

WORLD TRADE ORGANIZATION

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Committee on Anti-Dumping Practices
Committee on Subsidies and Countervailing Measures
Committee on Safeguards

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NOTIFICATION OF LAWS AND REGULATIONS UNDER ARTICLES 18.5, 32.6 AND 12.6 OF THE AGREEMENTS

CROATIA

The following communication, dated 3 April 2001, has been received from the Permanent Mission of the Republic of Croatia.

Anti-Dumping

With reference to Article 18.5 of the Agreement on Implementation of Article VI of the GATT 1994, the Government of the Republic of Croatia notifies the Committee on Anti-Dumping Practices that the Agreement was partially incorporated in the national Law on Trade, Articles 48-49, of 6 February 1996, published in the Official Gazette no.11 on 9 February 1996, and the Amendments to the Law on Trade of 30 June 1999, published in the Official Gazette no.75 on 16 July 1999. The copy of the Revised Act is enclosed.

In Accordance with Article 16.4 of the Agreement on Implementation of Article VI of the GATT 1994, and response to the request for semi-annual reports contained in document G/ADP/N/9, the Government of the Republic of Croatia notifies the Committee on Anti-Dumping Practices that it has taken no anti-dumping actions during the period 1 July through 31 December 2000.

In the Report of the Working Party on its accession to the WTO (document WT/ACC/HRV/59), Croatia has stated that it would issue a regulation laying down detailed rules and determining other technical issues related to the application of anti-dumping measures, based on the national Law on Trade and in conformity with the Article VI of the GATT 1994 and the Agreement on the Implementation of Article VI.

In accordance with that commitment, Croatia would not apply anti-dumping measures until it has implemented and notified the aforementioned regulation.

Countervailing Measures

With reference to Article 32.6 of the Agreement on Subsidies and Countervailing Measures, the Government of the Republic of Croatia notifies the Committee on Subsidies and Countervailing Measures that the Agreement was partially incorporated in the national Law on Trade, Articles 50-51, of 6 February 1996, published in the Official Gazette No. 11 on 9 February 1996, and the

Amendments to the Law on Trade of 30 June 1999, published in the Official Gazette No. 75 on 16 July 1999. The copy of the Revised Act is enclosed.

In Accordance with Article 25.11 of the Agreement on Subsidies and Countervailing Measures, and response to the request for semi-annual reports contained in document G/SCM/N/19, the Government of the Republic of Croatia notifies the Committee on Subsidies and Countervailing Measures that it has taken no countervailing duty actions during the period 1 July through 31 December 2000.

In the Report of the Working Party on its accession to the WTO (document WT/ACC/HRV/59), Croatia has stated that it would issue a regulation laying down detailed rules and determining other technical issues related to the application of countervailing measures, based on the national Law on Trade and in conformity with the Agreement on Subsidies and Countervailing Measures.

In accordance with that commitment, Croatia would not apply countervailing measures until it has implemented and notified the aforementioned regulation.

Safeguards

With reference to Article 12.6 of the Agreement on Safeguards, the Government of the Republic of Croatia notifies the Committee on Safeguards that the Agreement was partially incorporated in the national Law on Trade, Articles 38-39, of 6 February 1996, published in the Official Gazette No. 11 on 9 February 1996, and the Amendments to the Law on Trade of 30 June 1999, published in the Official Gazette no.75 on 16 July 1999. The copy of the Revised Act is enclosed.

In the Report of the Working Party on its accession to the WTO (document WT/ACC/HRV/59), Croatia has stated that it would issue a regulation laying down detailed rules and determining other technical issues related to the application of safeguards measures, based on the national Law on Trade and in conformity with the Article XIX of the GATT 1994 and the Agreement on Safeguards.

In accordance with that commitment, Croatia would not apply safeguard measures until it has implemented and notified the aforementioned regulation.

LAW ON TRADE

PART ONE

I. GENERAL PROVISIONS

Article 1

This Law regulates trading conditions for domestic and foreign markets, trade measures for export and import, trade restrictions and unfair competition, inspection services and administrative measures.

Article 2

In accordance with this Law, trade is an activity including purchase and sale of goods, and inter mediation in trading in domestic and foreign markets.

A legal or natural person may engage in trade if they have registered for this kind of activity.

Article 3

In accordance with this Law, a trader is a legal or natural person who has engaged in trade as specified in Article 2 of this Law.

In accordance with this Law, an exporter is a trader or another legal or natural person who exports goods from the country, pursuing his registered business activity.

In accordance with this Law, an importer is a trader or another legal or natural person who imports goods into the country, pursuing his registered business activity.

Article 4

A trader freely trades in the market and under equal conditions for all.

A trader is not allowed to act in the manner which is contrary to accepted business practices, which distorts market competition and which is harmful to consumers.

Article 5

State administrative bodies shall not, by their decisions, restrict the right of a trader to act freely in the market, forbid competition, or bring into disadvantageous position individual traders or consumers, except in cases provided by the Law.

II. TRADING

Article 6

Trading can be conducted in the form of wholesale, retail and inter-mediation.

A trader may engage in all forms of trade he has registered for, if not otherwise provided by this Law or other regulations.

Article 7

To a smaller extent, a trader may engage in other activities, which serve the purposes of trading and usually accompany trading, without having to register for them.

Article 8

The provisions of this Law equally applies to:

- (a) legal and natural persons duly registered for production which are selling their products in the market;
- (b) social organizations and citizens associations selling specific goods for the purpose of accomplishing their tasks and in accordance with the provisions of their statutes;
- (c) natural persons engaged in agricultural production, when they sell their products in shops;
- (d) natural persons who by virtue of contract with a registered trader, without taking up employment with him, carry on retail trade in specific goods for the trader.

The procedure and conditions for carrying on retail sale, as well as the kind of goods under item 4, paragraph 1 above will be regulated by the minister.

WHOLESALE TRADE

Article 9

Wholesale trade is the purchase of goods with the intention of selling them to retail traders, industrial, commercial and professional users and institutions and other wholesale traders, as well as inter mediating the purchase and sale of goods for third persons.

In accordance with this Law, wholesale trade is also understood as the purchase and sale of goods in the international market.

Article 10

Wholesale trade is carried out in special premises or in wholesale warehouses, wholesale markets and in other places which meet the specified requirements, and it can be also carried out in transit.

Wholesale trade in transit means the purchase and the subsequent sale of the same goods without that good being stored in the wholesale trader's warehouse.

For wholesale trade in transit, special premises for selling are not required.

Article 10a

Exceptionally from Article 10 of the present Law, the Government of the Republic of Croatia (hereinafter referred to as “Government”) may determine that the wholesale trade of certain goods is carried on only in special premises or wholesale warehouses.

The regulation under paragraph 1 hereof determines special requirements with regard to premises or wholesales warehouses, the conditions for storing goods that enable the protection of human life and health and environment.

Article 11

Wholesale trade can be also done at commodity exchanges.

The foundation and organization of commodity exchanges is regulated by a special law.

RETAIL TRADE

Article 12

Retail trade means the purchase of goods with the intention of selling them to the general public for their personal needs or to be used in households, and inter mediation in the purchase and sales of goods to third persons.

Article 13

Retail trade is carried out in premises intended for selling (hereinafter referred to as “shops”) and outside of them if the conditions for such a manner of sale have been fulfilled.

Article 14

The sale of goods outside shops refers in particular to retail markets, by postal order, on benches, at kiosks, at the buyer’s place, by vending machines, to television sale and movable vendors (street vendors with trolleys, td.).

The sale of goods outside shops also refers to occasional trading events (shows, fairs, exhibitions).

The sale of goods on a bench outside a market, at a kiosk, by vending machines, by street vendors and at occasional sale may be carried out only in a place determined in a regulation issued by the competent local self-government body.

AUCTIONS

Article 15

A special form of wholesale and retail trade is an auction (competitive bidding).

An auction is an organized sale of goods to the highest bidder, following a public announcement and competitive bidding at a particular place and time.

Auctions may be organized permanently or occasionally.

The conditions for organizing an auction, the list of goods which have to be sold by auction, the manner of conducting business operations and the procedure related to an auction sale are specified by the Government upon the proposal of Minister in charge of trade.

INTER-MEDIATION IN TRADING

Article 16

In accordance with this Law, inter-mediation in trading refers to: agent services, representation services, commodity exchange services, commission services and services related to the storage of goods, and other accepted services in trade.

The term “special form of trade” shall mean in particular: exclusive distribution, selective distribution, franchising, distance sale and door to door sale.

1. Exclusive distribution

Article 16a

On the basis of a Contract on Exclusive Distribution concluded between a supplier – producer or wholesale trader (hereinafter: producer) and distributor – retail trader, the producer is obliged to deliver certain goods to distributor for further sale in certain area, while the distributor is obliged to sell the goods in his name and on his behalf according to the rules of sale determined by the producer.

The producer may deliver the same goods to other retail traders in the area determined by the contract under paragraph 1 above, under condition that they do not sell the goods in the area determined by the contract on exclusive sale.

The producer is obliged in the area determined by the contract under paragraph 1 above; to sell goods and relinquish rights exclusively to the distributor with whom he has concluded the contract on distribution within purchase and sale arrangements which regulate the conditions and way of sale in detail; fulfil all orders within limits of reasonable quantities and delays; to transfer know how, technical and commercial assistance to the distributor, train him for special sale and servicing of products under contract; not to sell the goods under contract through own business units or agents in the same area.

The distributor is obliged: to purchase minimum quantities of goods under contract in a particular period; organise consumer and guarantee services accompanying the goods under contract; comply with prices; follow instructions, and observe the producer's standards and enable the supervision of its business operations; to employ a person having necessary technical qualifications; not to compete with the producer and to sell the goods and comply with other exclusive rules as per contract; to decorate and maintain accordingly business premises and warehouses, to sell the products under contract with the seal of the producer or in package and presented as it was determined by the producer; to advertise the product as it was accepted by the producer; to inform the producer on his work and financial results.

2. Selective distribution

Article 16b

In the contract on selective distribution a producer conditions sale of goods only to the distributor who complies with special requirements of the producer with relation to qualifications of the staff, servicing, appearance and location of the premises intended for sale.

3. Franchising

Article 16c

By the contract on franchising, the franchise-producer, specialized wholesale trader and the company which has developed a successful service providing business grants a franchise to the receiver, a wholesale trader or the company engaged in providing services to use the franchise in order to sell certain kind of goods or/and services.

4. Distance sale

Article 16d

The trader organises on the basis of a contract on distance sale, the sale through a communication media for distance sale. The contract is concluded between trader and consumer, and before concluding the contract, one or more media for distance communication are used.

5. Door to door sale

Article 16e

Only legal persons registered for such activities may conclude contracts on door to door sale.

Independent commercial agents, independent entrepreneurs, independent traders and distributors, employed or self-employed representatives, franchisers or the like are entitled to be direct sellers. The legal person under paragraph 1 hereto issues an identification card to direct sellers in order to be able to work with consumers.

III. CONDITIONS FOR TRADING

Article 17

The following conditions must be fulfilled prior to engaging in trade:

- (a) minimal technical conditions concerning business premises, equipment and other facilities for trading, and other conditions related to the form and manner of trade;
- (b) general sanitary conditions relating to business premises, equipment and other facilities, and health conditions of people who handle the goods and who may have their health affected.

The conditions from paragraph 1 of this Article are specified by the Minister in charge of trade (hereinafter: Minister) in agreement with other relevant ministries.

The provision from paragraph 2 of this Article establishes the minimum conditions relating to business premises, equipment and facilities where wholesale and retail trade and inter mediation in trading take place, the conditions relating to the outer surfaces of business structures intended for selling, the conditions for selling goods: outside buildings or other structures intended for selling, and the goods which are allowed to be sold outside buildings and other structures intended for selling.

The conditions from paragraph 1 of this Article are decided by an authorized body from the respective county or the City of Zagreb.

Article 18

Persons engaged in certain activities in trade must meet the minimum qualification requirements for such activities.

Regulations on activities and on minimum qualification requirements from paragraph 1 of this Article are set by the Minister.

Article 19

Working hours and scheduled daily and weekly opening hours for shops and other forms of trading, and open hours during public holidays and feast days when the trader is required to work as well as working hours for market places, local fairs, exhibitions and other occasional trading events are set by municipal or city authorities.

Article 20

In retail trade, in every shop and for every sales transactions, a trader shall keep records concerning purchase, sale, the price of goods, as well as the inter mediation performed.

The records from paragraph 1 of this Article are to be kept daily and permanently and are to be available in the shop and at any time during working hours.

The Minister determines the form, contents and the manner of record-keeping from paragraph 1 of this Article.

PART TWO

I. CONDITIONS FOR TRADING WITH FOREIGN COUNTRIES

Article 21

Trade with foreign countries is conducted on the basis of contracts between a trader who is registered in an office in the Republic of Croatia and a trader who is registered in an office abroad, in compliance with the legal provisions of the Republic of Croatia and with international agreements and contracts.

1. Export and import: Export/import customs clearance

Article 22

The Export or import of goods and services is performed when goods have been cleared through customs and when they have crossed the customs border-line, or when the service has been performed. The day of export or import is considered to be the day when the goods have been cleared through customs.

The Minister determines which date is considered to be the date of export or import of the service.

Exempt from the provisions of paragraph 1 of this Article, the authorized customs office may allow the goods exported or imported to be cleared through customs, even if they have not crossed the customs border-line, provided that all the parties to this export/import deal consent to that, and if this contributes towards the decrease in transport costs. In this event, the same regulations apply that govern the customs clearance of goods which have crossed the customs line.

2. Requirements to be met by the goods imported

Article 23

The goods which do not meet the required standards for putting goods into circulation or to use in the Croatian market may not be imported or temporarily imported into the Republic of Croatia.

The goods imported or temporarily imported must meet all sanitary, veterinary and phytosanitary requirements established by the Republic of Croatia.

The goods requiring mandatory certification or homology testing, must be examined by an authorized organization and adequately marked, if the results comply with the requirements, before being put into circulation.

A trader who imports motor-vehicles, equipment and durable consumer goods and sells them on the Croatian market is required to provide servicing and spare parts directly or through another trader or person.

Article 24

The Government may determine the same conditions for the imports of goods whose characteristics require special handling and storage and that the special conditions are specified for at the domestic market in accordance with Article 10a of the present Law.

3. Documents accompanying goods being exported or imported

Article 25

If a contract with a foreign person, the regulations of a foreign country, an international agreement or the regulations of the Republic of Croatia specify that the goods to be exported or imported should be accompanied by a certificate of origin of goods or other certificates, or other authorized documents, such documents are issued or authorized by the Ministry.

Exempt from the provisions from paragraph 1 of this article, the certificates of Croatian origin of goods are issued or authorized by the Croatian Chamber of Economy and customs authorities of the Republic of Croatia.

The Government issues a regulation specifying what goods are considered to be of Croatian origin and what are imported goods, states the procedures for issuing certificates and authorizing documents accompanying the goods to be exported or imported, and lists the instances requiring a certificate of origin for goods to be exported or imported.

In the regulation from paragraph 3 of this Article, the Government of the Republic of Croatia may determine that certificates and other documents, exempt the certificates from paragraph 2 of this Article, may be issued or authorized by another state administrative body, local self-government or government body or by the Croatian Chamber of Economy.

Article 26

The regulations on the origin of goods from Article 25 of this Law are issued on the basis of following criteria:

- (a) the country of origin of the imported goods is the country in which the goods were entirely produced, or if several countries were involved in production, the country in which the last essential changes were made to the goods;
- (b) the rules of origin of goods must be based on positive standards. Negative standards may be used only to clarify the positive standards;
- (c) the rules of origin of goods that apply to exported or imported goods should not be more restrictive than the rules of origin which determines what is to be considered of domestic origin, and should not discriminate against individual countries;
- (d) the rules of origin of goods cannot be used to impose direct or indirect restrictions on trade with foreign countries.

Where preferential customs rates are applied in trade between the Republic of Croatia and another country, the rules of origin of goods from paragraph 1 of this Article shall be regulated in accordance with the agreement concluded with the respective country.

4. Exporting or importing without collecting or paying the counter value

Article 27

An exporter may export goods and services without collecting the counter value, and an importer may import the goods and services without paying the counter value provided that:

- (a) this is related to their business activity and the exported or imported goods are not intended for resale;
- (b) there is reciprocity with another country;
- (c) such an operation is foreseen under international agreements and conventions.

Associations and institutions registered for health care, humanitarian, scientific, educational, cultural, social, sporting, religious and similar activities may send and receive goods and provide services for these and similar purposes, without collecting or paying the equivalent value.

Exporting and importing goods or receiving and sending goods and providing and receiving services from paragraph 1 and 2 of this Article are carried out freely.

A customs declaration, proof of export without collecting an equivalent value, or proof of import without paying an equivalent value, and a statement to this effect given by a responsible person on behalf of the exporter, or on behalf of the importer, are submitted to the relevant customs office.

TEMPORARY EXPORT AND IMPORT

Article 28

Goods may be temporarily exported and imported with the aim of giving services to foreign persons and receiving services from foreign persons, as well as in other cases provided by this Law.

Goods from paragraph 1 of this Article are exported or imported with a precisely established purpose and under the obligation of their return in the same or altered state within a specified period.

Temporarily exported or imported goods may be used only for the purposes for which they were temporarily exported or imported.

Temporarily exported goods must be returned to the Republic of Croatia or permanently exported, and temporarily imported goods must be returned abroad or permanently imported.

Article 29

Upon the proposal by the Ministry in charge of trade, the Government shall issue regulations specifying the type of temporary exports and imports and the periods of time involved, and it may also state which goods are not to be temporarily imported, as they would be a threat to the life and health of human and animals and the environment; and it may state the conditions for temporary exporting of certain goods for the purpose of treating, processing and finishing (hereinafter: improvement).

Article 30

The goods temporarily exported or imported are subject to the provisions of this Law and the regulations issued in compliance with this Law, and the customs procedure is conducted as provided by the Customs Law.

Article 31

Exempt from Article 30 of this Law, the temporary export or import of goods is not subject to the provisions of this Law regulating export/import quotas or other bans and restrictions imposed on export and import for economic reasons.

If the goods temporarily exported or imported are subject to mandatory licensing in compliance with this Law, the goods should be temporarily exported or imported with a licence.

Article 32

In accordance with this Law, improvement of goods which are owned by a foreign person or a domestic person engaging in re-export deals and which are sent to the Republic of Croatia to be improved or goods owned by a domestic person which are sent abroad to be improved by a foreign person are considered to be temporary exports or imports.

Exceptionally, the collection or payment for the improvement of goods may, if a contract with a foreign person provide so, be made with the goods which were subjected to improvement or which resulted from this improvement.

The exports or imports which constitute the collection or payment for improving goods are subject to the regulations concerning the regular export or import of the same goods.

The collection or payment for the improvement from paragraph 2 of this Article is made upon the approval of the Minister.

Article 33

Equipment may be temporarily exported or imported under the rental or leasing contract to be used in the production process or in providing services.

The contract from paragraph 1 of this Article must define the duration of the rental lease. The contract may state that after the rental lease expires, the equipment which was temporarily exported should be finally exported, or that temporarily imported equipment should be finally imported.

If the equipment being exported or imported for rental is subject to quota or licensing, the customs office will allow its export or import in compliance with the quota or licence requirements.

If the export or import of the particular equipment was free at the time this equipment was temporarily exported or imported for rental purposes, the equipment will be freely exported or imported when it is finally exported or imported.

SPECIAL FORMS OF TRADE WITH FOREIGN COUNTRIES

1. Compensation Deals

Article 34

For exporting or importing of goods and services, it is possible to collect payment or to pay in goods and services imported from abroad in the equivalent value (compensation deals), especially if it is:

- (a) the import of equipment, input materials and raw materials for the production of goods and services intended for export;
- (b) the import of goods which are not produced in the Republic of Croatia or are not produced in the quantities large enough to supply the domestic market;
- (c) the only way of collecting payment for the exported goods or services.

The criteria and conditions for conducting business from paragraph 1 of this Article are specified by the Government.

The Ministry issues approval for compensation deals with foreign countries in compliance with the criteria from paragraph 2 of this Article.

The export and import of goods and services from paragraph 1 of this Article are subject to the provisions of this Law regulating the export and import of goods and services.

2. Re-export deals

Article 35

The exporter or importer may freely purchase goods abroad and import them or temporarily import them to be exported again, or resell abroad the goods bought abroad (re-export deals).

Exceptionally, the Government may, upon a proposal by the Ministry in charge of trade, restrict business transactions from paragraph 1 of this Article, or specify detailed conditions for their performance, especially if the country in which the goods are exported expressly requires it, or if it estimates that the deals are contrary to the international agreements or are harmful or threaten to be harmful to the economy of the Republic of Croatia.

3. Cross-border trade and overseas trade with a neighbouring country

Article 36

The exporter or importer may engage in cross-border trade and overseas trade with a neighbouring country in accordance with this Law, inter-governmental agreements and legal acts and regulations made in compliance with this Law.

The area in which cross-border trade and overseas trade with a neighbouring country takes place is determined by an inter-governmental agreement.

In cross-border trade and overseas trade with a neighbouring country, the goods and services may be exported or imported only by an exporter or importer with a registered office in the area specified in paragraph 2 of this Article.

4. The sale of foreign goods from the consignment warehouse

Article 37

A special form of trade with foreign countries is the sale of foreign goods from the consignment warehouse, which is performed under a written contract with a foreign person.

The conditions for opening a consignment warehouse are provided by the Customs Law.

EXPORT AND IMPORT SAFEGUARD MEASURES

1. Safeguard measures

Article 38

The Government may apply a relevant safeguard measure (hereinafter: “a measure”) to a product, if it has determined that such product is being imported in such increased quantities, absolute or relative to domestic production, and under such conditions as to cause or threaten to cause serious injury to the domestic industry that produces like or directly competitive products.

The measures under paragraph 1 shall be applied to an imported product irrespective of its source.

The measures under paragraph 1 may be applied only if the existence of the causal link between an increased import of the product and serious injury and threat thereof for domestic production is determined in an investigation.

If the investigation under paragraph 3 above determines that the increased imports of certain goods done in the same period did not caused injury to the domestic industry but that it was caused by other factors, the measures under paragraph 1 above shall not be applied.

The Ministry carries out the investigation under paragraph 3 above. The investigation includes public notice on the intention to apply measures to all interested parties and public hearings in which interested parties may submit their views and evidence on the public interest in the application of a proposed measure.

During the investigation under paragraph 3 above, the Ministry evaluates all relevant factors of an objective and quantifiable nature, in particular in relation to the situation in the industry concerned, the total increase of imports of the product concerned in absolute and relative terms, the share of the domestic market taken by increased imports, capacity utilisation, profits or losses and the influence of the increased imports on employment in the industry concerned, as well as other circumstances relevant in the assessment of the situation. The Ministry publishes reports containing the findings and decisions during the investigation in accordance with the Law.

The Ministry is obliged with care any information collected in the investigation, which are confidential for certain economic entities. Such information shall not be disclosed without permission of the party submitting it. If it estimates it necessary for the investigation, parties providing confidential information may be requested to furnish non-confidential summaries thereof or explanations. However, if the Ministry finds that the request for confidentiality is not warranted and if the party concerned is either unwilling to make the information public or to authorise its disclosure in generalised or summary form, the Ministry may disregard such information unless it can be demonstrated to their satisfaction from appropriate sources that the information is correct.

Article 38a

For the purposes of this Law, the terms under Article 38 of the present Law have the following meanings:

- (a) “serious injury” shall be understood as a significant overall impairment in the position of a domestic industry;

- (b) “threat of serious injury” shall be understood to mean an assessment of the existence of threat of serious injury in the position of a domestic industry;
- (c) “domestic industry” shall be understood to mean the producers as a whole of the like or directly competitive products operating in the Republic of Croatia, or those whose collective output of the like or directly competitive products constitutes a major proportion of the total domestic production of those products.

Article 38b

If a quantitative restriction under Article 40 of this Law is introduced, such a measure under Article 38 of this Law, shall not reduce the quantity of imports below the level of a recent period which shall be the average of imports in the last three representative years, unless clear justification is given that a different level is necessary to prevent or remedy serious injury.

In cases where a quota is allocated among supplying countries, the Government may seek agreement with respect to the allocation of the substantial shares in the quota with all supplying WTO member countries, the way and their share in that allocation. In cases in which this method is not reasonably practicable, the Government shall allot to the countries mentioned above the shares based on the proportions, supplied by such countries during a previous representative period, of the total quantity or value of imports of the product, due account being taken of any special factors which may have affected or may be affecting the trade in the product.

Notwithstanding the provisions of paragraph 2 above, the Government may change the way of allocating quota:

- (a) provided that the imports from a country WTO member have increased in disproportionate percentage in relation to the total increase of import of the product concerned in the representative period;
- (b) provided that the reasons for the departure are justified; and
- (c) the conditions of such departure are equitable to all suppliers of the product concerned.

The duration of any measure under Article 38 of the present Law shall not be extended beyond the initial period under Article 39a, even in case of a serious injury of domestic industry.

Article 39

In critical circumstances, where the delay of the measures under Article 38 above would cause damage difficult to repair, the Government may take a provisional safeguard measure pursuant to a preliminary determination that there is clear evidence that the increased imports have caused or are threatening to cause serious injury to the domestic industry.

Such provisional measures under paragraph 1 above should take the form of tariff increases.

The duration of the provisional measure shall not exceed 200 days. The requirements for taking measures determined under Articles 38, 38a and 38b apply also to provisional measures under paragraph 1 above.

Such measures that take the form of tariff increases should be promptly refunded to the importers concerned if the subsequent investigation does not determine that the increased imports have caused or threatened to cause serious injury to a domestic industry.

The duration of any such provisional measure shall be counted as a part of the initial period and any extension referred to in Article 39a hereof.

Article 39a

Safeguard measures under Article 38 above shall be applied only for such period of time as may be necessary to prevent or remedy serious injury and facilitate adjustment. The period shall not exceed four years.

The period under paragraph 1 above may exceptionally be extended provided that the Ministry has determined that the safeguard measure continues to be necessary to prevent or remedy serious injury and that there is evidence that the industry is adjusting. In that case, measures may not be more restrictive than the present measures.

The ministry is obliged to follow up the effects of the measure under paragraph 1 and if necessary, propose to the Government to liberalise it.

The total period of application of a safeguard measure including the period of application of any provisional measure, the period of initial application and any extension thereof, shall not exceed eight years.

In order to facilitate the adjustment in a situation where the expected duration of a safeguard measure is over one year, the Government shall progressively liberalise the measure at regular intervals during the period of application. If the duration of the measures exceeds three years, the situation shall be reviewed not later than the mid-term of the measure and, if appropriate, the measure shall be withdrawn or the pace of liberalisation increased.

The Government shall not apply safeguard measures again to the import of a product that has been subject to such a measure for a period of time equal to that during which such measure had previously been applied, provided that the period of non-application is at least two years.

In exceptional cases, safeguard measures with duration of 180 days or less may be applied again to the import of a product if at least one year has elapsed since the date of introduction of a safeguard measure on the import of that product and if such a safeguard measure has not been applied on the same product more than twice in the five year period.

Article 39b

In case of the introduction of measures under Article 38 of the present Law, the Government may agree to grant adequate trade compensation for the adverse affects that the application or the extension of a safeguard measure in the Republic of Croatia may have on the trade of other countries.

The Government shall not apply the safeguard measures under Articles 38 and 39 against a product originating in a developing country – member to the World Trade Organization, as long as its share of imports of the product concerned in the Republic of Croatia does not exceed 3 per cent,

provided that developing countries, members to the WTO with less than 3 per cent import share collectively account for not more than 9 per cent of total imports of the product concerned.

Article 39c

The Government of the Republic of Croatia will issue special regulations on the implementation of Articles 38, 38a, 38b, 39, 39a and 39b of the present Law.

2. Quotas

Article 40

The Government may impose import quotas for balance of payments purposes as well as for the implementation of measures under Article 38 of the present Law.

The Government may impose export quotas for the purpose of conservation of exhaustible natural resources of the Republic of Croatia on if it prescribes in parallel the appropriate measures to limit trade of those goods in the Republic of Croatia.

Import and export quotas under paragraphs 1 and 2 above are imposed in compliance with international agreements that the Republic of Croatia entered into.

Article 41

Upon the proposal of the Ministry the Government decides which goods are to be subject to export and import quotas.

The volume of exports and imports of certain products is determined by means of quotas for a period not exceeding one year.

The Government of the Republic of Croatia is obliged to decide on the volume of quotas from paragraph 2 of this Article prior to 1 November of the current year for the following year.

Article 42

According to the provision of Article 41, paragraph 3 of this Law, the Government establishes the criteria, dates and conditions for allocation of quotas, in addition to the volume of export/import quotas.

The allocation of quotas from paragraph 1 of this Article is carried out by the Ministry. The allocation of quotas from paragraph 1 of this Article is carried out by public tendering. The invitation to tender should be published in newspapers at least 8 days prior to the allocation of quotas.

In the allocation of quotas, at least 10 per cent should be set apart for additional allocation intended for new producers whose needs could not have been foreseen in the regular allocation of quotas.

The Customs Directorate of the Republic of Croatia is obliged to submit the data on imported and exported goods subject to quota to the Ministry at least once a year.

Article 43

The Ministry may grant exemption to individual business entities and approve exporting or importing of goods above the quotas set and allocated in the manner specified in Article 42 this Law, for the following:

- (a) the import of goods intended to substitute the goods destroyed by force majeure;
- (b) the import of equipment covered by loans granted by international financial institutions;
- (c) the import of goods needed for manufacturing goods and providing services intended for export, if the value of the goods and services exported is at least by 50 per cent higher than the value of the goods imported;
- (d) the import of equipment under the rental or leasing contract as provided by Article 33 of this Law, which should be supported by a study showing that the deal is justifiable from an economic point of view;
- (e) the export of goods if this export does not cause disruptions in the supply of the domestic market.

3. Exemptions from quotas

Article 44

Regardless of the imposed quotas, the following goods may be freely imported or exported:

- (a) the equipment intended to substitute other equipment destroyed by force majeure or in a traffic accident, and are purchased under reinsurance arrangements;
- (b) the equipment which is imported as a deposit of a foreign person or increase in this deposit under the foundation or investment contract;
- (c) the equipment and capital goods remaining after the volume of business has been reduced, or after the liquidation of the firm abroad, provided that proof is submitted they were used in the firm founded abroad;
- (e) spare parts for the maintenance of the equipment imported earlier and for the maintenance of parts of the equipment that has already been imported, as well as for the maintenance of other durable consumer goods;
- (f) the equipment and parts of the equipment and parts of the equipment and materials to be incorporated in the equipment, which are intended for the project carried out abroad under the construction contract, which will be exported upon the time-limit necessary for completing the equipment or for incorporation in the equipment;
- (g) the equipment and spare parts bought for the capital goods abroad which were used by the exporter or importer for the construction works abroad;

- (g) commercial samples and other occasional objects which are imported without paying their counter value.

The importer may freely import goods from paragraph 1, item 6 of this Article upon the completion of the construction works abroad, provided that he has submitted evidence on the purchase of goods, and a special statement to the effect that the capital goods were used exclusively for construction works abroad.

Article 45

Under the export or import contract, the exporter or importer may freely export or import goods serving to replace earlier delivered goods which, during the warranty period or if it does not exist, have been found to be faulty or not consistent with the requirements agreed upon.

The exporter or importer may freely export or import the goods which were not delivered with the main shipment.

When exporting or importing the goods from paragraphs 1 and 2 of this Article, the exporter or importer is required to submit the contract and other evidence to the relevant customs office, showing that the goods are being sent as a replacement for the goods delivered earlier or that they were not delivered with the main shipment.

5. Licences for export and import of goods

Article 46

For reasons such as the performance of international contracts, national security purposes, protection of life and health of humans, animals, plants and the environment, protection of the public morality, control of exporting and importing works of art and certain precious metals, certain goods are subject to export/import licensing.

The Government decides, upon the proposal of the Ministry, which goods require export/import licences.

Article 47

Export/import licences for goods from Article 46 of this Law are issued by the Ministry. For weapons and military equipment intended for the Croatian army and police, licences are issued by the Ministry in charge of defense or the Ministry in charge of internal affairs.

Licences for historical objects and works of art are issued by the Ministry in charge of culture.

6. Anti-dumping measures

Article 48

The Government of the Republic of Croatia may impose an anti-dumping duty on a product that is imported at less than its normal value (dumping) if it has been determined by the Ministry in charge of trade that the dumped imports cause or threaten to cause material injury to a domestic industry or material retardation of the establishment of such an industry in the Republic of Croatia.

A product is to be considered as being introduced into the commerce of the Republic of Croatia at less than its normal value (dumping) if the price of the imported product is less than the comparable price for the like product in the ordinary course of trade when destined for consumption in the exporting country.

In the absence of such domestic price, or when, because of the particular market situation or the low value of trade in the domestic market of the exporting country, such sales do not permit a proper comparison, the comparable price shall be understood as:

- (a) the price of the like product when exported to an appropriate third country, provided that this price is representative; or
- (b) the cost of production in the country of origin plus a reasonable amount for administrative, selling and general costs and for profits.

Article 49

An application for the imposition of an anti-dumping duty may be made by the domestic producers as a whole of the like product or the producers whose collective output of the like product constitutes a major part of the total domestic production.

The application shall be made in written to the Ministry. An investigation shall not be initiated unless the Ministry has determined that the request was made by or on behalf of the domestic producers of the like product.

An application under paragraph 1 shall include evidence of:

- (a) dumping;
- (b) injury within the meaning of Article VI of GATT 1994; and
- (c) causal link between the dumped imports and the alleged injury.

If, in special circumstances, the Ministry decides to initiate an investigation without having received a written application by or on behalf of a domestic industry for the initiation of such an investigation, it shall proceed only if it has sufficient evidence of dumping, injury and a causal link as describe in paragraph above, to justify the initiation of an investigation.

The anti-dumping duty under Article 48 of the present Law shall not be higher than the margin of dumping found as a result of the investigation, i.e., the price difference determined in accordance with Article 48 of the present Law. The duty may be less than the margin of dumping if such lesser duty would be adequate to remove the injury to the domestic industry.

The anti-dumping duty shall remain in force only as long as and to the extent necessary to counteract dumping which is causing injury. The Ministry shall review the need for the continued imposition of the duty, there warranted, on its own initiative or provided that a reasonable period of time has elapsed since the imposition of the duty, upon request by any interested party which submits positive information substantiating the need for a review.

The Government shall regulate the procedure and the way of determination of anti-dumping duty.

7. Countervailing measures

Article 50

The Government may impose a countervailing duty on a product that is imported if it has been determined by the Ministry that:

- (a) the product has benefited from a production or export subsidy in the country of origin or country of exportation, except in situations where the subsidy in question is non-actionable in accordance with relevant international agreement;
- (b) the subsidised imports cause or threaten to cause material injury or threatens to cause injury to a domestic industry or material retardation of the establishment of such an industry.

Article 51

An application for the imposition of a countervailing duty must be made by the domestic producers as a whole of the like product or the producers whose collective output of the like product constitutes a major part of the total domestic production.

An application is made in written form to the Ministry. An investigation shall not be initiated unless the Ministry has determined that the request was made by or on behalf of the domestic producers of the like product in the Republic of Croatia.

An application under paragraph 1 shall include sufficient evidence of:

- (a) the existence of a subsidy and, if possible, its amount;
- (b) injury within the meaning of Article VI of GATT 1994; and
- (c) causal link between the subsidised imports and the alleged injury.

If, in special circumstances, the Ministry decides to initiate an investigation without having received a written application under paragraphs 1 and 2 above by or on behalf of a domestic industry for the initiation of such an investigation, it shall proceed only if it has sufficient evidence of the existence of a subsidy, injury and a causal link, as described in paragraph 2, to justify the initiation of an investigation.

The Ministry shall, after the completion of the investigation, determine whether all requirements of the imposition of a countervailing duty have been fulfilled and whether the amount of this duty shall be the full amount of the subsidy or less. The duty may be less if such lesser duty would be adequate to remove the injury to the domestic industry.

The countervailing duty shall remain in force only as long as and to the extent necessary to counteract subsidisation that is causing injury. The Ministry shall review the need for the continued imposition of the duty, where warranted, on its own initiative or upon request by any interested party which submits positive information substantiating the need for a review.

The Government shall regulate the procedure and the way of determination of countervailing duty.

CARRYING OUT BUSINESS ACTIVITIES IN FOREIGN COUNTRIES

Article 52

A domestic legal person (hereinafter: “founder”) founding a firm or a branch office abroad or signing a contract for investing in a foreign firm is required to submit a report to the Ministry within 30 days from the founding or contracting of the firm for depositing and record keeping purposes. The report from paragraph 1 of this Article must include the following:

- (a) the name of the founder, firm, the registered office and the business activity of the foreign firm or the branch office abroad;
- (b) the amount and the source of funds for the founding deposit per founder;
- (c) the information on the person responsible for the operations of the firm or branch office abroad;
- (d) the authority of the responsible person in the firm or the branch office abroad.

The founder is required to submit a report to the Ministry within 30 days from the date on which the changed status takes effects on the founding deposit from paragraph 1 of this Article, or from the date on which the firm or the branch office ceased to operate abroad, for record-keeping purposes.

FOUNDATION OF FOREIGN REPRESENTATION OFFICES IN THE REPUBLIC OF CROATIA

Article 53

Foreign persons carrying out business activities may, under the condition of reciprocity, found a representation office in the Republic of Croatia for the purposes of representation, market research, promotion and information dissemination.

The reciprocity condition under paragraph 1 above is not applied to foreigners having their seat or permanent residents in the World Trade Organization member countries.

Persons from paragraph 1 of this Article may open one or more branch representation offices in the Republic of Croatia.

A representation office is not a legal person and the activities from the paragraph 1 of this Article are completed upon the founder’s request.

Prior to opening a representation office in the Republic of Croatia, the person from paragraph 1 of this Article is required to enter the representation office in the Register of foreign representation offices which is located in the Ministry.

The Government, upon a proposal by the Minister specifies detailed conditions for founding and operating foreign representation offices in the Republic of Croatia.

THE RIGHTS OF NATURAL PERSONS IN EXPORT AND IMPORT

Article 54

Domestic and foreign natural persons may freely bring in and receive from abroad, or take out and send abroad personal luggage, food and objects for personal use and for the use of members of their families, objects for their households and pets in quantities which are not intended for sale. The objects inherited abroad may be freely brought in, but they may be taken out only on condition of reciprocity. The objects specified by inter-governmental contracts may be freely brought in or taken out in accordance with these contracts.

Domestic and foreign natural persons may take out and send abroad the goods and objects of historical, artistic and cultural value only with a prior approval of the Ministry in charge of culture.

Domestic natural persons who spent at least two years working continuously abroad in any capacity, or at least 24 months in the last four years or spent abroad at least seven years may freely import equipment intended for business activities within six months from the date of return from abroad.

Foreigners who acquired Croatian citizenship, or the right of permanent residence or stay under the recognized status of refugee in the Republic of Croatia, with the exception of persons who are considered to be Yugoslav citizens according to the regulations of former SFRY, may freely import objects from paragraph 3 of this Article within six months from the date on which they acquired Croatian citizenship, permanent residence or the status of refugee in the Republic of Croatia.

Article 54a

Domestic and foreign natural persons temporary entering into the Republic of Croatia or temporary departing for a foreign country, may temporary import, bring in or receive from abroad, or export, take out and send abroad objects that they need during their temporary stay in the Republic of Croatia or abroad.

Objects temporary imported, brought in or exported or taken out under paragraph 1 above may be used only for the purposes that they were temporary imported, brought in or exported or taken out.

Domestic and foreign natural persons are obliged, after the expiry of a determined period, to bring back the objects brought in or taken out to the Republic of Croatia or abroad or to clear them through the customs.

PART THREE

RESTRICTION OF TRADING

Article 55

The Government may temporarily restrict trading by a special regulation, in the following cases:

- (a) in the event of natural and other disasters in the Republic of Croatia, when serious disruptions have been caused or could be caused in trading, disruptions in supplying the population or disruptions in other fields that may threaten the safety and health of citizens;
- (b) in the event of serious disruptions in the domestic market caused by the lack of goods needed for manufacturing and processing industries and the normal life of citizens;
- (c) in the event of war or direct threat to the independence and integrity of the Republic of Croatia;
- (d) if it is necessary to ensure the production, raw materials and input materials of particular strategic importance for the defense of the Republic of Croatia.

The Government will restrict trading in the event from paragraph 1 of this Article, only if the disruptions cannot be eliminated with other measures or if the demand cannot be supplied from the strategic reserves, by imports or other measures of economic policy.

Article 56

In the cases from Article 55, paragraph 1 of this Law, the Government may decide the following:

- (a) to restrict trading in certain goods or to specify the conditions for trading in certain goods;
- (b) to restrict the import or export of certain goods or to specify the conditions for importing or exporting certain goods;
- (c) to forbid the trader to trade in certain goods;
- (d) to bind the trader to procure and sell particular kinds and quantities of certain goods and to sell the goods to the specified consumers according to the determined order;
- (e) to bind individual traders to keep in stock certain quantities and kinds of goods.

PART FOUR

UNFAIR COMPETITION

Article 57

Unfair competition refers to the actions of a trader, by which, for competitive reasons, he violates accepted business practices.

Unfair competition is forbidden.

Article 58

Unfair competition from Article 57 of this Law is particularly considered to be the following:

- (a) advertising, announcing or offering goods and services by using information or expressions which serve to take advantage of the reputation of another trader, his products and services;
- (b) advertising, announcing or offering goods and services which offend or demean another trader because of his nationality, race, political or religious beliefs;
- (c) giving information about another trader if this information damages or may damage the reputation or business of this trader;
- (d) selling the goods with labels and data which create or could create confusion concerning the source, the manner of production, quantity, quality or other properties of the goods;
- (e) concealing the defects (faults) of the goods and services or any other way of misleading consumers;
- (f) actions aimed at breaking business relationships between other traders or which prevent or aggravate such relationships;
- (g) unjustified failure of fulfilling the contract, or termination of the contract with an individual trader with the aim of signing an equivalent or more favorable contract with other traders;
- (h) contracting for the export of goods and services at a lower price, when another trader has already contracted for the export of such goods and services at a higher price, which causes damage to that trader;
- (i) unjustified use of the name, label, trademark or other sign of another trader;
- (j) giving or promising gifts, material or other types of benefits to another trader, his employee or a person who works for him, which would place the giver in a more favorable position at the expense of another trader or consumer;
- (k) unauthorized use of the services of a salesman, representative or agent of another trader;
- (l) winning over the buyers of goods or services by giving or promising gifts or any other material gain or benefit, the value of which is much higher than the usual market value of goods and services;
- (m) illegally obtaining business secrets of another trader or unlawful use of an entrusted business secret of another trader.

Article 59

Compensation for damages caused by the forbidden actions regarded as unfair competition may be obtained through court proceedings.

The complaint from paragraph 1 of this Article may be submitted by the impaired trader, by the chamber of economy or by any other form of association of traders.

The right to the complaint from paragraph 1 of this Article lapses upon the expiry of a period of one year as of the date at which the plaintiff learns about the offence and the perpetrator and three years at the latest after the offence is committed.

PART FIVE

INSPECTION AND ADMINISTRATIVE MEASURES

Article 60

The supervision of the implementation of the provisions of this Law is carried out by market inspection and other inspections and customs bodies within their authority as provided by special laws.

Special forms of trade with foreign countries are supervised by the National Bank of Croatia.

Article 61

When clearing goods through customs, the customs officers inspect if the actual state of goods being exported corresponds to the established form of export and if they confirm to other specified conditions for export or import of goods. This inspection is carried out according to the regulations specified for the inspection during customs clearance.

Article 62

If the authorized market inspector finds out during his examination that the business activity has not been registered or an approval has not been issued by the competent body or the decision of the relevant administrative body is lacking, stating that the premises fulfill the technical and other requirements for engaging in this particular business activity, he will issue a decision temporarily suspending trading, until the regularities have been rectified.

An appeal against the decision will not postpone implementing the decision.

Article 62a

If the authorised inspector finds out during his examination that the wholesale trade of certain goods is not carried out in appropriate premises or warehouses or that certain goods are being imported contrary to the requirements, he will issue a decision temporarily suspending trading until the irregularities have been rectified.

An appeal against the decision will not postpone implementing the decision.

Article 63

If, during inspection, the authorized market inspector establishes the following:

- (a) that business premises and points of sale do not meet the minimum technical and other conditions specified, or that the requirements for selling goods outside the premises intended for selling have not been met;
- (b) that the shop has not been properly equipped and that the manner of selling does not fulfill the required conditions;
- (c) that the trader does not keep records of purchased and sold goods, and of the price of goods and services in the manner specified;

he will issue a decision temporarily suspending trading, until the irregularities established have been rectified.

An appeal lodged against the decision will not delay implementing the decision.

Article 64

If the authorized inspector establishes that the execution of a foreign trade transaction may endanger the safety and health of human and animals or the environment, he may issue a decision temporarily suspending the execution of this transaction.

An appeal lodged against the measure from paragraph 1 of this Article will not delay implementing the decision.

The authorized inspection is required to report the trader to the Tribunal of Honour at the Croatian Chamber of Economy within 15 days from the date on which the measure from paragraph 1 was taken.

Article 65

If during inspection the authorized market inspector finds out that the person who is supposed to be qualified, in compliance with the regulations, does not have these qualifications (Article 18) or if the trader does not run the business within the specified working hours (Article 19), he will issue a decision:

- (a) forbidding the person without the required qualifications to continue this work;
- (b) forbidding the trader to operate contrary to the specified working hours.

An appeal lodged against the decision will not delay implementing the decision.

PART SIX
PENALTY PROVISIONS

Article 66

A legal person shall be fined 50,000 to 210,000 kunas for a violation:

- (a) if he carries out trade with foreign countries contrary to the specified conditions (Article 24);
- (b) if he performs compensation deals without approval (Article 34);
- (c) if he buys goods abroad for selling them abroad or imports or temporarily imports the goods bought abroad, contrary to the provision on restriction of such deals (Article 35);
- (d) if while importing, he does not conform with the safeguard measures which have been imposed to eliminate disruptions in the market (Article 38 and 39);
- (e) if he does not conform to the measures which have been imposed to eliminate disruptions in the market (Article 56);
- (f) if he performs an activity representing, under this Law, an unfair competition practice (Article 58).

For the violations under paragraph 1 above, the responsible natural person within the legal person liable for the business violations shall be fined 10,000 to 60,000 kunas.

Article 67

A legal person shall be fined 30,000 to 150,000 kunas for the violation:

- (a) if he carries on retail sale contrary to the conditions prescribed (Article 8);
- (b) if he carries on wholesale in the premises which do not meet specified requirements (Article 10a);
- (c) if he carries on retail sale in the premises that do not meet specified requirements (Article 13);
- (d) if he conditions for sale of goods outside shop are not met and if such a sale is carried out off the location determined by the competent local government body (Article 14);
- (e) if he sells goods at auctions contrary to the specified conditions (Article 15);
- (f) if he carries out retail or whole sale in premises that were not issued the decision by an authorized body that determines that the premises meet the conditions necessary for carrying out trade activities (Article 17);
- (g) if he does not abide to the specified working hours (Article 19);

- (h) if he does not keep records concerning purchase, sale and price of goods as well as the inter mediation performed (Article 20);
- (i) if contrary to this Law or any other regulation issued on the basis of this Law, he exports or imports goods without the relevant certificate or an authorised document (Article 25);
- (j) if he fails to meet the specified date for the return of temporary exported or imported goods (Articles 28, 33 and 35);
- (k) if he used temporary imported or exported goods for other purposes than the purpose for which it was intended when it was temporary imported or exported (Articles 28, 33 and 35);
- (l) if he collects the payment for the improvement of goods carried out, without the approval of the Ministry (Article 32);
- (m) if he imports or exports goods without approved quota (Article 42) or licence (Article 46 and 47);
- (n) if he does not export or import goods within the period determined by the approval (Article 43),
- (o) if he does not inform the Ministry on the foundation of a firm or a branch office in a foreign country (Article 52);
- (p) if he does not enter the representative office into the Register of representative offices prior to opening of this office in the Republic of Croatia (Article 53);
- (q) if he carries out activities of the representative office contrary to the provisions of this Law (Article 53).

For the violations under paragraph 1 above, the responsible natural person within the legal person liable for the business violations shall be fined 10,000 to 50,000 kunas.

Article 68

A fine amounting from 50,000 to 150,000 Kn will be paid by the trader – a natural person if he commits the offence from Article 66, paragraph 1 and Article 67, paragraph 1 of this Law.

Article 69

A fine amounting from 3,000 to 15,000 Kn will be paid by the domestic or foreign person if:

- (a) he brings in or imports the goods contrary to the provisions of this Law (Article 54);
- (b) he is treating temporary exported goods, carried or sent abroad, or temporary imported goods, carried or received in the Republic of Croatia contrary to the provisions of this Law (Article 54a).

Article 70

For the offences under Article 66 items 1 to 5, Article 67 items 2,5,11 and 13 and Articles 68, in addition to the payment of the fine, a protective measure of dispossession of material benefits gained through the offence and dispossession of the objects which were used or were intended to be used to commit the offence or resulted from committing the offence, will be applied.

The offence under Article 67, paragraph 1, item 11 and Article 69 of the present Law, in addition to the payment of a fine, a protective measure of the dispossession of the objects which were used or were intended to be used to commit the offence or resulted from committing the offence, will be applied.

The objects which are exported or imported and which are the object of the offence under this Law, and which can be dispossessed if protection measures require so, may be placed under customs supervision until the proceedings have been completed.

Article 71

The proceedings for the offences from Article 66, paragraph 1, item 2 and 3 and Article 67, paragraph 1, item 11 and 14 of this Law are conducted by the Foreign Exchange Inspection of the Republic of Croatia.

The proceedings for the offences from Article 67, paragraph 1, item 10 and 11 and Article 69 of this Law are conducted by Customs Authorities.

Article 72

The proceedings for the offences and proceedings for business transgressions for acts which, under former regulations, were considered to be offences or business transgressions, and are not considered offences under this Law, will be suspended.

The proceedings which will not be suspended according to paragraph 1 of this Article, will be continued in compliance with the provisions which were in effect until the date of this Law coming into force.

PART SEVEN

TRANSITIONAL AND FINAL PROVISIONS

Article 73

The regulations from Articles 15, 24, 25, 29, 34, 40, 41 and 53 of this Law will be issued by the Government of the Republic of Croatia within 6 months from the date of this Law entering into force.

Until the regulations from paragraph 1 of this Article are implemented, the regulations brought in accordance with the provisions of the Law on Foreign Trade Operations will apply.

Article 74

The regulations from Articles 17, 18, 20 and 22 of this Law will be issued by the Minister within six months from the date of the entry into force of this Law.

Until the regulations referred to in paragraph 1 of this Article come into effect, the regulations brought in accordance with the provisions of the Law on Trade, the Law on Internal movement of Goods and Related Services and the Law on Foreign Trade Operations will apply.

Article 75

The regulations on working hours referred to in Article 19 of this Law will be specified by the relevant body in the town or municipality within 60 days of this entering into force.

Article 76

The jobs concerning the allocation of export and import quotas for the year 1996 will be under the authority of the Ministry within 60 days of this Law entering into force.

Article 77

Upon implementation of this Law, the following legislation will be suspended; The Law on Internal Movement of Goods and Related Services ("Official Gazette", No. 32/77, 50/87, 26/93), the Law on Trade ("Official Gazette", No. 53/91, 77/92 and 26/93), (except the provisions from Articles 10 to 19, Article 32 and the penalty provisions relating to business transgressions and offences from the above-mentioned Articles), the Law on Foreign Trade Operations ("Narodne novine", Nos. 53/91, 26/93 and 109/93) and the Law on Measures Restricting Market, Free Movement of Goods and Services of Interest for the Whole Country ("Official Gazette", No. 53/91 and 26/93).

Article 78

This Law will be implemented eight days after its publication in "Official Gazette".

* Wordings "Minister" and "Ministry" replace the wordings "Minister in charge of trade and Ministry in charge of trade" throughout the whole text of the Law.

From the Law on changes and additions
of the Law on Trade

("Official Gazette", No. 75/99)

Article 33

Upon the entrance into force of this Law, the Decree Amending the Law on Trade ("Official Gazette", No. 101/98) will be out of force.

The regulations on special conditions for the carrying out wholesale trade and foreign trade with certain products issued on the basis of this Decree Amending the Law on Trade shall remain in force.

Article 34

The Minister shall adopt the regulation under Article 1, paragraph 2 of the present Law within the period of six months from the day this Law enters into force.

The Government shall adopt regulations under Articles 14, 18 and 20 of the present Law within the period of 12 months from the day this Law enters into force.

Article 35

This Law enters into force the eighth day of its publication in the “Official Gazette”.
