, of the executive decision from Paragraph 2 of this Article, within seven days of adopting that executive decision.

Managing the technological process

Article 23

The tobacco processor is required to provide skilled management of the procedure of tobacco production and processing.

The minister in charge of agriculture further defines the requirements that must be fulfilled by the person in charge of the procedure of tobacco production and processing.

Assessment of the quality of tobacco

Article 24

If the tobacco producer, or the individual tobacco producer, is not satisfied with the quality assessment of tobacco performed by the tobacco processor, which it has signed the tobacco processing agreement with, it may submit a request for a renewed quality assessment of tobacco to an authorized domestic or foreign laboratory, within 24 hours of the performed quality assessment of tobacco.

The costs of the quality assessment of tobacco by an authorized laboratory shall be covered by the entity from Paragraph 1 of this Article that has submitted the request for the quality assessment of tobacco.

If the tobacco producer, individual tobacco producer, or the tobacco processor, is not satisfied with the quality assessment of tobacco performed by the authorized laboratory, it may submit a request for a renewed quality assessment of tobacco to another authorized local or foreign laboratory, within 24 hours of the performed quality assessment of tobacco.

The laboratory from Paragraph 3 of this Article is required to assess the quality of tobacco within seven days of the submission of the request.

The costs of the quality assessment of tobacco from Paragraph 3 of this Article shall be covered by the tobacco producer if the assessment of the processor is confirmed, and if the assessment of the processor is not confirmed, the costs of the assessment are covered by the tobacco processor.

The quality assessment made by the laboratory from Paragraph 3 of this Article is final and binding for all entities from Paragraph 1 of this Article.

The tobacco of the contested quality remains preserved in the warehouse of the tobacco processor until the laboratory assessment from Paragraph 3 of this Article is completed.

Trade and Records

Article 25

The tobacco processor, besides the activity of tobacco processing, may also engage in the trade of processed tobacco.

The tobacco processor is obliged to keep records related to production, processing and trade of processed tobacco, in accordance with Article 7 of this Law, and particularly on the:

- 1) Amount and quality of tobacco from the processor's own production if this entity is simultaneously also the producer of tobacco entered into the corresponding register in accordance with this Law;
- 2) Amount and quality of tobacco purchased from a tobacco producer and/or importer of tobacco, processed tobacco and/or tobacco products, entered into the corresponding register in accordance with this Law;
- 3) Amount and quality of the produced, processed and sold tobacco according to types and classes.

Obligations of the tobacco processor

Article 25a

The tobacco processor entered into the Register of Tobacco Processors is obliged to sell the processed tobacco exclusively to a manufacturer of tobacco products entered into the Register of Manufacturers of Tobacco Products and/or exporter of tobacco, processed tobacco and/or tobacco products entered into the Register of Exporters of Tobacco, Processed Tobacco and/or Tobacco Products.

Processed tobacco which is traded in violation of Paragraph 1 of this Article shall be regarded as tobacco for smoking and other tobacco products (cut tobacco) according to the law governing the excise taxes.

V MANUFACTURING AND TRADE OF TOBACCO PRODUCTS

1. Manufacturers

Requirements

Article 26

Manufacturing of tobacco products may be performed by a business entity, which has obtained the license for the business of manufacturing tobacco products, and which is entered into the Register of Manufacturers of Tobacco Products, in accordance with this Law.

The license for the business of manufacture of tobacco products (hereinafter: the license for manufacturing tobacco products) is obtained through a public tender.

The procedure of public tender

Article 27

The procedure of public tender is initiated by the decision on launching the public tender, reached by the Administration Office with the approval of the Government of the Republic of Serbia (hereinafter: the Government). The decision from Paragraph 3 of this Article is adopted in accordance with the projected macroeconomic policy, fiscal concerns, and market conditions.

The procedure of public tender includes specifically: the preparation of the tender documentation, the public call for the submission of the bids, submission and receipt of

the bids, opening and evaluation of the bids, establishing the list of the bidders, and forming the final tender list.

The procedure of public tender is managed by the Tender Commission, established by the minister in charge of finance.

Specialized activities, related to the preparation and management of the public tender, are performed by the Administration Office.

The tender documentation includes specifically: the public call, the data about the situation on the domestic market for tobacco and tobacco products, bidding form, elements for evaluation of the bid, data on the financial security instrument, and the conditions for participation in the public tender.

The Government further defines the procedure of the public tender, criteria for forming the Tender Commission, contents of the tender documentation, and the elements for evaluation of the bids.

The public call

Article 28

The public call for participation in the public tender is published in the "Official Gazette of the Republic of Serbia", and in at least one daily newspaper.

The Administration Office manages the publishing of the public call from Paragraph 1 of this Article.

The public call contains the requirements for obtaining the right to participate in the public tender, as well as other data of interest for the participants in the public tender.

The right to participate in the public tender

Article 29

The right to participate in the public tender is given to any business entity that fulfills the following requirements:

1) That it is entered into the corresponding register kept by an organ in charge of registration;

2) That it possesses its own equipment, in the country, which enables it to perform production in all phases, from the preparation of tobacco (conditioning, leafing, cutting, flavoring), up to manufacturing cigarettes and other tobacco products, and their sanitary packaging;

3) That it possesses installed capacities for manufacturing cigarettes and other tobacco products from its product range, of at least 2,500,000,000 cigarettes per year;

4) That it possesses its own adequate laboratory for performing the analysis and quality assessment of tobacco products, or has a signed contract with an authorized domestic or foreign laboratory for analysis and quality assessment of tobacco products;

5) That it possesses adequate premises, which fulfill the prescribed requirements for production and storage of tobacco products;

6) That it employs adequate, skilled workforce in production and quality control;

8) That it offers a reasonable estimation of the feasible yearly production of cigarettes and other tobacco products, according to their appropriate quality and quantity and in accordance with market conditions;

9) That it submits the evidence, issued by the competent body, on no conviction for corporate violation or criminal act related to illegal production and/or trade of cigarettes and other tobacco products, within the period of three years preceding the date of submission of the bid for participation in the public tender: for the founder with a share of more than 10% of the capital of the company, for the person authorized to represent the company, for the entrepreneur, for any entity associated with the company that is submitting the bid for participation in the tender, as well as for any legal entity whose legal successor is the legal entity submitting the bid; the evidence may not be older than 30 days from the date of the submission of the application to participate in the public tender.

Article 30

The right to participate in the public tender is also given to the legal subject that, with the application for participation on the public tender, submits a detailed project as the evidence of fulfillment of the requirements from Article 29 of this Law, providing the manner and deadlines for fulfillment of these requirements, with an explication of the project, a defined amount of funds needed for the realization of the project, a bank guarantee to that amount, or the proof of any other security instruments from a bank or other financial institution.

The Entity from Paragraph 1 of this Article is required to submit, with the application for participation in the public tender, a written statement obliging itself to fulfill the obligation from Article 29 Item 8) of this Law.

The minister in charge of agriculture and the minister in charge of health care further define the requirements from Article 29 Items 2) to 7) of this Law.

The license for manufacturing tobacco products

Article 31

The Administration Office prepares the proposal of the document issuing the license for manufacturing tobacco products, in accordance with previously obtained opinions of the ministry in charge of agriculture and the ministry in charge of health care.

The Government, at the proposal of the Administration Office, issues the license for manufacturing tobacco products for the period of five years.

The executive decision from Paragraph 2 of this Article is the final action in the administrative procedure.

Entering into the Register of Manufacturers of Tobacco Products

Article 32

The entering into the Register of Manufacturers of Tobacco Products is performed at the request of the entity that has obtained the license for manufacturing tobacco products in accordance with this Law.

The request from Paragraph 1 should be submitted within 30 days of obtaining the license.

A fee in the amount of RSD 19,305,372.84 is paid for entering into the Register of Manufacturers of Tobacco Products, and the funds thus obtained are the budget revenues of the Republic.

The amount of the fee from Paragraph 3 of this Article shall be adjusted semi-annually to the retail price index, according to the information provided by the agency in charge of statistical data.

The Government announces the adjusted amount of the fee from Paragraph 4 of this Article.

The license for tobacco production, the evidence of payment of the fee from Paragraph 3 of this Article, and the agreement signed with tobacco processors should be submitted with the application from Paragraph 1 of this Article.

The Administration Office adopts the executive decision within 15 days of the request for entering into the Register of Manufacturers of Tobacco Products.

The executive decision from Paragraph 7 of this Article is the final action in the administrative procedure.

After being entered into the Register of Manufacturers of Tobacco Products, the manufacturer of tobacco products may commence with the business of manufacturing tobacco products.

Renewal of the license for manufacturing tobacco products

Article 33

The manufacturer of tobacco products may renew its license for manufacturing tobacco products by submitting a request to the Administration Office at the latest 60 days before the expiration date of the existing license.

The following evidence should be submitted with the request from Paragraph 1 of this Article:

- 1) The excerpt from the register that the legal entity is entered in;
- 2) The document issued by the competent government agency on fulfillment of the requirements from Article 29 Items 2) to 6) of this Law;
- 3) All agreements signed with tobacco processors, unless the applicant is also entered into the Register of Tobacco Processors;
- 4) The certificate of no criminal conviction from Article 29 Item 9), which may not be older than 30 days on the date of the submission of the request;
- 5) Evidence of payment of the fee from Article 32 Paragraph 3 of this Law.

After receipt of the request from Paragraph 1 of this Article, the Administration Office shall prepare the proposal of the document deciding on the request, according to the opinions previously obtained from the ministry in charge of agriculture and the ministry in charge of health care, within 30 days of the date of receipt of the request.

The Government shall adopt the executive decision within 30 days from receiving the proposal of the document from Paragraph 3 of this Article, and at the latest before the expiration date of the existing license.

The executive decision from Paragraph 4 of this Article, which renews the license for manufacturing tobacco products, defines the period of validity of the license, which is five years.

The executive decision from Paragraph 4 of this Article is the final action in the administrative procedure.

If the Government does not adopt a decision renewing the license for manufacturing tobacco products within the deadline set in Paragraph 4 of this Article, the manufacturer of tobacco products has the right to continue with the business of manufacturing tobacco products in accordance with the existing license.

Withdrawal of the license for manufacturing tobacco products

Article 34

The license for manufacturing tobacco products shall be withdrawn:

- 1) At the request of the license holder;
- 2) if the license holder ceases to fulfill the requirements prescribed by this Law for its issuance;
- 3) If the license holder, the owner of the license holder with a share of more than 10% of the capital of the license holder, the person authorized to represent the license holder, the entrepreneur, any entity associated with the license holder, as well as any legal entity whose legal successor is the license holder, is convicted by a valid court

decision for a corporate violation and/or the criminal act of illegal production and/or illegal trade of tobacco or processed tobacco, or if one of these entities is convicted for a violation of this Law;

4) If the license holder does not submit the request for entering into the Register of Tobacco Producers within the prescribed deadline.

The competent body is required to inform the Administration Office of the decision from Paragraph 1 Item 3) within eight days of the date the decision went into effect.

The Administration Office is required to prepare the proposal of the document on withdrawing the license for manufacturing tobacco products within seven days from receiving the request, or the information from Paragraphs 1 and 2 of this Article.

The government, based on the proposal of the Administration Office, adopts the executive decision on withdrawing the license for manufacturing tobacco products.

The executive decision from Paragraph 4 of this Article is the final action in the administrative procedure.

Removal from the Register of Manufacturers of Tobacco Products

Article 35

The manufacturer of tobacco products shall be removed from the Register of Manufacturers of Tobacco Products:

- 1) Within five days of the expiration of the license;
- 2) Within five days of the date the executive decision on refusing the request for renewal of the license goes into effect, or
- 3) Within 15 days from the date of receipt of the executive decision on withdrawal of the license.

The Administration Office adopts the executive decision on removal from the Register of Manufacturers of Tobacco Products.

The executive decision from Paragraph 2 of this Article is the final action in the administrative procedure.

The Administration Office is required to inform the tobacco processor and/or wholesaler of tobacco products, which have signed preliminary agreements or agreements with the manufacturer of tobacco products being removed from the Register of Manufacturers of Tobacco Products, of the executive decision from Paragraph 2 of this Article, within seven days of adopting that executive decision.

The fee paid for entering into the Register of Manufacturers of Tobacco Products shall not be returned to the manufacturer being removed from the register.

Obligations of the manufacturers of tobacco products

Article 36

The manufacturer of tobacco products is required to provide skilled management of the process of manufacturing tobacco products.

The minister in charge of agriculture further defines the requirements that must be fulfilled by the person in charge of the technological process of manufacturing tobacco products.

The manufacturer of tobacco products is required to trade its tobacco products exclusively through wholesalers entered into the Register of Wholesalers of Tobacco Products, unless the manufacturer is also entered into the Register of Wholesalers.

Any discrimination regarding the type or quantity of tobacco products supplied to the wholesalers is forbidden.

The manufacturer of tobacco products shall not be allowed to engage in the trade of processed tobacco, produced or purchased by them, for purposes of manufacturing tobacco products on the territory of the Republic of Serbia.

Processed tobacco which is traded in violation of provisions of Paragraph 5 of this Article shall be regarded as tobacco for smoking and other tobacco products (cut tobacco) according to the law governing the excise taxes.

Register of Brands of Tobacco Products

Article 37

The tobacco products may be placed on the market on the territory of the Republic if they are classified and entered into the Register of Brands of Tobacco Products.

The classification and entering into the Register from Paragraph 1 of this Article is performed at the request of the manufacturer of tobacco products and/or the importer of tobacco products.

The following evidence should be submitted with the request from Paragraph 2 of this Article:

1) The document by the competent government agency on registration of the brand of tobacco product, if it has been issued;

2) The evidence that the importer of tobacco products is authorized by the foreign manufacturer of tobacco products, or its authorized distributor, to distribute the tobacco products on the territory of the Republic;

3) Agreement on licensed/sublicensed manufacturing of tobacco products, signed between the domestic manufacturer of tobacco products and foreign trademark holder, when filing a request for registering tobacco products to be produced on the territory of the Republic under license.

The manufacturer of tobacco products is required to observe all data entered in the request from Paragraph 2 of this Article when manufacturing tobacco products.

The Administration Office adopts either a decision, or an executive decision, regarding the request from Paragraph 2 of this Article, within 15 days from receiving the request.

The decision rejects an incomplete request; the executive decision either refuses the request, or classifies the tobacco products and enters them into the Register of Brands of Tobacco Products.

The decision from Paragraph 6 of this Article may be appealed to the minister in charge of finance within 15 days from receiving the decision.

The executive decision from Paragraph 6 of this Article is the final action in the administrative procedure.

2. Wholesalers of tobacco products

Requirements

Article 38

Wholesale of tobacco products may be performed by a business entity, which fulfills the following requirements:

1) That it is entered into the corresponding register kept by an organ in charge of registration;

2) That it uses adequate premises, allowing regular storage of at least 30 tons of cigarettes and other tobacco products within its total storage space on the territory of the Republic;

3) That it has at its disposal the means of transportation, which must be clearly labeled as transportation of tobacco and comply with the sanitary and all other stipulated requirements, allowing it to freely and regularly supply the retailers with their registered seat on the territory of the Republic;

4) That it has a signed preliminary agreement/agreement for the supply of tobacco products with a manufacturer and/or importer of tobacco products;

5) That the responsible person within the legal subject has not been convicted by a valid court decision on the territory of the Republic for a criminal act of illegal trade of tobacco products, within the three years preceding the submission of the application.

The requirement from Paragraph 1 Item 5) also pertains to any subject associated with the legal subject, as well as to any legal subject whose legal successor is the legal entity.

The fulfillment of requirements from Paragraph 1 of this Article is determined by the Administration Office at the application of the legal entity.

The following evidence should be submitted with the application from Paragraph 3 of this Article:

- 1) The excerpt from the register that the legal entity is entered in;
- 2) The evidence that it uses adequate premises, allowing regular storage of at least 30 tons of cigarettes and other tobacco products within its total storage space on the territory of the Republic;
- 3) The document issued by the competent government agency on fulfillment of the requirements from Paragraph 1 Items 2) and 3) of this Article;
- 4) All preliminary agreements/agreements signed with manufacturers and/or importers of tobacco products, unless the applicant is also entered into the Register of Manufacturers of Tobacco Products and/or the Register of Wholesalers of Tobacco Products;
- 5) The certificate of no criminal conviction, which may not be older than 30 days on the date of the submission of the application.

The Administration Office adopts either a decision, or an executive decision, regarding the application from Paragraph 3 of this Article.

The decision rejects an incomplete application; the executive decision refuses the application, or issues the license for wholesale of tobacco products.

The executive decision from Paragraph 6 of this Article is adopted by the Administration Office after obtaining the opinion from the ministry in charge of health care and from the ministry in charge of trade.

The decision from Paragraph 6 of this Article may be appealed to the minister in charge of finance within 15 days from receiving the decision.

The executive decision from Paragraph 6 of this Article is the final action in the administrative procedure.

The means of transportation intended for transportation of tobacco and/or processed tobacco, may be used for transportation of other consumer goods, if they are separated from the latter in isolated packaging preventing the emission of odor, and if they are not in direct contact.

The minister in charge of trade further defines the requirements from Paragraph 1 Item 2) of this Article.

The minister in charge of health care further defines the requirements from Paragraph 1 Item 3) of this Article.

Validity of the license

Article 39

The executive decision issuing the license for engaging in the business of wholesale of tobacco products (hereinafter: the license for wholesale of tobacco products), contains the period of validity that the license is issued for.

The license from Paragraph 1 of this Article is issued for a period of five years.

Entering into the Register of Wholesalers of Tobacco Products

Article 40

The entering into the Register of Wholesalers of Tobacco Products is performed at the request of the entity that has obtained the license for wholesale of tobacco products in accordance with this Law.

The request from Paragraph 1 should be submitted within 30 days of obtaining the license.

A fee in the amount of RSD 9,652,687.27 is paid for entering into the Register of Wholesalers of Tobacco Products, and the funds thus obtained are the budget revenues of the Republic.

The amount of the fee from Paragraph 3 of this Article shall be adjusted semi-annually to the retail price index, according to the information provided by the agency in charge of statistical data.

The Government announces the adjusted amount of the fee from Paragraph 4 of this Article.

The holder of the license for wholesale may pay the fee from Paragraph 3 of this Article in five equal yearly installments.

The entity from Paragraph 6 of this Article is required to pay the next installment, adjusted to the retail price index, within three days of the expiration of one year from the date of payment of the previous installment.

The following evidence should be submitted with the application from Paragraph 3 of this Article:

- 1) The evidence of payment of the fee from Paragraph 3 of this Article;
- 2) A commercial bank guarantee with a no-objection clause, valid during the period of validity of the license for wholesale of tobacco products, in the amount of EUR 400,000 in RSD countervalue at the median exchange rate of the National Bank of Serbia (hereinafter: the NBS).

The guarantee from Paragraph 8 Item 2 of this Article serves as the instrument securing the payment of public revenue obligations and other tax expenses.

The holder of the license for wholesale of tobacco products may submit the amount of the guarantee from Paragraph 8 Item 2) of this Article in the following manner: by

submitting the guarantee stipulated by this Law in the amount of EUR 80,000 each year, at latest five days before the expiration date of the previous guarantee.

The Administration Office is required to adopt the executive decision within 15 days from receiving the request for entering into the Register of Wholesalers of Tobacco Products.

The executive decision from Paragraph 11 of this Article is the final action in the administrative procedure.

After being entered into the Register of Wholesalers of Tobacco Products, the wholesaler of tobacco products may commence with the business of wholesale of tobacco products.

The minister in charge of finance further defines the procedure of activating the guarantee, as well as the manner of use of the funds of the guarantee from Paragraph 6 Item 2) of this Article.

Renewal of the license for wholesale of tobacco products

Article 41

The wholesaler of tobacco products may renew its license for wholesale of tobacco products by submitting a request to the Administration Office at latest 60 days before the expiration date of the existing license.

Renewal of the license from Paragraph 1 of this Article is done in a manner and under conditions prescribed for its issuance, along with submitting proof of payment of the fee prescribed by Article 40 Paragraph 3 of this Law, and/or the compensation specified by Article 40 Paragraph 6 of this Law.

The Administration Office is required to adopt a decision within 30 days of the submission of the request for renewal of the license, and at the latest before the expiration date of the existing license.

If the Administration Office does not adopt a decision within the deadline set in Paragraph 3 of this Article, the wholesaler of tobacco products has the right to continue with the business of wholesale of tobacco products in accordance with the existing license.

Withdrawal of the license for wholesale of tobacco products

Article 42

The license for wholesale of tobacco products shall be withdrawn:

- 1) At the request of the license holder;
- 2) If the license holder ceases to fulfill the requirements prescribed by this Law for its issuance;

3) If the responsible person within the license holder, or the responsible person within any entity associated with the license holder, as well any responsible person within the legal entity whose legal successor is the license holder, is convicted by a valid court decision for a criminal act of illegal trade of tobacco products, or if any of these persons is convicted for a violation of this Law;

4) If the license holder does not submit the request for entering into the Register of Wholesalers of Tobacco Products within the prescribed deadline;

5) If the license holder does not pay the following installment of the fee within the deadline stipulated in Article 40 Paragraph 6 of this Law, or does not submit the bank guarantee within the deadline stipulated in Article 40 Paragraph 10 of this Law.

The competent body is required to inform the Administration Office of the decision from Paragraph 1 Item 3) within eight days of the date the decision went into effect.

The Administration Office is required to adopt a decision on withdrawing the license for tobacco production within seven days from receiving the request, or the information from Paragraphs 1 and 2 of this Article.

The executive decision from Paragraph 3 of this Article is the final action in the administrative procedure.

The wholesaler of tobacco products whose license has been withdrawn, any entity associated with it, as well as its legal successor, may not submit the application for obtaining that license during the period of three years following the date of withdrawal of the license, except in case from Paragraph 1 Item 1) of this Article.

If the wholesaler of tobacco products ceases to engage in wholesale of tobacco products of its own volition before the validity of the license has expired, the remaining amount of the fee, as well as the remaining amount of the guarantee, paid for obtaining the license for wholesale of tobacco products, shall be returned to the wholesaler of tobacco products.

The wholesaler of tobacco products is relieved of the payment obligation of the remaining installments of the fee from Article 40 Paragraph 6 of this Law, as well as of submitting the guarantees for the remaining amounts from Article 40 Paragraph 10 of this Law.

The year in which the wholesaler of tobacco products ceases to engage in wholesale of tobacco products of its own volition, shall be considered as elapsed, irrespective of the time of the year when the activity was ceased.

Removal from the Register of Wholesalers of Tobacco Products

Article 43

The wholesaler of tobacco products shall be removed from the Register of Wholesalers of Tobacco Products:

- 1) Within five days of the expiration of the license;
- 2) Within five days of the date the executive decision on refusing the request for renewal of the license goes into effect, or

3) Within 15 days of the date of receiving the executive decision on withdrawal of the license.

The Administration Office adopts the executive decision on removal from the Register of Wholesalers of Tobacco Products.

The executive decision from Paragraph 2 of this Article is the final action in the administrative procedure. The Administration Office is required to inform the manufacturer of tobacco products and/or importer of tobacco products, which have signed preliminary agreements or agreements with the wholesaler of tobacco products being removed from the Register of Wholesalers of Tobacco Products, of the executive decision from Paragraph 2 of this Article, within seven days of adopting that executive decision.

The Administration Office is required to return the guarantee from Article 40 Paragraph 8 Item 2) of this Law, and/or Article 40 Paragraph 10 of this Law, to the wholesaler of tobacco products being removed from the register, provided that it has no outstanding public revenue obligations or other tax expenses, within seven days of the date of receiving the executive decision on removal of the wholesaler of tobacco products from the register.

Obligations of the wholesaler of tobacco products

Article 44

The wholesaler of tobacco products is required to trade tobacco products exclusively through the retailers of tobacco products having a license issued in accordance with this Law.

Any discrimination regarding the type, or quantity of tobacco products delivered to the retailers from Paragraph 1 of this Article, is forbidden.

Article 44a

The wholesaler of tobacco products is obliged, upon each alteration of cigarette excise tax rates, including the alteration of the minimum cigarette excise tax rate, in accordance with regulations governing the excise taxes, to carry out an inventory of cigarettes on stock (in packages) in all storages, on the day of the introduction of the new excise tax rate, as well as to draw up a report on the scope of sale of cigarettes to all retailers in the semester preceeding the alteration of excise tax rates and to submit the report and the inventory list to the Administration Office not later than 15 days after the inventory was carried out.

The inventory list from Paragraph 1 of this Article shall be composed for each manufacturer and/or importer separately and shall contain data on the manufacturer and/or importer of cigarettes, retail prices and amount of cigarettes for each cigarette trademark separately.

The Administration Office, following the processing of data, shall deliver the inventory list and report as prescribed by Paragraph 1 of this Article, to each manufacturer and/or importer, within 10 days from the receipt of the inventory list.

3. Retailers of tobacco products

Requirements

Article 45

Retail of tobacco products may be performed by a business entity, which fulfills the following requirements:

- 1) That it is entered into the corresponding register kept by an organ in charge of registration;
- 2) That it has a signed preliminary agreement/agreement with a wholesaler of tobacco products;
- 3) That the responsible person within the legal subject has not been convicted by a valid court decision on the territory of the Republic for a criminal act of illegal trade of tobacco products, within the three years preceding the submission of the application;
- 4) That it has paid the fee in the amount of RSD 13,897.41 for each retail outlet; the funds thus obtained are the budget revenues of the Republic.

The amount of the fee from Paragraph 1 Item 4) of this Article shall be adjusted semi-annually to the retail price index, according to the information provided by the agency in charge of statistical data.

The Government announces the adjusted amount of the fee from Paragraph 2 of this Article.

The legal entity from Paragraph 1 of this Article may engage in retail on the premises fulfilling the requirements regarding technical equipment, work safety, protection and improvement of the environment, as well as the sanitary requirements.

The legal entity from Paragraph 1 of this Article may transport tobacco products with its own means of transportation, which is clearly labeled as transportation of tobacco, and which comply with the sanitary and all other stipulated requirements.

Fulfillment of requirements from Paragraph 1 Item 3) of this Article shall be verified by the Administration ex officio, whereas the fulfillment of requirements from Paragraph 4 and 5 of this Article shall be verified by the competent organ within the procedure of regular inspection supervision.

The fulfillment of requirements from Paragraph 1 of this Article is determined by the Administration Office at the application of the legal entity.

The following evidence should be submitted with the application from Paragraph 7 of this Article:

- 1) The excerpt from the register that the legal entity is entered in;
- 2) All preliminary agreements/agreements signed with wholesalers of tobacco products, unless the applicant is also entered into the Register of Wholesalers of Tobacco Products;
- 3) Certificate on no criminal conviction by the responsible person;
- 4) Evidence of payment of the fee.

The Administration Office adopts either a decision, or an executive decision, regarding the application from Paragraph 7 of this Article.

The decision rejects an incomplete application; the executive decision refuses the application, or issues the license for retail of tobacco products.

The executive decision from Paragraph 8 of this Article is adopted by the Administration Office.

The decision from Paragraph 9 of this Article may be appealed to the minister in charge of finance within 15 days from receiving the decision.

The executive decision from Paragraph 9 of this Article is the final action in the administrative procedure.

The legal entity that obtained the executive decision from Paragraph 9 of this Article may also sell tobacco products from the special display case (hereinafter: the humidor).

In addition to the holder of the license for retail of tobacco products, a legal entity may engage in retail of tobacco products from the humidor if, in addition to the requirements from Paragraph 1 Items 1) to 4), it fulfils the following requirements:

- 1) It has a signed agreement with a holder of the license for retail of tobacco products for the premises where it plans to place the humidor;
- 2) Has a humidor at its disposal.

The fulfillment of requirements from Paragraph 15 of this Article is determined by the Administration Office at the request of the legal entity.

In addition to evidence from Paragraph 8 Items 1) to 4), the following evidence should be submitted with the application from Paragraph 3 of this Article:

- 1) The agreement for the premises where the humidor would be placed with a holder of the license for retail of tobacco products;
- 2) Purchase or lease agreement for the humidor;
- 3) Executive decision on issuing the license for retail of tobacco products to the leaser of the premises where the humidor would be placed.

The legal entity from Paragraph 15 of this Article may transport tobacco products under the requirements and in the manner from Article 5 of this Article.

The Administration Office decides on the request from Paragraph 16 of this Article in the manner stipulated in Paragraphs 9 to 13 of this Article.

The legal entity from Paragraphs 14 and 15 of this Article is required to inform the Administration Office in writing of the number and locations of placed humidors within

three days of the date the humidors are placed, as well as to submit the purchase or lease agreement for the humidors as the evidence that it has the humidors at its disposal.

The means of transportation used for transportation of tobacco products may be used for transportation of other consumer goods, if they are separated from the latter in isolated packaging preventing the emission of odor, and if they are not in direct contact.

The minister in charge of trade further defines the requirements from Paragraph 4 of this Article.

The minister in charge of health care further defines the appearance, contents and manner of display of the label from Paragraph 5 of this Article.

Validity of the license

Article 46

The executive decision issuing the license for engaging in the business of retail of tobacco products (hereinafter: the license for retail of tobacco products), contains the period of validity that the license is issued for.

The license from Paragraph 1 of this Article is issued for the period of two years.

Renewal of the license for retail of tobacco products

Article 47

The retailer of tobacco products may renew his/her license for retail of tobacco products by submitting a request at latest 15 days before the expiration date of the existing license.

Renewal of the license from Paragraph 1 of this Article is done in a manner and under conditions prescribed for its issuance.

The Administration Office is required to adopt a decision within 15 days of the submission of the request for renewal of the license, and at the latest before the expiration date of the existing license.

If the Administration Office does not adopt a decision within the deadline set in Paragraph 3 of this Article, the retailer of tobacco products has the right to continue with the business of retail of tobacco products in accordance with the existing license.

Withdrawal of the license for retail of tobacco products

Article 48

The license for retail of tobacco products shall be withdrawn:

- 1) At the request of the license holder;

2) If the license holder ceases to fulfill the requirements prescribed by this Law for its issuance;

3) If the responsible person within the license holder is convicted by a valid court decision for a criminal act of illegal trade of tobacco products;

4) If the license holder is convicted by a valid court decision for a violation of this Law.

The competent body is required to inform the Administration Office of the decision from Paragraph 1 Items 3) and 4) within eight days of the date the decision went into effect.

The Administration Office is required to adopt a decision on withdrawing the license for retail of tobacco products within seven days from receiving the request, or the information from Paragraphs 1 and 2 of this Article.

The executive decision from Paragraph 3 of this Article is the final action in the administrative procedure.

The Administration Office is required to inform the wholesaler of tobacco products, which has signed preliminary agreements or agreements with the legal entity being removed from the register, of the executive decision from Paragraph 3 of this Article, within 15 days of adopting that executive decision.

The retailer of tobacco products, whose license for retail of tobacco products has been withdrawn in case prescribed by Paragraph 1 Item 3) and 4) of this Article, may not submit the application for obtaining the license for engaging in that business during the period of one year following the date of adopting the executive decision from Paragraph 3 of this Article.

The fee paid for obtaining the license for retail of tobacco products is not refunded to the retailer of tobacco products whose license has been withdrawn, or who ceases to engage in retail of tobacco products of its own volition.

Obligations of the retailer of tobacco products

Article 49

The retailer of tobacco products that obtained the license for retail of tobacco products may place a humidor exclusively in a hotel or restaurant, and in a retail outlet specialized for sale of tobacco products.

The retailer of tobacco products from Article 45 Paragraph 14 and 15 of this Law is obliged to possess, along with each humidor, an original or certified copy of the license for retail of tobacco products and to record each individual retail transaction involving tobacco products by means of a fiscal cash register, in accordance with regulations governing the registering of trade by means of fiscal cash registers, whereby the retailer of tobacco products, according to Article 45 Paragraph 15 of this Law, is required to have an installed fiscal cash register for each humidor, as means of keeping record of said trade.

The retail of tobacco products from a humidor is done under control of the person authorized for sale.

The minister in charge of trade further defines the requirements from Paragraph 1 of this Article.

List of Records of the Retailers of Tobacco Products

Article 50

A list of records is kept of the retailers that obtained the license for retail of tobacco products, and/or for retail of tobacco products from a humidor.

The list of records from Paragraph 1 of this Article is kept by the Administration Office.

Special sign

Article 51

The retailer that obtained the license for retail of tobacco products is required to display a special sign: "Sale of cigarettes and other tobacco products to minors is forbidden" in a clearly visible place on the premises where it performs the retail of tobacco products, and/or on each humidor.

The retailer of tobacco products that is in tourist, hotel or restaurant business (HORECA), is required to display the special sign from Paragraph 1 of this Article in a visible place of the premises where it performs the retail of tobacco products, and/or on each humidor.

The minister in charge of health care further defines the appearance, contents and the manner of display of the special sign from Paragraph 1 of this Article.

4. Importer of tobacco, processed tobacco, and/or tobacco products

Requirements

Article 52

Import of tobacco, processed tobacco, and/or tobacco products may be performed by a business entity, which fulfills the following requirements:

1) That it is entered into the corresponding register kept by an organ in charge of registration for performing foreign trade;

2) That it has a signed agreement with a foreign manufacturer, or with an authorized distributor of a foreign manufacturer for purchase of tobacco, processed tobacco, and/or tobacco products, as well as that it is authorized by the foreign manufacturer and/or by the authorized distributor of the foreign manufacturer for distribution of these cigarettes on the market of the Republic;

3) That the responsible person within the legal subject has not been convicted by a valid court decision on the territory of the Republic for a criminal act of illegal trade of tobacco, processed tobacco, and/or tobacco products, within the three years preceding the submission of the application.

The requirement from Paragraph 1 Item 3) also pertains to any subject associated with the legal subject, as well as to any legal subject whose legal successor is the legal entity.

The fulfillment of requirements from Paragraph 1 of this Article is determined by the Administration Office at the application of the legal entity.

The following evidence should be submitted with the application from Paragraph 7 of this Article:

1) The excerpt from the register that the legal entity is entered in;

2) All agreements signed with the foreign manufacturer or the authorized distributor of a foreign manufacturer, and/or the authorization of the foreign manufacturer or the authorized distributor of the foreign manufacturer for distribution of these cigarettes on the market of the Republic;

3) The certificate of no criminal conviction, which may not be older than 30 days on the date of the submission of the application.

The Administration Office adopts either a decision, or an executive decision, regarding the application from Paragraph 3 of this Article, within 15 days from receiving the application.

The decision rejects an incomplete application; the executive decision refuses the application, or issues the license for retail of tobacco products.

The decision from Paragraph 6 of this Article may be appealed to the minister in charge of finance within 15 days from receiving the decision.

The executive decision from Paragraph 6 of this Article is the final action in the administrative procedure.

Validity of the license

Article 53

The executive decision issuing the license for engaging in the business of importing tobacco, processed tobacco, and/or tobacco products (hereinafter: the license for importing tobacco, processed tobacco, and/or tobacco products), contains the period of validity that the license is issued for.

The license from Paragraph 1 of this Article is issued for the period of five years.

Entering into the Register of Importers of Tobacco, Processed Tobacco and/or Tobacco Products

Article 54

The entering into the Register of Importers of Tobacco, Processed Tobacco and/or Tobacco Products is performed at the request of the entity that has obtained the license for importing tobacco, processed tobacco, and/or tobacco products in accordance with this Law.

The request from Paragraph 1 should be submitted within 30 days of obtaining the license for importing tobacco, processed tobacco, and/or tobacco products.

A fee in the amount of RSD 9,652,687.27 is paid for entering into the Register of Importers of Tobacco, Processed Tobacco and/or Tobacco Products, and the funds thus obtained are the budget revenues of the Republic.

The amount of the fee from Paragraph 3 of this Article shall be adjusted semi-annually with the growth of the retail price index, according to the information provided by the agency in charge of statistical data.

The Government announces the adjusted amount of the fee from Paragraph 4 of this Article.

The holder of the license for importing tobacco, processed tobacco, and/or tobacco products may pay the fee from Paragraph 3 of this Article in five equal yearly installments.

The entity from Paragraph 6 of this Article is required to pay the next installment, adjusted to the retail price index, within three days of the expiration of one year from the date of payment of the previous installment.

The evidence of payment of the fee from Paragraph 3 of this Article is submitted with the request from Paragraph 1 of this Article.

The Administration Office is required to adopt the executive decision within 15 days from receiving the request for entering into the Register of Importers of Tobacco, Processed Tobacco and/or Tobacco Products.

The executive decision from Paragraph 9 of this Article is the final action in the administrative procedure.

After being entered into the Register of Importers of Tobacco, Processed Tobacco and/or Tobacco Products, the importer of tobacco, processed tobacco, and/or tobacco products may commence with the business of importing tobacco, processed tobacco, and/or tobacco products.

Renewal of the license for importing tobacco, processed tobacco, and/or tobacco products

Article 55

The importer of tobacco, processed tobacco, and/or tobacco products may renew its license for importing tobacco, processed tobacco, and/or tobacco products by submitting a request to the Administration Office at latest 60 days before the expiration date of the existing license.

Renewal of the license from Paragraph 1 of this Article is done in a manner and under conditions prescribed for its issuance, along with submitting proof of payment of the fee stipulated by Article 54 Paragraph 3 of this Law and/or the compensation specified by Article 54 Paragraph 6 of this Law.

The Administration Office is required to adopt a decision within 30 days of the submission of the request for renewal of the license, and at the latest before the expiration date of the existing license.

If the Administration Office does not adopt a decision within the deadline set in Paragraph 3 of this Article, the importer of tobacco, processed tobacco, and/or tobacco products has the right to continue with the business of importing tobacco, processed tobacco, and/or tobacco products in accordance with the existing license.

Withdrawal of the license for importing tobacco, processed tobacco, and/or tobacco products

Article 56

The license for importing tobacco, processed tobacco, and/or tobacco products shall be withdrawn:

- 1) At the request of the license holder;
- 2) If the license holder ceases to fulfill the requirements prescribed by this Law for its issuance;
- 3) If the responsible person within the license holder, or the responsible person within any entity associated with the license holder, as well any responsible person within the legal entity whose legal successor is the license holder, is convicted by a valid court decision for a criminal act of illegal trade of tobacco, processed tobacco, and/or tobacco products, or if any of these persons is convicted for a violation of this Law;
- 4) If the license holder does not submit the request for entering into the Register of Importers of Tobacco, Processed Tobacco and/or Tobacco Products within the prescribed deadline;
- 5) If the license holder does not pay the following installment within the deadline stipulated in Article 54 Paragraph 7 of this Law.

The competent body is required to inform the Administration Office of the decision from Paragraph 1 Item 3) within eight days of the date the decision went into effect.

The Administration Office is required to adopt a decision on withdrawing the license for importing tobacco, processed tobacco, and/or tobacco products within seven days from receiving the request, or the information from Paragraphs 1 and 2 of this Article.

The executive decision from Paragraph 3 of this Article is the final action in the administrative procedure.

The importer of tobacco, processed tobacco, and/or tobacco products whose license has been withdrawn, any entity associated with it, as well as its legal successor, may not submit the application for obtaining that license during the period of three years following the date of withdrawal of the license, except in case from Paragraph 1 Item 1) of this Article.

If the importer of tobacco, processed tobacco, and/or tobacco products ceases to engage in importing tobacco, processed tobacco, and/or tobacco products of its own volition before the validity of the license has expired, the remaining amount of the fee paid for obtaining the license for importing tobacco, processed tobacco, and/or tobacco products shall be returned to the importer of tobacco, processed tobacco, and/or tobacco products.

The importer of tobacco, processed tobacco, and/or tobacco products is relieved of the payment obligation of the remaining installments of the fee from Article 54 Paragraph 7 of this Law.

The year in which the importer of tobacco, processed tobacco, and/or tobacco products ceases to engage in importing tobacco, processed tobacco, and/or tobacco products of its own volition, shall be considered as elapsed, irrespective of the time of the year when the activity was ceased.

Removal from the Register of Importers of tobacco, processed tobacco, and/or tobacco products

Article 57

The importer of tobacco, processed tobacco, and/or tobacco products shall be removed from the Register of Importers of Tobacco, Processed Tobacco and/or Tobacco Products:

- 1) Within five days of the expiration of the license;
- 2) Within five days of the date the executive decision on refusing the request for renewal of the license goes into effect, or
- 3) Within 15 days of the date of receiving the executive decision on withdrawal of the license.

The Administration Office adopts the executive decision on removal from the Register of Importers of Tobacco, Processed Tobacco and/or Tobacco Products.

The executive decision from Paragraph 2 of this Article is the final action in the administrative procedure.

The Administration Office is required to inform the foreign producer of tobacco and processed tobacco or its authorized distributor, and/or the foreign manufacturer of cigarettes or its authorized distributor, which has signed agreements, or authorizations for distribution of cigarettes on the territory of the Republic, with the importer of tobacco, processed tobacco, and/or tobacco products being removed from the Register of

Importers of Tobacco, Processed Tobacco and/or Tobacco Products, of the executive decision from Paragraph 2 of this Article, within seven days of adopting that executive decision.

Obligations of the importer of tobacco, processed tobacco, and/or tobacco products

Article 58

The importer of tobacco, processed tobacco, and/or tobacco products that terminates the agreement from Article 52 Paragraph 1 Item 2) of this Law, is required to inform the Administration Office in writing within 10 days of the date of termination of the agreement.

The entity from Paragraph 1 of this Article, which does not sign a new agreement within 30 days of termination of the previous agreement and submits it to the Administration Office, shall be removed from the Register of Importers of Tobacco, Processed Tobacco and/or Tobacco Products.

The importer of tobacco and processed tobacco may sell the tobacco and the processed tobacco it is importing to a manufacturer of tobacco products entered into the Register of Manufacturers of Tobacco Products, or to a tobacco processor entered into the Register of Tobacco Processors.

The importer of tobacco products may sell the tobacco products it is importing only to a wholesaler of tobacco products entered into the Register of Wholesalers of Tobacco Products.

Discrimination regarding the delivered type or quantity of tobacco, processed tobacco and/or tobacco products, is forbidden.

Tobacco and/or processed tobacco traded in violation of Paragraph 3 of this Article shall be regarded as tobacco for smoking and other tobacco products (cut tobacco) according to the law governing the excise taxes.

5. Exporter of tobacco, processed tobacco, and/or tobacco products

Requirements

Article 59

Export of tobacco, processed tobacco, and/or tobacco products may be performed by a business entity, which fulfills the following requirements:

1) That it is entered into the corresponding register kept by an organ in charge of registration for performing foreign trade;

2) That the responsible person within the legal subject has not been convicted by a valid court decision on the territory of the Republic for a criminal act of illegal trade of tobacco, processed tobacco, and/or tobacco products, within the three years preceding the submission of the application.

The fulfillment of requirements from Paragraph 1 of this Article is determined by the Administration Office at the application of the legal entity.

The following evidence should be submitted with the application from Paragraph 2 of this Article:

1) The excerpt from the register that the legal entity is entered in;

2) The certificate of no criminal conviction, which may not be older than 30 days on the date of the submission of the application.

The Administration Office adopts either a decision, or an executive decision, regarding the application from Paragraph 2 of this Article, within 15 days from receiving the application.

The decision rejects an incomplete application; the executive decision refuses the application, or issues the license for retail of tobacco products.

The decision from Paragraph 5 of this Article may be appealed to the minister in charge of finance within 15 days from receiving the decision.

The executive decision from Paragraph 5 of this Article is the final action in the administrative procedure.

Validity of the license

Article 60

The executive decision issuing the license for engaging in the business of exporting tobacco, processed tobacco, and/or tobacco products (hereinafter: the license for exporting tobacco, processed tobacco, and/or tobacco products), contains the period of validity that the license is issued for.

The license from Paragraph 1 of this Article is issued for the period of five years.

Entering into the Register of Exporters of Tobacco, Processed Tobacco and/or Tobacco Products

Article 61

The entering into the Register of Exporters of Tobacco, Processed Tobacco and/or Tobacco Products is performed at the request of the entity that has obtained the license for exporting tobacco, processed tobacco, and/or tobacco products in accordance with this Law.

The request from Paragraph 1 should be submitted within 30 days of obtaining the license for exporting tobacco, processed tobacco, and/or tobacco products.

The Administration Office is required to adopt the executive decision within 15 days from receiving the request for entering into the Register of Exporters of Tobacco, Processed Tobacco and/or Tobacco Products.

The executive decision from Paragraph 3 of this Article is the final action in the administrative procedure.

After being entered into the Register of Exporters of Tobacco, Processed Tobacco and/or Tobacco Products, the exporter of tobacco, processed tobacco, and/or tobacco products may commence with the business of exporting tobacco, processed tobacco, and/or tobacco products.

Renewal of the license for exporting tobacco, processed tobacco, and/or tobacco products

Article 62

The exporter of tobacco, processed tobacco, and/or tobacco products may renew its license for exporting tobacco, processed tobacco, and/or tobacco products by submitting a request to the Administration Office at latest 60 days before the expiration date of the existing license.

Renewal of the license from Paragraph 1 of this Article is done in a manner and under conditions prescribed for its issuance.

The Administration Office is required to adopt a decision within 30 days of the submission of the request for renewal of the license, and at the latest before the expiration date of the existing license.

The executive decision from Paragraph 3 of this Article is the final action in the administrative procedure.

If the Administration Office does not adopt a decision within the deadline set in Paragraph 3 of this Article, the exporter of tobacco, processed tobacco, and/or tobacco products has the right to continue with the business of exporting tobacco, processed tobacco, and/or tobacco products in accordance with the existing license.

Withdrawal of the license for exporting tobacco, processed tobacco, and/or tobacco products

Article 63

The license for exporting tobacco, processed tobacco, and/or tobacco products shall be withdrawn:

- 1) At the request of the license holder;

2) If the license holder ceases to fulfill the requirements prescribed by this Law for its issuance;

3) If the responsible person within the license holder is convicted by a valid court decision for a criminal act of illegal trade of tobacco, processed tobacco, and/or tobacco products;

4) If the license holder is convicted by a valid court decision for a violation of this Law;

5) If the license holder does not submit the request for entering into the Register of Exporters of Tobacco, Processed Tobacco and/or Tobacco Products within the prescribed deadline.

The competent body is required to inform the Administration Office of the decision from Paragraph 1 Items 3) and 4) within eight days of the date the decision went into effect.

The Administration Office is required to adopt a decision on withdrawing the license for exporting tobacco, processed tobacco, and/or tobacco products within seven days from receiving the request, or the information from Paragraphs 1 and 2 of this Article.

The executive decision from Paragraph 3 of this Article is the final action in the administrative procedure.

Removal from the Register of Exporters of tobacco, processed tobacco, and/or tobacco products

Article 64

The exporter of tobacco, processed tobacco, and/or tobacco products shall be removed from the Register of Exporters of Tobacco, Processed Tobacco and/or Tobacco Products:

1) Within five days of the expiration of the license;

2) Within five days of the date the executive decision on refusing the request for renewal of the license goes into effect, or

3) Within 15 days of the date of receiving the executive decision on withdrawal of the license.

The Administration Office adopts the executive decision on removal from the Register of Exporters of Tobacco, Processed Tobacco and/or Tobacco Products.

The executive decision from Paragraph 2 of this Article is the final action in the administrative procedure.

Obligations of the exporter of tobacco, processed tobacco and/or tobacco products

Article 64a

The exporter of tobacco, processed tobacco and/or tobacco products, who, for the purpose of export, has acquired tobacco and/or processed tobacco from an entity entered in the corresponding register as stipulated by this Law, shall be obliged to export these products.

Tobacco and/or processed tobacco traded in violation of Paragraph 1 of this Article shall be regarded as tobacco for smoking and other tobacco products (cut tobacco) according to the law governing the excise taxes.

VI SPECIAL PROVISIONS

Entering into other Registers

Article 65

A legal entity may be entered into more than one register kept in accordance with this Law, provided that it fulfills the requirements prescribed for entering into each of these registers.

The legal entity that has paid a fee for being entered into the register when entering in one of the registers being kept in accordance with this Law, does not pay the fee for entering when it is entered into another register.

Removal from all registers and/or lists of records

Article 66

A legal entity being entered into several registers and/or lists of records, shall be removed from all registers and/or lists of records when the removal from the first register is done based on the executive decision withdrawing the license for the respective business regulated by this Law, due to a valid court decision on criminal responsibility of the owner with a share of more than 10% of the capital of the legal entity of the license holder, the person authorized to represent the license holder, the responsible person within the license holder, the responsible person within any entity associated with the license holder, the responsible person within the legal subject whose legal successor is the license holder, for a criminal act of illegal production, processing and/or trade of tobacco, processed tobacco, or tobacco products.

Ban on production, processing and trade of tobacco, processed tobacco and/or tobacco products

Article 66a

Production, processing and/or trade of tobacco, processed tobacco and/or tobacco products in violation of the provisions of this Law shall be prohibited.

Tobacco and/or processed tobacco traded in violation of provisions of this Law shall be regarded as tobacco for smoking and other tobacco product (cut tobacco) according to the law governing the excise taxes.

Ban on purchasing and/or acquiring tobacco seeds and/or tobacco nursery plants

Article 66b

Purchasing and/or acquiring tobacco seeds and/or tobacco nursery plants in violation of Article 8 Paragraph 4 of this Law shall be prohibited.

Trade of tobacco products

Article 67

The manufacturers and importers of tobacco products are required to define the retail prices of these products and to report them to the Administration Office before putting the tobacco products on the market.

The entities from Paragraph 1 of this Article are required to report all changes to retail prices of tobacco products to the Administration Office before placing the tobacco products on the market.

The sale of tobacco products at retail prices other than retail prices from Paragraph 1 of this Article, is not allowed.

The retail prices from Paragraph 1 of this Article must be displayed on or in the retail outlet, in a manner clearly visible to the consumers of tobacco products.

Exempt from Paragraph 1 of this Article, the manufacturer and/or importer of tobacco products shall not be obliged to, prior to placing them on the market, establish and report retail prices of tobacco products, in cases when these products are dispatched for purposes of sale on airplanes and ships deployed in international traffic, as well as products dispatched to duty free shops in airports open for international traffic with passport and customs control, for the purpose of sale to passengers in compliance with customs regulations.

Publishing the executive decision on entering into registers and publishing documents on determining retail prices of tobacco products

Article 68

Executive decision on entering into registers which are kept in compliance with this Law, as well as the document on determining the retail price from Article 67 Paragraph 1 of this Law, shall be published in the "Official Gazette of the Republic of Serbia".

The publishing of the executive decision from Paragraph 1 of this Article shall be managed by Public Enterprise "Official Gazette", Belgrade, and the publishing costs shall be borne by the entity to which the published decision has been issued, by means of a bank transfer to the Administration Office's account.

The document on the determining of retail prices of tobacco products from Paragraph 1 of this Article shall be submitted for publication by the producer and/or importer of tobacco products, accompanied by proof that the said price was reported to the Administration Office. Costs of the publication shall be borne by the manufacturer or importer of tobacco products.

VIII THE BAN ON THE SALE OF TOBACCO PRODUCTS, TYPES OF DATA ON THE PACKAGE, AND LABELING OF THE PACKAGES OF TOBACCO PRODUCTS

The ban on the sale of tobacco products

Article 71

It is forbidden:

- 1) To sell tobacco products to minors;
- 2) To sell tobacco products in retail outlets through self-service of the customers;
- 3) To retail tobacco products from vending machines;
- 4) To manufacture and sell sweets, snacks or toys shaped as tobacco products.

Article 72

Manufacturing, importing and selling cigarettes in packs containing less than 20 cigarettes is forbidden.

Information on the contents of tobacco products and labeling of tobacco products

Article 73

Each pack and package of tobacco products from Article 2 Paragraph 1 Item 3) of this Law must be labeled, and must contain the data in accordance with this Law, and with the regulations stipulating the requirements related to the health conformity of the commercial consumer goods.

The labeling of tobacco products from Article 2 Paragraph 1 Item 3) of this Law is done by the manufacturers and/or importers of tobacco products.

Article 74

Starting with January 1, 2006, until December 31, 2006, the cigarettes sold on the territory of the Republic of Serbia may not contain more than:

- 1) 16 mg tar per cigarette;
- 2) 1.5 mg nicotine per cigarette;
- 3) 15 mg carbon monoxide per cigarette.

Starting with January 1, 2007, the cigarettes sold on the territory of the Republic of Serbia may not contain more than:

- 1) 14 mg tar per cigarette;
- 2) 1.4 mg nicotine per cigarette;
- 3) 14 mg carbon monoxide per cigarette.

Starting with January 1, 2008 the cigarettes sold on the territory of the Republic of Serbia may not contain more than:

- 1) 12 mg tar per cigarette;
- 2) 1.3 mg nicotine per cigarette;
- 3) 13 mg carbon monoxide per cigarette.

Starting with January 1, 2009, the cigarettes sold on the territory of the Republic of Serbia may not contain more than:

- 1) 10 mg tar per cigarette;
- 2) 1.2 mg nicotine per cigarette;
- 3) 12 mg carbon monoxide per cigarette.

Starting with January 1, 2010, the cigarettes sold on the territory of the Republic of Serbia may not contain more than:

- 1) 10 mg tar per cigarette;
- 2) 1.1 mg nicotine per cigarette;
- 3) 11 mg carbon monoxide per cigarette.

Starting with January 1, 2011 the cigarettes sold on the territory of the Republic of Serbia may not contain more than:

- 1) 10 mg tar per cigarette;
- 2) 1 mg nicotine per cigarette;
- 3) 10 mg carbon monoxide per cigarette.

Article 75

Starting with January 1, 2006, the tar, nicotine and carbon monoxide levels shall be measured based on ISO 4387 standard for tar, ISO 10315 standard for nicotine, and ISO 8454 standard for carbon monoxide.

The accuracy of information on tar, nicotine and carbon monoxide levels on the packs shall be measured in accordance with the ISO 8243 standard.

Article 76

The information on tar, nicotine and carbon monoxide levels from Article 74 of this Law must be printed on one side of each cigarette pack and package sold on the territory of the Republic, and must cover at least 10% of the corresponding surface of the cigarette pack, and must be framed on all sides by a 0.3 cm wide full black line contained within the prescribed surface, starting with January 1, 2007.

Article 77

Each pack and package of tobacco products sold in the Republic, except for the packs/packages of chewing tobacco and other tobacco products not intended for smoking, must contain the general and the special warning.

Starting with January 1, 2007, the applied general warning from Paragraph 1 of this Article shall read as follows: "Smoking kills. Tobacco smoke is harmful to persons around you," and must be printed on the front of each pack and package of tobacco products and cover at least 30% of the front surface of the pack/package.

The special warning from Paragraph 1 of this Article reads as follows:

- 1) Smoking causes lung cancer, lip cancer, tongue cancer, larynx cancer.
- 2) Smokers risk to develop esophagus cancer, stomach cancer, cervix cancer, bladder cancer, and others.
- 3) Smokers are more prone to acute and chronic respiratory diseases.
- 4) Children of smokers are more prone to asthma, throat and middle ear infections.
- 5) Smoking causes heart attack and stroke.
- 6) Smoking causes cardiovascular diseases, such as smoker's foot, and impotence.

7) Do you want a baby? Women smoking while pregnant risk to lose their baby, or harm its health.

8) Do you want a baby? Smoking reduces fertility of men and women.

9) The children are looking up to you! The children of smokers are more likely to become smokers themselves.

10) Smoking causes addiction! Seek professional help to quit.

11) Smoking harms the appearance and health of your teeth, skin, hair, nails, and other.

The special warning from Paragraph 3 of this Article must be printed on the back of the packs and packages of tobacco products in such a manner as to cover at least 40% of the back surface of the pack/package.

The text of the general and special warning from Paragraphs 2 and 3 of this Article must be printed and impressed on the pack in such a manner as to fully cover the prescribed surfaces on the back and on the front of the pack, in a letter size of at least 12 points, clearly and visibly printed on the white background in Serbian language, in Cyrillic, in black, bold type (Helvetica), and framed on all sides with a 0.3 cm full black line contained within the surface prescribed for the text of the general or special warning.

If the cigars or cigarillos are sold apiece on the territory of the Republic of Serbia, they must have the general warning in Serbian language, in Cyrillic, printed on the pack, throughout the length of the product, in clear and visible letters in a color having a clear contrast with the background.

Exempt from Paragraph 5 and 6 of this Article, the text of the general and special warning, and/or general information on tobacco products dispatched by the manufacturer and/or importer of those products for purposes of sale on airplanes and ships deployed in international traffic, as well as products dispatched to duty free shops in airports open for international traffic with passport and customs control for the purpose of sales to passengers in compliance with customs regulations, may be printed in a foreign language.

Starting with January 1, 2007, manufacturers and importers are required to quarterly rotate the special warnings from Paragraph 3 of this Article on all tobacco products from their product range, provided that each warning is used at least once in the period of three years.

Starting with January 1, 2007, the use of text, names, signs and symbolic and other representations, in Serbian or in any other language, suggesting that the tobacco product is less harmful than other tobacco products, and especially the emphasis of the words 'low tar', 'light', 'ultra light', 'mild', and similar, is forbidden on the packs and within the names of the brands of tobacco products.

IX CONTROL

Article 78

The control of the implementation of this law, and of the implementation of the regulations adopted based on this law, is performed by the ministry in charge of agriculture, the ministry in charge of health care, the ministry in charge of trade, and the ministry in charge of finance.

The control by inspection performed by the ministries from Paragraph 1 of this Article shall be done through the competent state inspectors.

The ministry in charge of finance also performs the control of payment of the public revenue obligations through the state agency in charge of public revenues, in accordance with the law governing the tax administration procedure.

Rights and obligations of the phytosanitary inspector

Article 79

The phytosanitary inspector has the right and obligation to specifically inspect:

- 1) The production of types and classes of tobacco;
- 2) The use of tobacco seeds for the production of nursery plants;
- 3) The process of production of tobacco nursery plants, leaf tobacco, quality and quantity of leaf tobacco.

Authorizations of the phytosanitary inspector

Article 80

The phytosanitary inspector is authorized to:

- 1) Prohibit production or order the disposal of tobacco seedlings, if the used tobacco seeds were not produced in conformity with regulations on seeds;
- 2) Prohibit production of tobacco if he/she establishes irregularities in performance of these activities;
- 3) Initiate the procedure for withdrawal of the license for tobacco production if the license holder ceases to fulfill requirements prescribed for its issuance;

- 4) Seize tobacco produced or sold in violation of the provisions of this Law;
- 5) Dispose of tobacco nursery plants and planted tobacco produced or sold in violation of the provisions of this Law;
- 6) Order the keeping and submitting the records and reports in a prescribed manner.

In case of seizure of tobacco, as well as disposal of tobacco seedlings, tobacco nursery plants and planted tobacco, the phytosanitary inspector shall issue the executive decision on seizure and disposal within three days from their seizure and/or disposal.

Costs incurred by the seizure of tobacco, disposal of nursery plants and planted tobacco, shall be borne by the entity the tobacco was seized from or whose nursery plants and/or planted tobacco have been disposed of.

Rights and obligations of the agricultural inspector

Article 80a

The agricultural inspector has the right and obligation to specifically inspect:

- 1) The process of production of processed tobacco;
- 2) The amount of leaf tobacco according to types and classes of tobacco purchased from tobacco producers;
- 3) The amount of processed tobacco according to types and classes;
- 4) The conditions for tobacco processing and records kept by the tobacco processor;
- 5) The conditions for manufacturing of tobacco products, quality and quantity of tobacco products in the domestic market;
- 6) Validity of license for tobacco processing and/or manufacturing of tobacco products, keeping and submitting of records and reports, in conformity with this Law.

Authorizations of the agricultural inspector

Article 80b

The agricultural inspector is authorized to:

- 1) Prohibit tobacco processing if he/she establishes irregularities in the performance of this activity;

- 2) Initiate the procedure for withdrawal of license for processing tobacco and/or manufacturing of tobacco products if the license holder ceases to fulfill the conditions prescribed for its issuance;
- 3) Prohibit the trade of tobacco products if they are sold in violation of the provisions of this Law;
- 4) Order the keeping and delivering of list of records and reports in a prescribed manner.

Rights and obligations of the state sanitary inspector

Article 81

The state sanitary inspector has the right and obligation to perform sanitary inspection, which specifically includes the inspection of:

- 1) The premises where production, processing, storage and sale of tobacco and tobacco products is performed;
- 2) The production plants, machinery and equipment used for tobacco processing and manufacturing tobacco products;
- 3) The persons that are coming into contact with tobacco and tobacco products on their workplaces in production or trade;
- 4) Health conformity and contents of tobacco and tobacco products;
- 5) The means of transportation and the packaging used for trade of tobacco and tobacco products.

Authorizations of the state sanitary inspector

Article 82

In performing the sanitary inspection from Article 81 of this Law, the state sanitary inspector is authorized to take all measures stipulated by the law governing the health conformity of food and consumer goods, and by the law governing sanitary control.

The state sanitary inspector is required to initiate the procedure for withdrawing the license for tobacco processing, manufacturing tobacco products, as well as wholesale and retail of tobacco products, if the license holder ceases to fulfill the requirements prescribed for its issuance.

Rights and obligations of the state market inspector

Article 83

The state market inspector has the right and obligation to specifically:

- 1) Inspect the premises where tobacco and tobacco products are sold;
- 2) Inspect the business records, licenses for wholesale and retail of tobacco products, licenses for importing and exporting tobacco, processed tobacco and/or tobacco products, records and other documentation on the operations of legal entity, as well as other data related to the trade of tobacco products;
- 3) Control the prices of tobacco products, special signs from Article 51 of this Law, the fulfillment of requirements for engaging in wholesale and retail of tobacco products, as well as fulfillment of requirements regarding the labeling and the contents of tobacco products from Article 73 to 77 of this Law;
- 4) Take written and oral statements from the responsible persons within the legal entity, as well as from other persons, concerning the facts relevant for operations related to the trade of tobacco products.

Authorizations of the state market inspector

Article 84

The state market inspector is authorized to take all measures stipulated by the law governing the requirements for the trade of goods, providing services in the trade of goods, and to control by inspection.

The state market inspector is required to initiate the procedure for withdrawing the license for wholesale and retail of tobacco products, as well as the license for importing and exporting tobacco products (tobacco, processed tobacco), if the license holder ceases to fulfill the requirements prescribed by for its issuance.

Costs of establishing the fulfillment of requirements

Article 85

The applicant covers the costs of establishing the fulfillment of requirements prescribed by this Law.

The costs from Paragraph 1 of this Article are determined in accordance with the regulations on establishing compensation of costs in executive procedure.

X PENAL PROVISIONS

Violations by tobacco producers

Article 86

The legal entity shall be punished with a fine in the amount from RSD 100,000 to RSD 2,000,000, if it:

- 1) Does not report all changes to the data entered into the Register of Tobacco Producers within the prescribed deadline (Article 5 Paragraph 4);
- 2) Does not keep the records, and does not submit the report, or required data, within the prescribed deadline (Article 7);
- 3) Uses seeds that were not produced in conformity with the regulations of the seeds for growing tobacco nursery plants (Article 8 Paragraph 3);
- 4) Produces tobacco in violation of the provisions of Article 9 Paragraph 1 of this Law;
- 5) Sells tobacco in violation of Article 16a Paragraph 1 of this Law.

The responsible person within the legal entity shall be punished for a violation of Paragraph 1 of this Article with a fine in the amount from RSD 5,000 to RSD 150,000.

The entrepreneur shall be punished for a violation of Paragraph 1 of this Article with a fine in the amount from RSD 10,000 to RSD 500,000.

An individual tobacco producer shall be punished with a fine in the amount of RSD 5,000 to RSD 150,000, if the said entity:

- 1) Manufactures tobacco in violation of Article 9 Paragraph 9 of this Law;
- 2) Sells tobacco in violation of Article 16a Paragraph 2 of this Law.

Violations by tobacco processors

Article 87

The legal entity shall be punished with a fine in the amount from RSD 100,000 to RSD 2,000,000, if it:

- 1) Does not report all changes to the data entered into the Register of Tobacco Processors within the prescribed deadline (Article 5 Paragraph 4);
- 2) Does not keep the records, and does not submit the report, or required data, within the prescribed deadline (Article 7);
- 3) Processes or transports tobacco in violation of Article 17 of this Law;
- 4) Does not provide skilled management of the process of tobacco production and processing (Article 23);

5) Sells processed tobacco in violation of Article 25a Paragraph 1 of this Law.

The responsible person within the legal entity shall be punished for a violation from Paragraph 1 of this Article with a fine in the amount from RSD 5,000 to RSD 150,000.

The entrepreneur shall be punished for a violation of Paragraph 1 of this Article with a fine in the amount from RSD 10,000 to RSD 500,000.

Violations by the manufacturers of tobacco products

Article 88

The legal entity shall be punished with a fine in the amount from RSD 100,000 to RSD 2,000,000, if it:

1) Does not report all changes to the data entered into the Register of Manufacturers of Tobacco Products within the prescribed deadline (Article 5 Paragraph 4);

2) Does not keep the records, and does not submit the report, or required data, within the prescribed deadline (Article 7);

3) Manufactures tobacco products in violation of the provisions of Article 29 of this Law;

4) Does not provide skilled management of the process of tobacco production and processing (Article 36 Paragraph 1);

5) Trades tobacco products, ~~tobacco~~, and/or processed tobacco in violation of Article 36 Paragraphs 3, 4, and 5 of this Law;

6) Trades in tobacco products that are not entered as its property into the Register of Brands of Tobacco Products (Article 37 Paragraph 1);

7) When manufacturing tobacco products, does not observe the data entered in the request for classification of tobacco products and for approval for entering into the Register of Brands of Tobacco Products (Article 37 Paragraph 4);

8) Trades in tobacco products in violation of Article 67 Paragraphs 1 and 2 of this Law;

9) Manufactures cigarettes in packs containing less than 20 cigarettes (Article 72);

10) Does not label each pack and package of tobacco products in accordance with this Law (Articles 73, 76 and 77);

11) When manufacturing cigarettes, does not observe the prescribed contents (Article 74). The responsible person within the legal entity shall be punished for a violation from Paragraph 1 of this Article with a fine in the amount from RSD 5,000 to RSD 150,000.

The entrepreneur shall be punished for a violation of Paragraph 1 of this Article with a fine in the amount from RSD 10,000 to RSD 500,000.

Violations by wholesalers of tobacco products

Article 89

The legal entity shall be punished with a fine in the amount from RSD 100,000 to RSD 2,000,000, if it:

- 1) Does not report all changes to the data entered into the Register of Wholesalers of Tobacco Products within the prescribed deadline (Article 5 Paragraph 4);
- 2) Does not keep the records, and does not submit the report, or required data, within the prescribed deadline (Article 7);
- 3) Wholesales tobacco products in violation of the requirements from Article 38 Paragraphs 1 and 2 of this Law;
- 4) Trades in tobacco products in violation of Article 44 of this Law;
- 5) Trades in tobacco products in violation of Article 67 Paragraph 3 of this Law;
- 6) Sells tobacco products in violation of Article 71 of this Law;
- 7) Sells cigarettes in packs containing less than 20 cigarettes (Article 72).

The responsible person within the legal entity shall be punished for a violation from Paragraph 1 of this Article with a fine in the amount from RSD 5.000 to RSD 150,000.

The entrepreneur shall be punished for a violation of Paragraph 1 of this Article with a fine in the amount from RSD 10,000 to RSD 500,000.

Article 89a

The wholesaler of tobacco products shall be punished with a fine in the amount corresponding to 25% of the total turnover in cigarette sales during the preceding six months if the said entity fails to carry out an inventory of cigarettes on stock with each alteration of the cigarette excise tax rate, including the minimum alteration of the cigarette excise tax rate, and if it fails to submit the inventory list to the Administration Office within the prescribed deadline.

Violations by retailers of tobacco products

Article 90

The legal entity shall be punished with a fine in the amount from RSD 100,000 to RSD 2,000,000, if it:

- 1) Does not report all changes to the data entered into the List of Records of Retailers of Tobacco Products within the prescribed deadline (Article 6 Paragraph 1 Item 2);

- 2) Does not keep the records, and does not submit the report, or required data, within the prescribed deadline (Article 7);
- 3) Retail tobacco products in violation of Articles 45 and 49 of this Law;
- 4) Does not label the retail outlet, and/or humidor in the manner prescribed with this Law (Article 51);
- 5) Trades in tobacco products in violation of Article 67 Paragraphs 3 and 4 of this Law;
- 6) Sells tobacco products in violation of Article 71 of this Law;
- 7) Sells cigarettes in packs containing less than 20 cigarettes (Article 72).

The responsible person within the legal entity shall be punished for a violation from Paragraph 1 of this Article with a fine in the amount from RSD 5,000 to RSD 150,000.

The entrepreneur shall be punished for a violation of Paragraph 1 of this Article with a fine in the amount from RSD 10,000 to RSD 500,000.

Violations by importers of tobacco, processed tobacco and/or tobacco products

Article 91

The legal entity shall be punished with a fine in the amount from RSD 100,000 to RSD 2,000,000, if it:

- 1) Does not report all changes to the data entered into the Register of Importers of Tobacco, Processed Tobacco, and/or Tobacco Products within the prescribed deadline (Article 5 Paragraph 4);
- 2) Does not keep the records, and does not submit the report, or required data, within the prescribed deadline (Article 7);
- 3) Trades in tobacco products that are not entered as its property into the Register of Brands of Tobacco Products (Article 37 Paragraph 1);
- 4) When importing tobacco products, does not observe the data entered in the request for classification of tobacco products and for approval for entering into the Register of Brands of Tobacco Products (Article 37 Paragraphs 2 and 3);
- 5) Imports in violation of the provisions of Article 52 Paragraphs 1 and 2 of this Law;
- 6) Sells tobacco, processed tobacco and/or tobacco products in violation of the provisions Article 58 Paragraphs 3 and 4 of this Law;
- 7) Trades in tobacco products in violation of Article 67 Paragraphs 1 and 2 of this Law;
- 8) Imports cigarettes in packs containing less than 20 cigarettes (Article 72);
- 9) Does not label each pack and package of imported tobacco products in accordance with this Law (Articles 73, 76 and 77);
- 10) Imports tobacco products manufactured in violation of the contents stipulated in Article 74 of this Law.

The responsible person within the legal entity shall be punished for a violation from Paragraph 1 of this Article with a fine in the amount from RSD 5,000 to RSD 150,000.

The entrepreneur shall be punished for a violation from Paragraph 1 of this Article with a fine in the amount from RSD 10,000 to RSD 500,000.

Violations by exporters of tobacco, processed tobacco and/or tobacco products

Article 92

The legal entity shall be punished with a fine in the amount from RSD 100,000 to RSD 2,000,000, if it:

- 1) Does not report all changes to the data entered into the Register of Exporters of Tobacco, Processed Tobacco, and/or Tobacco Products within the prescribed deadline (Article 5 Paragraph 4);
- 2) Does not keep the records, and does not submit the report, or required data, within the prescribed deadline (Article 7);
- 3) Exports in violation of the provisions of Article 59 Paragraph 1 of this Law;
- 4) Acts in violation of provisions of Article 64a Paragraph 1 of this Law.

The responsible person within the legal entity shall be punished for a violation from Paragraph 1 of this Article with a fine in the amount from RSD 5,000 to RSD 150,000.

The entrepreneur shall be punished for a violation from Paragraph 1 of this Article with a fine in the amount from 10,000 to RSD 500,000.

Violations of unlicensed business activities

Article 93

The legal entity shall be punished with a fine in the amount from RSD 100,000 to RSD 2,000,000 if it acquires tobacco seeds and/or tobacco nursery plants, manufactures, processes and/or sells tobacco and/or processed tobacco, performs the activity of manufacturing and trade of tobacco products without entering into the corresponding register or into the corresponding list of records (Article 11, 19, 32, 40, 45, 54, 61 and 66b).

The responsible person within the legal entity shall be punished for a violation from Paragraph 1 of this Article with a fine in the amount from RSD 5,000 to RSD 150,000.

The entrepreneur shall be punished for a violation from Paragraph 1 of this Article with a fine in the amount from RSD 10,000 to RSD 500,000.

The natural person shall be punished for a violation from Paragraph 1 of this Article with a fine in the amount from RSD 5,000 to RSD 150,000.

XI. TRANSITIONAL AND FINAL PROVISIONS

Transfer of employees, appointed persons, inventory, archives, equipment and resources of the Tobacco Agency

Article 94

The Tobacco Agency, established by the Law on Tobacco ("Official Gazette of the Republic of Serbia" issue 17/03) shall be dissolved 30 days after this law enters into force.

On the day the Administration Office is dissolved, the Ministry of Finance - Tobacco Administration Office shall assume the employees and appointed persons of the Tobacco Agency, as well as the inventory, archives, equipment and resources.

Companies and entrepreneurs entered into the Register

Article 95

The companies and entrepreneurs entered into the registers at the Tobacco Agency before the date this Law enters into effect, continue to operate under conditions under which they were entered into these registers, but are required to submit the request for transfer into the corresponding register kept by the Tobacco Administration Office, within the deadline that may not be longer than 90 days from the date this Law enters into effect. Manufacturers and/or importers of tobacco products, whose tobacco products were classified and entered into the Register of Brands of Tobacco Products before the date this Law enters into effect, are required to submit the request for transfer into the corresponding register kept by the Tobacco Administration Office, within the deadline that may not be longer than 90 days from the date this Law enters into effect.

No fee shall be paid for the transfer into registers from Paragraphs 1 and 2 of this Article.

If the companies and entrepreneurs do not submit the request for transfer into the registers within the deadline from Paragraphs 1 and 2 of this Article, they shall be removed from the registers they were entered in.

Conforming the business operations with the provisions of this Law

Article 96

The companies and entrepreneurs entered into the registers at the Tobacco Agency before the date this Law enters into effect, and/or which obtained the license for retail of tobacco products, are required to conform their business operations with the provisions of this Law within 90 days of the date this Law enters into effect.

The companies and entrepreneurs engaging in business activities governed by this Law, which were not entered into the registers according to the provisions of the Law on Tobacco ("Official Gazette of the Republic of Serbia" issue 17/02), may continue to engage in these business activities provided that they submit an application for a license for that business activity in accordance with this Law, within 90 days of the date this Law enters into effect.

The licenses and/or authorizations for business activities, issued according to the provisions of the Law on Tobacco ("Official Gazette of the Republic of Serbia" issue 17/02), are valid until the expiration of the period they were issued for.

The executive decisions issued to tobacco processors at their entering into the Register of Tobacco Processors according to the provisions of the Law on Tobacco ("Official Gazette of the Republic of Serbia" issue 17/02), may be withdrawn if the entities entered into the Register of Tobacco Processors cease to fulfill the requirements that were the basis for adoption of these executive decisions.

Licenses and/or authorizations from Paragraph 3 of this Article may also be withdrawn if the license or authorization holders cease to fulfill the requirements that were the basis for the issuance of these licenses and/or authorizations.

The procedure of public tender

Article 97

The procedure of public tender for obtaining the license for manufacturing tobacco products, which was launched according to the provisions of the Law on Tobacco ("Official Gazette of the Republic of Serbia" issue 17/03), shall be finished in accordance with the regulations based on which the public tender was launched.

Article 98

The cigarettes from the product range of an entity that is not entered into the Register of Manufacturers of Tobacco Products, but which became the majority shareholder of an entity that has obtained a license for manufacturing tobacco products in a public tender from Article 97 of this Law, shall be considered as domestically manufactured cigarettes, under the condition that these cigarettes would be manufactured domestically within the legal entity whose majority shareholder became the entity in question, not later than one year after the entity in question became the majority shareholder.

The cigarettes from the product range of the majority shareholder of the legal entity entered into the Register of Manufacturers of Tobacco Products, and which are sold on

the market of the Republic, shall be considered as cigarettes manufactured in the country, under the condition that the entity entered into the Registry of Manufacturers of Tobacco Products starts with the manufacturing of these cigarettes within one year of the date of adoption of the act from Paragraph 4 of this Article.

The entities from Paragraphs 1 and 2 of this Article are required to submit to the Administration Office a review of all cigarette brands that they intent to start to manufacture within the deadline from Paragraphs 1 and 2 of this Article.

The minister in charge of Finance, at the request of the Administration Office, further defines the brands of cigarettes that are considered as cigarettes manufactured in the country by the entity from Paragraphs 1 and 2 of this Article.

If the entities from Paragraph 3 of this Article do not start with the production of cigarettes within the deadline from Paragraph 1 of this Article, they are required to pay the difference between the prescribed amount of excise tax on imported cigarettes and the prescribed amount of excise tax on domestic cigarettes, increased by the amount of the interest for tardiness prescribed by law, for the period starting with the date of the import, until the date of the payment, and for all quantities placed on the market.

The minister in charge of finance further defines the security instruments for the payment of the excise tax difference from Paragraph 5 of this Article, as well as the manner and procedure of activation of security instruments.

Article 99

The date this Law enters into force, the cigarettes from the Executive Decision on Cigarettes of Other Manufacturers that shall be Considered as Cigarettes Manufactured in the Country by Another Manufacturer, adopted based on the Rule Book on Manner and Procedure of Establishing the Fulfillment of Requirements for Cigarettes of Other Manufacturers to be Considered as Cigarettes Manufactured in the Country (Official Gazette of the Republic of Serbia” number 3/95), and which are sold on the market of the Republic, shall be considered as cigarettes manufactured in the country in the sense of Article 2 Item 4) of this Law, under the following conditions:

1) That the legal subject from Article 6 Paragraph 1 Items 2) and 4) of the Rule Book on Manner and Procedure of Establishing the Fulfillment of Requirements for Cigarettes of Other Manufacturers to be Considered as Cigarettes Manufactured in the Country, which is entered into the Register of Manufacturers of Tobacco Products with the Administration Office, begins with the manufacturing of the cigarettes from Paragraph 1 of this Article in the Republic within the period of validity of the Executive Decision from Paragraph 1 of this Article,

2) That the brands of cigarettes from the Executive Decision from Paragraph 1 of this Article have been entered into the Register of Brands of Tobacco Products with the Administration Office, to the name of the subject from Item 1) of this Paragraph.

The Administration Office, at the request of the subject from Paragraph 1 Items 1) and 2) of this Article, and upon the fulfillment of the requirements from Paragraph 1 Items 1) and 2) of this Article, proposes to the minister in charge of finance the adoption of a

new Executive Decision on Cigarettes of Other Manufacturers that shall be Considered as Cigarettes Manufactured in the Country by Another Manufacturer.

Article 100

The prohibition of manufacture, import and sale of cigarettes from Article 72 of this Law shall enter into force on January 1, 2010.

Article 101

As an exception to Article 29, Paragraph 1 Item 7) of this Law, the manufacturers of tobacco products are required to produce or purchase domestic tobacco every year, as follows:

- 1) In 2005, a quantity of 80% of the quantity prescribed in Article 29 Paragraph 1 Item 7) of this Law,
- 2) In 2006, a quantity of 90% of the quantity prescribed in Article 29 Paragraph 1 Item 7) of this Law.

Bylaws

Article 102

Until the new bylaws, prescribed in this Law, are adopted, the bylaws adopted based on the Law on Tobacco ("Official Gazette of the Republic of Serbia" number 17/03) shall apply.

The bylaws for implementation of this Law shall be adopted within 30 days of the date this Law enters into force.

Cessation of force of the previous law

Article 103

Starting with the date this law enters into force, the Law on Tobacco ("Official Gazette of the Republic of Serbia" issue 17/03) is no longer in effect.

Date of entering into force

Article 104

This Law enters into force the day after it is published in the "Official Gazette of the Republic of Serbia."

Autonomous articles of the Law on Alterations and Amendments to the Law on Tobacco

("Official Gazette of RS", No. 90/2007)

Article 9[s1]

The business entity, enterprise or entrepreneur entered into the Register of Manufacturers of Tobacco Products, which until the day of this Law's entering into force has not manufactured or bought domestic processed tobacco in accordance with Article 29 Item 7) of the Law on Tobacco ("Official Gazette of", No. 101/05), shall be obliged to manufacture or purchase domestic processed tobacco in the amount of at least 30% of its own annual production of cigarettes and other tobacco products in the Republic of Serbia, or at least 1,200 tons, not later than December 31 2007.

If the manufacturer of tobacco products fails to fulfill the obligation stipulated by Paragraph 1 of this Article, the Government, upon the Administration Office's proposal, shall issue an executive decision which shall withdraw the license for manufacturing of tobacco products, in a manner prescribed by provisions of Article 34 of the Law on Tobacco ("Official Gazette of RS", No. 101/05).

Exempt from provisions of Paragraph 2 of this Article, if the manufacturer of tobacco products fails to fulfill the obligation stipulated by Paragraph 1 of this Article due to the occurrence of exceptional circumstances (floods, drought, plant diseases, etc), the said entity is obliged to notify the Administration Office accordingly, in written form.

The Administration Office, upon receipt of the notification from Paragraph 3 of this Article, shall determine the status of stock of processed domestic tobacco from the previous year and if, upon obtained opinion of the ministry in charge of agriculture, it establishes that the reasons for the noncompliance with the obligation are justified, it shall issue an executive decision on the exemption of the manufacturer of tobacco products from the obligation from Paragraph 1 of this Article.

Article 10[s1]

Exempt from provisions of Article 45 Paragraph 2 of the Law on Tobacco ("Official Gazette of RS", No. 101/05), adjustment of compensation for each retail facility with the retail price growth rate for the second half of 2007 shall be performed in January 2008.

Article 12[s1]

This Law shall enter into force on the eighth day from its publishing in the "Official Gazette of the Republic of Serbia".

Autonomous article of the Law on Alterations and Amendments to the Law on Tobacco

("Official Gazette of RS", No. 93/2012)

Article 4[s2]

This Law shall enter into force on October 1 2012 and the provisions of Article 1 and 3 of this Law shall be implemented as of January 1 2013.

Autonomous article of the Law on Alterations and Amendments to the Law on Tobacco

("Official Gazette of RS", No. 108/2013)

Article 27

This Law shall enter into force on the following day of its publication in the "Official Gazette of the Republic of Serbia."