

LAW ON RAILWAY

I. GENERAL PROVISIONS

Article 1

This Law shall regulate the terms and conditions for the public rail infrastructure management and rail transit.

Article 2

For the purposes of this Law, the public rail infrastructure management shall imply: maintaining the public rail infrastructure, organizing and regulating rail transport; ensuring access and use of public rail infrastructure for all interested transporters, including legal entities and physical persons performing transport activities for personal purposes; modernization of the public rail infrastructure; protection of the public rail infrastructure, and acting as the investor of works on the public rail infrastructure new construction and reconstruction

Passenger and freight rail transport may be carried out as public transport or as transport for personal purposes.

The public rail infrastructure management and the rail transit activities shall be regulated according to the principles of segregation of the public rail infrastructure management from the rail transport activities.

Article 3

The terms used in this Law shall have the following meaning:

- 1) "public transport" shall mean treatment passenger and freight transport, available to all users under equal terms;
- 2) "transport for own purposes" shall mean passenger and freight transport performed by a transporter, company, other legal entity or entrepreneur, rolling stock owner in the course of performing his/her activity;
- 3) "transporter" shall mean a public company, other company, other legal entity or entrepreneur registered for performing rail transit activity and guaranteeing train towing;
- 4) "transport license" shall mean a document issued by a relevant authority to a transporter, company, other legal entity or entrepreneur verifying compliance with the terms and conditions for the performance of all or specific forms of rail transport;
- 5) "transport safety certificate" shall mean a document issued by a relevant authority to a transporter, company, other legal entity or entrepreneur verifying compliance with the prescribed conditions for safety in rail transport;
- 6) "rail infrastructure manager" shall mean a public company, other company, other legal entity or entrepreneur authorized for rail infrastructure management;
- 7) "public rail infrastructure management license" a document issued by a relevant authority to a transporter, company, other legal entity or entrepreneur verifying compliance with the terms and conditions for the management of the public rail infrastructure;
- 8) "public rail infrastructure management safety certificate" shall mean a document issued by a relevant authority to a transporter, company, other legal entity or entrepreneur verifying compliance with the prescribed safety conditions pertaining to the public rail infrastructure;
- 9) "rail infrastructure" shall mean a railway track with all the supporting buildings, facilities, equipment, etc. in the function of rail transport, as public goods in the ownership of the Republic of Serbia, used by all rail transporters enjoying equal treatment;

- 10) "line" shall mean a plan for a train traffic on public rail infrastructure, connecting two official train stops, in anticipated period of time and under the strictly defined technical and technological conditions;
- 11) "industrial rail" shall mean a rail used for passengers and freight transport by an industrial, forestry, or a mining company, or a company in the other industrial sector for its own purposes.
- 12) "maneuver railway line" shall mean a section of the manager's public rail infrastructure used for passenger and freight transport for the purposes of a company, other legal entity or entrepreneur, according to need and without a specified timetable;
- 13) "industrial railway" shall mean a railway track connected to the public rail infrastructure and used for delivery and forwarding of goods to the owner, i.e. authorized user of such railway track;
- 14) "timetable" shall mean an act of the public rail infrastructure manager specifying the passenger train and freight transport running schedule, as well as the own purpose transport schedule, on the manager's public rail infrastructure;
- 15) "rail infrastructure modernization", shall mean the introduction of new technical systems or technologies in the rail or the replacement of the existing technical systems or technologies with modern ones;
- 16) "rail infrastructure reconstruction" shall mean a reconstruction of the rail infrastructure so as to change its main technical and design features;
- 17) "rail area" shall mean the land under the railway, facilities and equipment used directly for ensuring rail transport;
- 18) "rail belt" shall mean the space separating the railway tracks, and the areas adjacent to the outermost tracks, with minimum 8 meters of distance, i.e. 6 meters of distance for urban railways, from the outermost track axis;
- 19) "rail safety belt" shall mean a strip of land along the both sides of the railway, 200 meters wide, from the outermost track axis;
- 20) "rolling stock" shall mean all towing and towed vehicles;
- 21) "urban rail" shall mean a railway with special transport and technical features, used for public transport within the city, i.e. town, limits or connecting the city, i.e. town and its suburbs (electric motor and motor trains, funicular railway, cable rail);
- 22) "underground" shall mean a physically separate high capacity rail system with special design and energy an operating features;
- 23) "tourist-museum rail" shall mean a rail with special transport and technical features used for transport for tourism purposes in museum value carriages, under special conditions stipulated in the guidelines for transport on such rail;
- 24) "cable railway" shall mean a rail with special transport and technical features used for passenger and freight transport or passenger, i.e. freight transport exclusively, i.e. or fright or passenger and fright transport for own purposes;
- 25) "intermodal freight transport" shall mean freight transport implying at least two forms of transport without change of a cargo handling unit, such as a container, transport vessels, parts of carriages or carriages.

II. RAIL INFRASTRUCTURE MANAGEMENT

1. Rail Infrastructure Elements

Article 4

The rail infrastructure shall comprise: upper and lower rail structures, railway construction facilities, train station railway tracks, telecommunication, signaling and safety, electric tow, electric energy and other rail facilities and equipment, rail fittings, official train

station buildings and other rail constructions in the official rail posts in the function of organizing and regulating rail transport, with the land under such buildings, rail belt and air space above railway of 12 meters in height, i.e. 14 meters for over 200kV voltage long-distance power lines, from the upper edge of the track.

The rail infrastructure shall not comprise the facilities for the rolling stock maintenance and all supporting railway tracks and rail depots.

The minister in charge of transport (hereinafter: the Minister) shall specify in greater detail the rail infrastructure elements under Paragraph 1 above.

2. Types of Rail Infrastructure

Article 5

For the purposes of this Law, the industrial rail shall imply rail infrastructure used by a transporter, company, other legal entity or entrepreneur for passenger and freight transport for own purposes.

For the purposes of this Law, the public rail infrastructure (hereinafter: the rail infrastructure) shall be the rail infrastructure for use by all interested transporters, companies, other legal entities and entrepreneurs enjoying equal treatment.

Article 6

Railway tracks are classified as follows:

- 1) major railway, of importance for international and national transport,
- 2) regional railway, of importance for regional and local transport and
- 3) local railway, of importance for local transport.

The act on the classification of railway tracks shall be adopted by the Government of the Republic of Serbia, at the proposal of the Rail Directorate.

Article 7

The rail infrastructure shall be considered public goods in the ownership of the Republic of Serbia.

The management of the rail infrastructure shall be considered an activity of public interest.

The activity under Paragraph 2 above shall be delegated to a public company.

The activity under Paragraph 2 above may be performed also by other company, other legal entity or entrepreneur, under the terms and conditions stipulated by law.

In addition to the general conditions, the public company, other company, other legal entity or entrepreneur (hereinafter: the manager) shall comply also with special conditions: obtaining a rail infrastructure management license and a rail infrastructure management safety certificate issued by the Rail Directorate.

Article 8

The public company shall be delegated the activities of the rail infrastructure maintenance, rail transport organizing and regulation, as well as the public rail infrastructure new construction, reconstruction and modernization, in accordance with the program approved by the Government of the Republic of Serbia.

Article 9

The rights to use a section of the rail infrastructure and the activities of managing a section of the rail infrastructure for which the public company does not have economic interest may be delegated to the local government authority.

Decisions on the devolution of the rights and activities under Paragraph 1 above shall be adopted by the public company at the request of the local government authority, in compliance with the law.

The management of the rail infrastructure under Paragraph 1 above shall be governed by the provisions of this Law.

3. Rail Infrastructure Management License and Safety Certificate

Article 10

The manager complying with the conditions for financial, technical, and professional capacities, submitting the following: a proof that the entity is not under bankruptcy procedure and a proof that the responsible person in the entity did not serve a prison sentence in the duration of over one year for a commercial criminal act or abuse of position, shall be issued a rail infrastructure management license by the Rail Directorate.

It shall be considered that the conditions for financial capacities under Paragraph 1 are met if the manager proves the ability to fulfill the obligations pertaining to the management of the rail infrastructure and organizing and regulating rail transport for a period of 12 months.

It shall be considered that the conditions for technical and professional capacities under Paragraph 1 are met if the manager obtains a rail infrastructure management safety certificate.

Article 11

The issuance of rail infrastructure management licenses shall be subject to fees.

The level of the fees under Paragraph 1 above shall be specified by the Minister.

Article 12

The manager, i.e. industrial rail owner, shall be issued a rail infrastructure management safety certificate, i.e. an industrial rail management safety certificate by the Rail Directorate, provided the following conditions are met:

- 1) the rail infrastructure is technically functional and in line with the rail transport safety standards;

- 2) persons working on the maintenance of the rail infrastructure and organizing and regulating the rail transport have adequate qualifications and fulfill health requirements and standards pertaining to rail transport safety;
- 3) a supervisor supervising the maintenance of the rail infrastructure and the organization and regulation established.

The conditions for the issuance of rail infrastructure management safety certificates shall be specified in greater detail by the Minister.

Article 13

If the conditions specified in Article 12 of this Law are met, the Directorate shall issue a rail infrastructure management safety certificate, i.e. an industrial rail management safety certificate, within 30 days from the date of the submission of the application.

The manager shall be issued an untransferable rail infrastructure management safety certificate, i.e. industrial rail management safety certificate, valid for a period of one year.

A complaint against the act on the rejection of application for the certificate under Paragraph 1 above may be lodged before the ministry in charge of transport.

The Directorate shall maintain records of all issued certificates.

Article 14

The issuance of rail infrastructure management safety certificates, i.e. industrial rail management safety certificates, shall be subject to fees.

The level of the fees under Paragraph 1 above shall be specified by the Minister.

Article 15

The manager, i.e. owner of an industrial rail shall submit an application for the issuance of a new certificate to the Directorate 30 days prior to the expiry of the validity of the rail infrastructure management safety certificate, i.e. industrial rail management safety certificate.

Should the manager, i.e. owner of an industrial rail, no longer fulfill any of the conditions specified in Article 12 of this Law, the Rail Directorate shall withdraw the rail infrastructure management safety certificate, i.e. industrial rail management safety certificate.

Article 16

A rail infrastructure management safety certificate, i.e. industrial rail management safety certificate, shall indicate in particular: the outline of the railway, i.e. railway sections including the railway opening and end status, type of signalization, the inventory of the official posts of the railway, the purpose of the official, the inventory of the facilities on the railway including the front and end facility status, types of traffic regulations, qualification structure for staff working on infrastructure maintenance and organizing and regulating transport, the inventory of the railway vehicles for the maintenance of the infrastructure including their serial and individual numbers.

The Minister shall specify in greater detail the contents of a rail infrastructure management safety certificate, i.e. industrial rail management safety certificate.

Article 17

The manager shall ensure permanent, regular and adequate maintenance and protection of the rail infrastructure, free use of the rail infrastructure facilities and other rail transport operating assets, safe and unobstructed rail transport, as well as the organization and regulation of safe and unobstructed rail transport.

In performing its activities, the manager shall comply with the environmental protection provisions stipulated by law and other regulations.

The manager shall be liable for any damage caused to passengers, transporters, companies, other legal entities or entrepreneurs, due to failure to perform its responsibilities specified under Paragraphs 1 and 2 above.

Article 18

The manager may close public passenger and freight transport on rail infrastructure or on a section of rail infrastructure should such transport prove to be unprofitable, with prior consent of the Serbian Government.

The manager may transform the rail infrastructure or a section of rail infrastructure closed for passenger and freight transport due to not being profitable into a maneuver railway line or may use it for other purposes, specifying the terms and condition for its use.

The manager shall submit the decision on closing the transport under Paragraph 2 above to transporters and local government authorities, and shall publish it in the daily press and other public information media within six months from the anticipated date for transport closing.

4. Access and Use of Rail Infrastructure

Article 19

The rail infrastructure shall be used under the terms and conditions stipulated by this Law.

The transport of the rail infrastructure shall be carried out under the terms specified in the rail transport safety regulations.

Article 20

The rail infrastructure may be used by a transporter, as well as a transporter [*sic!*], company, other legal entity or entrepreneur involved in transporting for own purposes, provided they obtain the following:

- 1) transport license and
- 2) transport safety certificate

issued by the Rail Directorate, i.e. issued in a foreign country on the basis of reciprocity and

3) contract on use of rail infrastructure.

The contract on use of rail infrastructure regulates in greater detail the mutual rights and obligations of the manager and the party specified in Paragraph 1 above, which pertain to ensuring technical and other conditions for safe rail transport, as well as for compliance with rail infrastructure user fees, organization and regulation of rail transport.

The contract on use of rail infrastructure must be closed four months prior to the date of effectiveness of a new timetable.

Article 21

The Rail infrastructure is used by way of the allocation of lines.

The persons specified in Article 20 shall submit line applications prior to the date of effectiveness of a new timetable.

Line applications may be submitted and contracts on use of rail infrastructure may be closed in the course of the effectiveness of the timetable.

In submitting the applications under Paragraphs 2 and 3 above, the applicants shall pay the cost of the line allocation procedure.

Article 22

A line application shall indicate in particular:

- 1) transport route (official departure and destination points);
- 2) time of departure of the train from the official departure point and the time of arrival to the official destination point;
- 3) transport path;
- 4) duration of technological operations (official stopping points and the duration of stops) and type of operations (composition reassembling, passenger handling, towing vehicle replacement);
- 5) type of train;
- 6) train composition
- 7) towing vehicle serial number.

Article 23

A line application shall imply a proposal for closing a contract on use of rail infrastructure.

The proposal under Paragraph 1 modified or supplemented by the manager shall be considered a new proposal offered to the applicant.

The proposal under Paragraphs 1 and 2 above shall be considered adopted at the point of closure of the contract on use of rail infrastructure between the manager and the transporter, as well as the transporter, company, other legal entity or entrepreneur involved in transporting for own purposes (hereinafter: the line user).

A complaint against the act on the rejection of the proposal shall be lodged before the Rail Directorate within three days.

The Rail Directorate shall decide upon the complaint within ten days.

In respect to the effectiveness and termination of the contract, compensation of damages and other issues, the provision of the Law on Obligations shall apply accordingly.

Article 24

The manager shall allocate lines to under equal conditions, specified by this Law, applying to all transporters.

In deciding upon line applications, the manager shall apply the following criteria:

- 1) transport volume;
- 2) rail infrastructure occupancy;
- 3) volume of supporting services rendered by the manager and pertaining to transport on the line;
- 4) business reputation and
- 5) activity of public interest pertaining to public transport.

The manager shall develop the methodology for the evaluation of the criteria under Paragraph 2 above.

As a rule, the manager shall allocate lines once a year, upon sorting out the line applications in the course of developing a timetable, and for a period not to exceed the effectiveness of the timetable.

Article 25

A line allocated to one transporter cannot subsequently be transferred to other transporters.

Trading in lines is prohibited.

Article 26

Line users shall pay fees for the use of the rail infrastructure, organization and regulation of rail transport.

Article 27

The level of fees charged for the use of the rail infrastructure, organization and regulation of rail transport shall be specified by the manager, in accordance with the principles of transparency and non-discrimination, and on the basis of the following elements:

- 1) cost of rail infrastructure maintenance, organization and regulation of rail transport;
- 2) use of transport infrastructure in other transport sectors, primarily in road transport;
- 3) length of the rail infrastructure network used by the line user;
- 4) number of railway vehicles used by the line user in performing transport;
- 5) type of railway vehicles used by the line user in performing transport;

- 6) train composition;
- 7) train mileage;
- 8) passenger mileage
- 9) gross tonnage mileage;
- 10) energy consumption;
- 11) time and duration of rail infrastructure use;
- 12) direction of transport;
- 13) train speed;
- 14) train category and
- 15) scale discounts;
- 16) rail transport development strategy.

The Government of the Republic of Serbia shall develop the methodology for the evaluation of the elements listed under Para 1 above.

The methodology under Paragraph 2 above shall be published in the “Official Gazette of the Republic of Serbia”.

Line users shall pay tariffs for supporting services in compliance with the act of the manager.

5. New Construction, Reconstruction and Modernization

Article 28

The construction of rail infrastructure shall be governed by the law regulating physical planning and construction.

Article 29

Prior to the implementation of civil works, and minimum 60 days in advance, the manager shall announce the start of the implementation of the rail infrastructure construction works in daily news or in other manner, in order for the companies, or other legal entities, i.e. entrepreneurs in charge of the facilities constructed in the rail area (pipelines, water supply systems, power, telephone and telegraph lines, sub-surface cables and other similar installations an equipment), as well as planning the construction of such facilities, to be able to adjust the works on such facilities with the construction of the rail infrastructure.

The manager and the company, other legal entity and entrepreneur under Paragraph 1 above shall close a contract regulating their mutual rights and obligations pertaining to the implementation of the works on the construction of the rail infrastructure and the works on the built or to be built in the rail.

Article 30

In case the rail infrastructure needs to be reconstructed due to the construction of another facility (public road, mine, quarry, reservoir, airport, etc.), the part of the rail infrastructure that is reconstructed must be constructed of the elements suitable for the relevant category of the rail

infrastructure irrespective of the actual condition of such infrastructure at the moment of reconstruction.

The cost of the reconstruction under Paragraph 1 above shall be borne by the investor of the works whose construction activities resulted in the reconstruction of the rail infrastructure, unless otherwise specified in an agreement between the investor and the manager.

Article 31

The number of rail infrastructure and public road crossings constructed outside the areas regulated under urbanization plans shall, in principle, be minimized by connecting two or more public roads to a joint crossing.

The distance between two rail infrastructure and public road crossings shall be minimum 2.000 meters.

The rail infrastructure and non-categorized road crossings shall be designed by connecting such roads to the nearest public road, intersecting the relevant rail infrastructure. In case that is not possible, non-categorized roads should be interconnected and directed to a joint rail infrastructure crossing.

The locations for the crossings under Paragraph 3 above shall be selected under the act of the management in accordance with the terms and conditions for landscape development and the transport safety requirements, in an agreement with the non-categorized roads operator.

A complaint against the act on the management under Paragraph 4 above may be lodged before the ministry in charge of transport.

Article 32

In case a rail infrastructure and road crossing is required due to new rail infrastructure construction, or is requested by the local government, a company, or other legal entity or entrepreneur, the cost of the construction of the overpass, underpass, i.e. crossing, the cost of the installation of equipment and devices, and other costs of ensuring safe and unobstructed traffic flow through the crossing, shall be borne by the manager of the newly constructed rail infrastructure, i.e. the applicant.

Article 33

The rail infrastructure and road level crossings shall be considered integral parts of the rail infrastructure on the both sides of the railway tracks, in three meter wide land strips, from the railway track axis.

The manager shall be responsible for the maintenance of the crossing section under Paragraph 1 above, as well as ensuring safe and unobstructed traffic flow through the crossing, taking into account that the carriageway in road the crossing must be maintained so as to facilitate safe and unobstructed road transit.

The remaining sections of the road on the both sides of the road shall be maintained by the road operator, so as to ensure safe and unobstructed rail transport.

Article 34

The cost of maintenance of a road crossing and the cost of ensuring safe and unobstructed traffic flow through the crossing shall be borne by:

- 1) the cost of the maintenance of the railway tracks and other rail infrastructure elements in the road crossing, the signalization devices and the approaching road crossing warning signs for the rail employees in trains, rail telephone connections with road crossings – the manager;
- 2) the cost of the maintenance of railway tracks in the approaching road crossing warning signs for the participants in road transport – the road operator;
- 3) the cost of the maintenance of the train approaching signaling devices for the participants in road transport and road crossing traffic closing devices, the cost of labor for handling road crossing traffic closing devices and other direct costs of ensuring safe and unobstructed traffic flow through the road crossing shall be borne jointly, in equal parts, by the manager and the road operator.

The manager shall bear full costs of the official rail transport regulating post or by the official posts directly involved in rail transport incurred for regulating train movements and performing other activities pertaining to ensuring safe and unobstructed traffic through the road crossing.

In case an non-categorized road is used predominantly by one company, other legal entity or entrepreneur, the cost of maintenance of the railway tracks and ensuring safe and unobstructed traffic through the road crossing under Paragraph 1, Items 2) and 3), above shall be borne in full by such company, other legal entity or entrepreneur.

Article 35

The manager and the road operator shall enter into a contract specifying in greater detail their mutual relations pertaining to road crossings and shall specify within that framework: the type and scope of road maintenance works and the timeline for implementation of such works, the cost of ensuring safe and unobstructed traffic through road crossings, method of payment and shall regulate other issues ensuing from such relations.

Article 36

In case of a road crossing replaced with an overpass, i.e. underpass, or disconnected due to road redirection, the cost of the necessary reconstruction works on the rail infrastructure and the road, unless otherwise agreed, shall be borne by:

- 1) the manager – for reconstruction caused predominantly by the rail transport needs;
- 2) the road operator - for reconstruction caused predominantly by the road transport needs, and for non-categorized used predominantly by one company, other legal entity or entrepreneur, the full cost of the reconstruction works on the rail infrastructure and the road shall be borne by such company, other legal entity or entrepreneur.

For all other reconstructions pertaining to crossings, including the adjustments and improvements of safety and other devices, the cost of the reconstruction works on the rail infrastructure and the road under Paragraph 1, Items 1) and 2), above shall be borne jointly by the manager, the road operator and a company, other legal entity or entrepreneur in proportion to the rail and road transport needs conditioning such reconstructions, unless otherwise specified in an agreement.

Article 37

Passenger only road crossing may be constructed and used on the basis of the approval of the manager.

The cost of construction, ensuring all necessary devices and signs, and maintenance of the road crossing under Paragraph 1 above shall be borne by the company, other legal entity or entrepreneur requesting the construction of the crossing.

A complaint against the approval act under Paragraph 1 above may be lodged before the ministry in charge of transport.

Article 38

On dirt road and rain infrastructure level crossings, the road operator shall construct a protective curtain barrier.

Should a need arise in the course of the rail infrastructure construction for a crossing with the road under Paragraph 1 above, the cost of the construction of the protective curtain barrier on the dirt road shall be borne by the manager.

Article 39

For the purposes of this Law, the rail infrastructure reconstruction shall include also the works that may have impact on the stability of the railway tracks (rehabilitation), railway facilities and vehicles, the implementation of the works on a constructed facility not complying with the approved terms for construction and the change of the main feature of the line in the course of the relocation of the railway tracks in its main direction belt.

The rail infrastructure reconstruction shall be carried out on the basis of the approval issued by the ministry in charge of transport.

Article 40

The rail infrastructure new, construction, reconstruction and modernization shall be carried out in compliance with the law, standards, and technical norms, materials and spare parts certified by the authorized companies and other legal entities.

Article 41

In constructing, i.e. reconstructing overpasses, tunnels, galleries, viaducts, passenger overpasses, etc. over electrified railway lines or over railway lines planned for electrification, the manager, road operator and the industrial rail owner shall ensure that such facilities are watertight in order to protect the contact network.

I removing snow from the overpasses over electrified railway lines, adequate mechanical protection must be provided to avoid snow falling on the contact network.

Approvals for the construction, i.e. reconstruction, of overpasses over electrified railway lines shall be issued upon obtaining the manager's consent.

6. Maintenance

Article 42

Rail infrastructure shall be maintained in such condition to ensure safe and unobstructed rail transport, as well as adequate and regular transportation. To that end, regular and periodical check-ups shall be conducted and the identified irregularities corrected.

Article 43

Maintenance works shall include in particular: maintenance, replacement and reconstruction of upper railway structure elements (railway switches, tracks and connections), with the same or different prototypes for maintaining the railway parameters at the designed levels; works on the lower railway structures (drains and protection of slopes); replacement and reconstruction of gutters and bridges of maximum 10 meters of length using the same or different materials, without reconstructing the inlets; replacement and procurement of new safety signaling and telecommunication equipment and facilities; replacement and procurement of new stable electric tow facilities, as well as other electric facilities; reconstruction and rehabilitation of the buildings in the official rail posts and other facilities in the official rail posts in the function of rail transport without changing their construction design and exterior.

Article 44

The maintenance of joint bridge piers and structures constructed for rail infrastructure and public road purposes shall be carried out by the manager in compliance with the technical and technological norms and standards.

The cost of the maintenance of joint bridge piers and structures under Paragraph 1 above shall be borne in equal parts by the manager and the road operator.

Article 45

In case of the interruption of traffic on the rail infrastructure due to natural catastrophes, and if the manager is not able to eliminate the obstacles and reestablish rail transport as soon as possible, the local government in charge of the territory in which the traffic interruption occurred shall provide assistance and, in cooperation with the manager, determine measures for the removal of the obstacles and reestablishment of the rail transport as soon as possible.

In case the services of physical persons and legal entities, technical capacities and material are required for the elimination of the effects of natural catastrophes under Paragraph 1 above, the adequate compensation shall be payable by the manager.

7. Protection of Rail Infrastructure

Article 46

In the rail safety belt, the construction of buildings, installation of facilities and equipment, and construction of other objects within 25 meter perimeter from the outermost railway track axis, with the exception of the facilities in the function of rail transport, is prohibited.

Exceptionally from the provision under Paragraph 1 above, cables, low-voltage lighting power lines, overhead telephone and telegraph lines, tram and trolleybus contact lines, sanitation

systems, pipelines and other ducts and similar facilities and objects may be installed in the rail area, subject to the approval of the manager.

In the rail safety belt, construction of buildings, installation of facilities and equipment, and construction of other objects is allowed outside 25 meter perimeter on the bases of the approval issued by the manager.

Facilities such as: mines, quarries, limekilns, brickkilns, industrial buildings, facilities, and other similar objects in the rail safety belt is prohibited within 50 meter perimeter from the outermost railway track axis.

A complaint against the acts under Paragraphs 2, 3 and 4 above may be lodged before the ministry in charge of transport.

Article 47

Companies, legal entities and entrepreneurs involved in the afforestation of bare terrains and torrent protection in the rail safety belt and the manager shall regulate co-financing of the cost of afforestation and torrent and ravine protection by mutual consent, taking into consideration the scope of works and their importance for the protection of the rail infrastructure.

Article 48

In locations in which railway tracks pass through or along forestland, i.e. land under agricultural crops which are easily inflammable, the manager shall undertake prescribed fire protection measures in the railway tracks area, as well as on the railway vehicles.

The users, i.e. owners of the forest or land under Paragraph 1 above shall remove trees, shrubbery regularly in 10 meter wide strips in forests, and shall timely harvest ripened crops and undertake other fire protection measures according to need in 5 meter wide strips in other purpose lands.

The width of the safety belt under Paragraph 2 above is measured from the outer rim of the railway track belt.

8. Divesting Rail Infrastructure Public Goods Status

Article 49

A part of rail infrastructure closed for public transport, for which there is no expressed interest from the aspect of the overall transport system in the Republic of Serbia, or there is no interest expressed by public transport users, may be divested of its status of public goods.

The decision on divesting public rail infrastructure under Paragraph 1 above of its status of public goods shall be adopted by the Serbian Parliament at the proposal of the Government of the Republic of Serbia.

The part of rail infrastructure divested of its status of public goods as specified in Paragraph 2 above shall be managed in compliance with the law.

9. Urban Rail, Tourist-Museum Rail, Metro and Cable Rail

Article 50

Urban rail, tourist-museum rail, metro and cable rail, the terms and conditions for construction, reconstruction and maintenance, as well as the conditions for organization of transport in these distance controlled systems shall be regulated under a separate law.

10. Industrial Rail and Industrial Railway Tracks

Article 51

The provisions of this Law regulating new construction, reconstruction, modernization, maintenance and protection of the rail infrastructure shall apply also to industrial rail accordingly.

Industrial rail may be connected to the manager's rail infrastructure.

A company, other legal entity or entrepreneur may have an industrial railway track connected to the manager's rail, as well as industrial railway tracks, facilities, devices and objects on such railway tracks, railway vehicles and other assets constructed in accordance with special technical norms and standards.

The connection of industrial rail referred to in Paragraph 2 above and industrial railway tracks under Paragraph 3 above shall be regulated under contracts closed between the manager and the company, other legal entity or entrepreneur, i.e. the owner of the connected industrial rail, i.e. industrial railway track.

The company, other legal entity or entrepreneur, i.e. the industrial railway track owner, shall adopt an act regulating the terms and conditions for new construction, reconstruction, modernization, maintenance and protection of industrial railway tracks, rolling stock, and other assets constructed in accordance with special technical norms and standards and for the organization and regulation of rail transport on industrial railway tracks, subject to prior consent of the ministry in charge of transport.

The company, other legal entity or entrepreneur, i.e. the industrial rail owner, must obtain an industrial rail management safety certificate.

III. RAIL TRANSPORT

1. General Conditions for Transport

Article 52

Passenger, persons and freight rail transport on the rail infrastructure may be carried out by transporters, as well as transporters, companies, other legal entities or entrepreneurs involve in transport for their own purposes, holding a transport license and a transport safety certificate issued by the Rail Directorate, i.e. relevant authority in a foreign country on the basis of reciprocity and a contract on the use of rail infrastructure.

Public passenger and freight rail transport shall be carried out in accordance with market conditions under transport contracts.

A transporter, company, other legal entity or entrepreneur involved in passenger and freight transport on the industrial rail infrastructure exclusively shall adopt an act specifying the terms and conditions for such transport, upon obtaining the prior consent of the ministry in charge of transport.

A transporter, company, other legal entity or entrepreneur involved in passenger and freight transport shall comply with the terms and conditions specified in the act under Paragraph 3 above.

Article 53

A transporter, company, other legal entity or entrepreneur whose transport license, i.e. transport safety certificate, has been withdrawn, cannot perform passenger, persons and freight rail transport.

2. Transport License and Transport Safety Certificate

Article 54

The transporter under Article 52 of this law complying with the conditions for financial, technical, and professional capacities, submitting the following: a proof that the entity is not under bankruptcy procedure, a proof of passenger, i.e. persons, luggage and freight insurance, and a proof that the responsible person in the entity did not serve a prison sentence in the duration of over one year for a commercial criminal act or abuse of position, shall be issued a transport license by the Rail Directorate.

It shall be considered that the conditions for financial capacities under Paragraph 1 are met if the transporter proves the ability to fulfill the obligations pertaining to the performance of the relevant rail transport activity stated in the transport license application for a period of 12 months.

It shall be considered that the conditions for technical and professional capacities under Paragraph 1 are met if the transporter obtains a transport safety certificate.

Article 55

If the conditions specified in Article 54 of this Law are met, the Rail Directorate shall issue a transport license within 30 days from the date of the submission of the application.

As a rule, a transport license shall be issued for a period of five years and shall be untransferable.

Depending on the level the rolling stock investments, in case the financial effects of the investment cannot be realized in a period of five years, the license may be issued for a longer period that shall not exceed 15 years.

A complaint against the act on the rejection of a transport license application may be lodged before the ministry in charge of transport.

The Rail Directorate shall maintain records of all issued licenses.

Article 56

The Rail Directorate shall inspect transporter's compliance with the conditions specified in Article 54 of this Law once every 12 months.

Should the inspection under Paragraph 1 above identify that any of the conditions specified in Article 54 of this Law is not fulfilled or should the inspector determine that the transporter has failed to fulfill such conditions, the Rail Directorate shall withdraw the transport license.

The transporter may lodge a complaint against the decision under Paragraph 2 above before the ministry in charge of transport within 15 days from the date or receipt of the decision.

Article 57

The issuance of transport licenses shall be subject to fees.

The level of the fees under Paragraph 1 above shall be specified by the Minister.

Article 58

The Rail Directorate shall issue a transport safety certificate to the transporter under Article 52 of this Law provided the following conditions are met:

- 1) the rail vehicles are technically functional and in line with the rail transport safety standards and regulations;
- 2) persons maintaining and operating rail vehicles have adequate qualifications and fulfill health requirements and standards pertaining to rail transport safety;
- 3) a supervisor supervising the rail transport operations established.

The conditions for the issuance of transport safety certificates shall be specified in greater detail by the Minister.

Article 59

If the conditions specified in Article 58 of this Law are met, the Rail Directorate shall issue a transport safety certificate within 30 days from the date of the submission of the application.

A transport safety certificate shall be issued for a period of one year and shall be untransferable.

A complaint against the act on the rejection of transport safety certificate application may be lodged before the ministry in charge of transport.

The Rail Directorate shall maintain records of all issued transport safety certificates.

Article 60

The issuance of transport safety certificates shall be subject to fees.

The level of the fees under Paragraph 1 above shall be specified by the Minister.

Article 61

A transporter shall submit an application for the issuance of a new certificate to the Directorate 30 days prior to the expiry of the validity of the transport safety certificate.

Should the transported no longer fulfill any of the conditions specified in Article 58, the Rail Directorate shall withdraw the transport safety certificate.

Article 62

A transport safety certificate shall indicate in particular: transport activity the certificate is issued for, the inventory of towing vehicles including the serial and individual numbers, the inventory of passenger, i.e. freight carriages including the individual numbers, and the staff qualification structure for persons involved in rail transport activities.

The Minister shall specify in greater detail the contents of a transport security certificate.

3. Passenger, Persons and Freight Transport Operations

Article 63

In a train towing vehicle used for passenger, persons and freight transport, the following shall be available at all times:

- 1) a certified photocopy of a valid transport license;
- 2) a certified photocopy of a valid transport safety certificate;
- 3) a certified photocopy of a valid contract on use of rail infrastructure and
- 4) other documentation, in compliance with the transport safety regulation.

In a train towing vehicle used for public freight transport, a bill of lading, i.e. other document indicating all information indicated in a bill of lading, shall be available at all times while the vehicle is used in transport.

In a train towing vehicle used for passenger, persons and freight transport for own purposes, at all times while the vehicle is used in transport, the following shall be available: a certified photocopy of a valid court registration certificate, i.e. shop registration certificate, a list of employees and other persons certified by the rail vehicle owner or other document proving the employees and persons are registered for transport activity, i.e. a document indicating the owner and the type of goods transported.

Article 64

The public passenger transport timetable, i.e. changes of the timetable, shall be announced in the media, posted on prominent places in the rail station buildings and announced in other customary manners no later than 20 days prior to its effectiveness.

The transporters involved in the transport under Paragraph 1 above shall comply with the announced timetable, and shall ensure regular and uninterrupted transportation in the course of

the timetable effectiveness, except in case of major traffic disruptions caused by natural catastrophes, major accidents and severe damage of the rail infrastructure.

Article 65

Public passenger rail transport, performed in compliance with the announced timetable, may be:

- 1) city transport – within the city limits;
- 2) commuter transport – within a broader city area, pertaining to standard daily passenger flows;
- 3) regional transport – within a region, i.e. autonomous province;
- 4) long-distance transport – long-distance intercity connections.

Article 66

Passengers and persons shall board and get off trains in rail stations and other official train stops specified in the timetable.

Article 67

In performing transport for own purposes, a transporter, company, other legal entity or entrepreneur may transport persons and freight that are in the function of performing their registered business activity.

Article 68

In exceptional circumstances, the Government of the Republic of Serbia may prescribe measures ensuring rail transport functioning in exceptional circumstances, which shall be respected by the rail transporters and infrastructure managers.

The exceptional circumstances referred to in Paragraph 1 above shall include: major natural catastrophes; exceptional events caused by man, endangering the environment; major disruptions in the economy.

4. Authorization

Article 69

New design rail vehicles, new type parts and equipment for rail vehicles and new type rail infrastructure devices, parts and equipment may be used if they comply with the prescribed standards.

The Rail Directorate shall issue authorizations for the use of rail vehicles, rail vehicle parts and equipment, and rail infrastructure devices, parts and equipment under Paragraph 1 above.

The Rail Directorate shall maintain records on the issued authorizations under Paragraph 2 above.

The issuance of authorizations under Paragraph 2 above shall be subject to fees.

The level of the fees under Paragraph 4 above shall be specified by the Minister.

5. Public Transport Obligation in Performing Activities of Public Interest in Passenger and Freight Public Transport

Article 70

Public passenger and freight rail transport shall constitute an activity of public interest.

The transport under Paragraph 1 above may be performed by:

- 1) public company and
- 2) other company, other legal entity or entrepreneur in compliance with the law regulating the performance of the activities of public interest.

Article 71

The Government of the Republic of Serbia or a local government authority may stipulate the transport obligation for transporters for specific public passenger and freight rail transport lines, with the transporters, taking into account their commercial interest, would not wish to take or would not take in such scope and under such conditions.

Public transport obligation shall be defined based on the following criteria:

- 1) evident public interest;
- 2) availability of other types of transport;
- 3) cost of replacement of rail transport with other types of transport;
- 4) implications of the investment on the safety of rail transport and the qualitative and quantitative capacities of transporters.

The conditions for performing the transport under Paragraph 1 above shall include:

1. public transport obligation implying the obligation of the transporter to transport passengers or freight under specified tariffs and under special conditions;
2. the obligation of applying tariffs implying the obligation of the transporter to apply, especially for specific categories of passengers, for specific categories of freight or on specific lines the tariffs prescribed by the Government of the Republic of Serbia or a local government authority, that are not in the commercial interest of the transporter.

Article 72

The public transport obligation specified in Article 71 may pertain to:

- 1) city, commuter and regional public passenger transport;
- 2) long-distance public passenger transport;
- 3) public transport of specific freight types and
- 4) intermodal public freight transport.

Article 73

The Government of the Republic of Serbia or a local government authority shall reimburse the transporters subject to the public transport obligation specified in Article 71, Paragraph 1 of this Law for the difference between the tariffs prescribed by the Government of the Republic of Serbia or a local government authority and the full recovery cost of transport.

The Government of the Republic of Serbia shall prescribe the methodology for calculating the full recovery cost of transport.

Article 74

A transporter shall inform the Government of the Republic of Serbia about the intention to stop performing public transport on an unprofitable line.

In case of a transport obligation imposed, the notice under Paragraph 1 above shall be submitted together with the request for the reimbursement of the difference between the prescribed tariffs and the full recovery cost of transport.

Transporters performing the transport specified in Article 72 of this Law shall be entitled to submit partial cost reimbursement requests under Paragraph 2 above provided they can prove that the conditions for the cost reimbursement are met.

The Minister shall prescribe the conditions and the procedure for the realization of the reimbursement for the performance of the prescribed public transport obligations.

Article 75

The request for the reimbursement of costs due to transporters shall be considered by the Government of the Republic of Serbia at the proposal of the ministry in charge of transport or the relevant local government authority.

The request under Paragraph 1 above shall be approved in the amount of the difference between the prescribed tariffs and the full recovery cost of transport.

Article 76

The mutual rights and obligations pertaining to the performance of the public transport obligations specified in Article 71 of this Law shall be regulated under a contract between the transporter entitled to reimbursement and the ministry in charge of transport or a local government authority.

The Minister shall prescribe the contents of the contract under Paragraph 1 above.

Article 77

The funds for reimbursement of the cost of public transport due to transporters specified in Article 71 of this Law shall be provided from the Serbian Republic budget, i.e. local government budget.

Transporters shall record the funds under Paragraph 1 above in separate accounts.

IV. RAIL DIRECTORATE

Article 78

The Rail Directorate shall be established as a special organization performing professional rail transport activities, regulatory activities and other activities stipulate by this Law.

The seat of the Rail Directorate shall be in Belgrade.

The Rail Directorate shall have a status of a legal entity.

Article 79

The Rail Directorate shall perform the following activities:

- 1) draft technical regulations, norms and standards pertaining to rail transport;
- 2) participate in drafting regulations and agreements in the area of rail transport;
- 3) issue rail infrastructure management licenses;
- 4) issue rail infrastructure management safety certificates, i.e. industrial rail management safety certificates;
- 5) issue transport licenses;
- 6) issue transport safety certificates;
- 7) decide upon complaints against rejected, modified or supplemented proposals for contract on use of rail infrastructure;
- 8) issue authorizations for use of new design rail vehicles, new type parts and equipment for rail vehicles and new type rail infrastructure devices, parts and equipment;
- 9) maintain records on the issued licenses, certificates and authorizations under Items 2, 3, 4, 5 and 6 above;
- 10) approve technical documentation pertaining to new construction, reconstruction and modernization of rail infrastructure;
- 11) approve the act on the terms and conditions for new construction, reconstruction, maintenance and protection of industrial railway tracks, rolling stock and other assets and for the organization and regulation of rail transport on industrial railway tracks;
- 12) issue opinion about the Public Company's five year work and development plans;
- 13) issue opinion about the Public Company's annual business programs;
- 14) issue opinion about the Public Company's annual public rail infrastructure maintenance and rail transport organization and regulation programs;
- 15) issue opinion about rail infrastructure construction, reconstruction and modernization programs;
- 16) control the use of funds for the reimbursement of the cost of public transport obligations;
- 17) monitor the development of the technical and technological rail systems in other countries and propose measures for harmonization and raising interoperability and modernization levels;
- 18) establish international cooperation in the area of rail transport and ensure its promotion;
- 19) prepare and implement training and advanced study programs in the area of rail transport;

- 20) render professional services (gives or participates in giving expert opinions, extraordinary event investigations, etc.);
- 21) catalogue and keep technical regulations (conditions, recommendations, methodology, etc.) and other documentation under its scope of activities;
- 22) ensure transparency of its operation;
- 23) perform other activities in compliance with the law.

Article 80

The Rail Directorate shall be managed by a general manager appointed by Government of the Republic of Serbia at the proposal of the Minister.

Article 81

The funds for the establishment and operation of the Rail Directorate shall be provided from the following sources:

- 1) Serbian Republic budget,
- 2) fees charged for professional services under the competence of the Rail Directorate and
- 3) grants and other sources of financing in compliance with the law.

V MONITORING

Article 82

The monitoring over the implementation of this Law, as well as over the implementation of bylaws adopted pursuant to the Law, as well as laws, other regulations and general enactments regulating safety in rail transport is carried out by the Ministry in charge of transport .

Inspection monitoring is carried out by the Ministry in charge of transport, through the Republic inspector for rail transport (hereinafter: the inspector).

Article 83

The inspector cannot prepare or participate in the preparation of technical documentation or in technical control of technical documentation for facilities that are subject to inspection monitoring, or execute professional monitoring over construction, i.e. execution of works on facilities that are subject to inspection monitoring.

Article 84

The inspector is authorized and obligated to inspect the following:

- 1) works on construction, reconstruction, modernization and maintenance of rail infrastructure;
- 2) technical documentation for construction, reconstruction, modernization and maintenance of rail infrastructure;
- 3) fulfillment of conditions prescribed for persons executing the activities of design, internal or technical control of technical documentation, management over the execution of works and execution of professional monitoring;
- 4) condition of rail infrastructure, correct maintenance of rail infrastructure, condition and maintenance of rolling stock in compliance with the prescribed transport related technical

- conditions and regulations regulating the area of safety in rail transport, with the objective of ensuring rail infrastructure and rolling stock for safe and regular rail transport;
- 5) organization and regulation of rail transport in compliance with the prescribed transport related technical conditions and regulations regulating the area of safety in rail transport, with the objective of safe and regular provision of rail transport;
 - 6) fulfillment of conditions for the management of rail infrastructure;
 - 7) fulfillment of conditions for the transport of passengers, persons and freight in rail transport;
 - 8) provision of transport for passengers, persons and freight in rail transport according to the method and under the conditions stipulated by this Law and regulations regulating the area of safety in rail transport.
 - 9) whether the ascertained and published time-table in rail transport is executed correctly and regularly;
 - 10) whether the rail transport is being executed according to the method and under the conditions stipulated by the Law, other regulations and general enactments regulating the area of rail transport and whether measures concerning the safety of rail transport are being taken;
 - 11) whether the transport provider, company, other legal entity or entrepreneur has organized internal control over the safe executing of rail transport and whether the control is being executed regularly and efficiently, and whether it is achieving an efficient protection of people, property and environment in the area of rail transport according to the method stipulated pursuant to the Law, other regulations and general enactments regulating the area of safety in rail transport;
 - 12) whether the regulations on staffing the trains and locomotives with rail workers are being implemented correctly in transport on rail infrastructure and whether those workers are meeting the conditions in regards to their professional education and training, or health capacities necessary for the provisions of activities and tasks. As well as whether the regulations on total working hours, total duration of shifts and driving locomotives, rest period and time table in shifts for train and station personnel. As well as personnel on other official positions, are being implemented correctly;
 - 13) whether the measures stipulated for the provision of transport on road crossings and crossings of railway tracks are being implemented correctly;
 - 14) whether the stipulated internal sequence in rail transport is being implemented correctly;
 - 15) implementation of measures prescribed for technical and physical protection of rail infrastructure that are of special importance for safe execution and functioning of rail transport and measures of protection from landslides, torrents and other elements. As well as measures for ensuring rail transport in wintertime;
 - 16) whether the safety measures stipulated in Article 120 of the Law on Rail Transport Safety (Official Gazette of FRY, issues 60/98 and 36/99) are being implemented correctly;

Article 85

In the course of inspection monitoring, the inspector is authorized and obligated to:

- 1) prohibit, i.e. terminate the execution of works that are being executed against the Law and other regulations, technical norms and standards for the execution of works and utilization of materials in the course of construction, reconstruction, modernization and maintenance of rail infrastructure, in contravention with the conditions for safe execution of rail transport on rail infrastructure or in contravention to measures stipulated for the protection of rail infrastructure, as well as in the course of maintenance of rolling stock.
- 2) order that rolling stock and rail infrastructure that do not correspond to stipulated technical and other conditions are temporarily excluded from traffic, in case there is a danger that their usage, i.e. continued utilization in transport would endanger the safety of rail transport;

- 3) order the elimination of irregularities on rail infrastructure or rolling stock that threaten or may threaten the safety of rail transport, and, if necessary, determine methods and measures for the elimination of ascertained irregularities;
- 4) order the demolition and removal of buildings, plants, facilities, other objects and materials constructed, i.e. installed within the protective belt of the tracks in contravention to the provisions of this Law;
- 5) order a temporary prohibition of rail transport on a newly constructed or reconstructed rail infrastructure, as well as a temporary prohibition of the utilization of a newly constructed or reconstructed vehicle, if the technical examination had not been executed previously and if the decision allowing their utilization had not been issued;
- 6) order that, in organization and regulation of rail transport, irregularities that threaten or may threaten the safe execution of rail transport are eliminated, and, if necessary, ascertain the method and measures for the elimination of irregularities in organization and regulation of rail transport;
- 7) order that works being executed in the rail area tracks or in the immediate vicinity of rail infrastructure are suspended, temporarily, if there is a danger that those works may threaten the safe execution of rail transport;
- 8) order the suspension of works being executed in the rail area or in the protective belt of the tracks, in case they are being executed without a construction permit, and inform the relevant institution for the issuance of construction permits of it;
- 9) prohibit the management of rail infrastructure in case conditions stipulated in Article 7, Paragraph 4 of this Law are not fulfilled;
- 10) prohibit the utilization of rail infrastructure in case the conditions for the transport of passengers, persons and freight in rail transport stipulated in Article 52 Paragraph 1 of this Law are not fulfilled;
- 11) order the demolition of rail infrastructure or any of its parts, for which a construction, i.e. reconstruction permit had not been issued;
- 12) order the construction of curtain barriers on dirt roads that cross rail infrastructure on the same level, in the zone of the road crossing;
- 13) order the removal of irregularities that concern the maintenance of rail infrastructure, i.e. rail rolling stock and organization and regulation of rail transport, and, if necessary, determine the method and measures for the elimination of ascertained irregularities;
- 14) order the demolition, i.e. elimination of irregularities on city rail, underground or funicular railway in case the works on construction and reconstruction, i.e. maintenance, are being executed in contravention to regulations;
- 15) order the elimination of irregularities in organization and execution of transport on city rail, underground or funicular railway that are being organized or executed in contravention to regulations;
- 16) prohibit the transport of passengers, persons and freight that is being executed in contravention to the provisions of this Law.
- 17) prohibit the execution of orders that are in contravention to the provisions of this Law, other regulations and general enactments regulating safety in rail transport;
- 18) prohibit the execution of activities and tasks to train, i.e. station personnel, that is not fulfilling the conditions prescribed in view of their professional education and training, or psychological and physical capacities for the execution of their activities and tasks, i.e. persons who lack prescribed licences for driving the locomotive, i.e. regulating rail transport on rail infrastructure;
- 19) prohibit the execution of activities and tasks to train, i.e. station personnel, in case he should ascertain that there is a danger that their continued execution and regulation of rail transport might threaten the safety of rail transport (fatigue, alcohol, working longer than stipulated working hours etc.);

- 20) remove, temporarily, or require the removal of a railway worker or a person responsible from the execution of activities and tasks, if he should ascertain that they had threatened the safety of rail transport;
- 21) remove railway workers from transport, temporarily, in cases stipulated in Article 120 Para. 1 Items 1 to 5 of the Law on Safety in Rail Transport.

The inspector shall inform the Rail Directorate of all ascertained irregularities and all measures ordered and may propose the withdrawal of the certificate on the safety of management of rail infrastructure, i.e. industrial rail, license for transport or certificate on safety fro transport.

Article 86

If, in the course of executing inspection monitoring, the inspector should issue a verbal order or state a verbal prohibition, the decision on that order or prohibition shall be delivered within three days from the date of issuing the verbal order, i.e. stating a verbal prohibition, to the manager, transport provider, company, other legal entity or entrepreneur and physical person whom the decision concerns.

An appeal against the decision of the Inspector may be lodged before the Government of the Republic of Serbia within eight days from the day of delivering the decision.

The appeal is lodged with the ministry in charge of transport.

The appeal shall not postpone the execution of the decision.

VI PUNITIVE PROVISIONS

Article 87

A company or another legal entity shall be sanctioned with a pecuniary fine of between 500,000 and 3,000,000 dinars for the following commercial breaches:

- 1) if it should fail to ensure the maintenance and the protection of rail infrastructure, the utilization of facilities of rail infrastructure and other rail transport operating assets, as well as the organization and regulation of rail transport in compliance with the method stipulated in Article 17 Paragraph 1 of this Law;
- 2) if it should fail to deliver the decision on closing the transport within the timeframe stipulated in Article 18 Paragraph 3 of this Law;
- 3) if the transport of the rail infrastructure is carried out in contravention with transport safety regulations (Article 19 Paragraph 2);
- 4) if it should utilize rail infrastructure without concluding a contract (Article 20 Paragraph 1 Item 3);
- 5) if it should conclude a contract on the utilization of rail infrastructure upon the expiry of the timeframe stipulated in Article 20 Paragraph 3 of this Law;
- 6) if it should fail to allocate lines under equal conditions (Article 24 Paragraph 1);
- 7) if, in the proceedings upon a request for the allocation of lines, it should fail to apply the criteria stipulated in Article 24 Paragraph 2 of this Law;
- 8) if it should fail to evaluate the criteria in the proceedings upon a request for the allocation of lines in compliance with the ascertained methodology (Article 24 Paragraph 3);
- 9) if it should transfer already allocated lines to another transport provider (Article 25 Paragraph 1);

- 10) if it should determine the level of the fee for the use of the rail infrastructure, organization and regulation of rail transport without applying the criteria stipulated in Article 27 Paragraph 1 of this Law;
- 11) if it should fail to evaluate the criteria for determination of the level of the fee for the use of the rail infrastructure, organization and regulation of rail transport in compliance with the ascertained methodology (Article 27 Paragraph 2);
- 12) if it should construct rail infrastructure without having acquired a construction permit (Article 28 Paragraph 1);
- 13) if it should reconstruct rail infrastructure without ensuring the elements stipulated in Article 30 Paragraph 1 of this Law;
- 14) if it should fail to conclude the contract referred in Article 35 of this Law;
- 15) if it should construct a passenger only road crossing without having been issued with an approval of the manager (Article 37 Paragraph 1);
- 16) if it should reconstruct rail infrastructure without having acquired a reconstruction permit (Article 39 Paragraph 2);
- 17) if it should construct, reconstruct or modernize rail infrastructure in contravention to Article 40 of this Law;
- 18) if, in constructing, i.e. reconstructing facilities over electrified railway lines or over railway lines planned for electrification, it should fail to ensure that such facilities are watertight (Article 41 Paragraph 1);
- 19) if, in removing snow from the overpasses over electrified railway lines, it should fail to ensure adequate mechanical protection to avoid snow falling on the contact network (Article 41 Paragraph 2);
- 20) if it is not maintaining rail infrastructure in such condition to ensure safe and unobstructed rail transport, as well as adequate and regular transportation and if, to that end, it is not executing regular and periodical check-ups and correcting identified irregularities (Article 42);
- 21) if it is executing the transport of passengers, persons or freight in rail transport on rail infrastructure, without having a transport license and a transport safety certificate issued by the Rail Directorate, i.e. by the relevant institution of another state on the basis of reciprocity and a contract on the usage of rail infrastructure; (Article 52 Paragraph 1);
- 22) if it should fail to adopt the enactment referred to in Article 52 Paragraph 3 of this Law;
- 23) if it should fail to execute transport in compliance with the conditions and according to the method stipulated in Article 52 Paragraph 4 of this Law;
- 24) if it should execute transport in the course of the period for which his transport license, i.e. transport safety certificate, had been withdrawn (Article 53);
- 25) if it should fail to abide by the published time-table and fail to maintain transport regularly and adequately in the course of the validity period of the time-table (Article 64 Paragraph 2);
- 26) if it should execute the entry or the exit of passengers in or out of the train in contravention to Article 66 of this Law;
- 27) if it should execute transport for its own needs in contravention to Article 67 of this Law;
- 28) if it is not abiding to the measures of the Republic of Serbia Government ensuring the functioning of rail transport in extraordinary circumstances (Article 68 Paragraph 1);
- 29) if it should terminate public transport on an unprofitable line without informing the Republic of Serbia Government (Article 74 Paragraph 1).

The responsible person within the company or another legal entity shall also be sanctioned for the activities referred to in Paragraph 1 of this Article, with a pecuniary fine of between 30,000 and 100,000 dinars.

Article 88

A company or another legal entity shall be sanctioned with a pecuniary fine of between 100,000 and 1,000,000 dinars for the following breaches:

- 1) if it should fail to announce the start of works referred to in Article 29 Paragraph 1 of this Law;
- 2) if it is not maintaining the road crossing and other parts of the road in compliance with the method stipulated in Article 33 Paragraphs 2 and 3 of this Law;
- 3) if it should fail to construct a curtain barriers on a dirt road crossing with rail infrastructure (Article 38 Paragraph 1);
- 4) if it should fail to execute the maintenance of joint bridge piers and joint structures on bridges constructed for rail infrastructure and public road in compliance with the method and conditions referred to in Article 44 Paragraph 1 of this Law;
- 5) if it should construct buildings, install plants or facilities or other objects in the rail safety belt, in contravention to Article 46 Paragraph 1 and 3 of this Law;
- 6) if it is installing cables, low-voltage lighting power lines, overhead telephone and telegraph lines, tram and trolleybus contact lines and facilities, sanitation systems, pipelines and other ducts and similar facilities and objects in the rail area without the approval of the manager (Article 46 Paragraph 2);
- 7) if it is not undertaking fire protection measures in the railway tracks area, as well as fire protection measures on the railway vehicles (Article 48 Paragraph 1);
- 8) if it is not removing trees, shrubbery and leaves, i.e. is not removing ripe agricultural plants timely and is not undertaking other fire protection measures according to need in prescribed belts (Article 48 Paragraph 2);
- 9) if it should fail to adopt an act regulating the conditions for new construction, reconstruction, modernization, maintenance and protection of industrial railway tracks, rolling stock, and other assets constructed in accordance with special technical norms and standards and for the organization and regulation of rail transport on industrial railway tracks, or should adopt it without acquiring a prior consent of the ministry in charge of transport (Article 51 Paragraph 5);
- 10) if, in the locomotive of a train used for the transport of passengers, persons and freight there are no documents stipulated in Article 63 of this Law;
- 11) if it should fail to publish the time table, its amendments and additions in the media or in another usual way (Article 64 Paragraph 1);
- 12) if it should fail to execute the order of the inspector referred to in Article 85 Paragraph 1 of this Law.

The responsible person within the company or another legal entity shall also be sanctioned for breaches referred to in Paragraph 1 of this Article, with a pecuniary fine of between 5,000 and 50,000 dinars.

Article 89

An entrepreneur shall be sanctioned with a pecuniary fine of between 50,000 and 500,000 dinars for the following breaches:

- 1) if it should fail to ensure the maintenance and the protection of rail infrastructure, the utilization of facilities of rail infrastructure and other rail transport operating assets, as well as the organization and regulation of rail transport in compliance with the method stipulated in Article 17 Paragraph 1 of this Law;

- 2) if it should fail to deliver the decision on closing the transport within the timeframe stipulated in Article 18 Paragraph 3 of this Law;
- 3) if the transport of the rail infrastructure is carried out in contravention with transport safety regulations (Article 19 Paragraph 2);
- 4) if it should utilize rail infrastructure without concluding a contract (Article 20 Paragraph 1 Item 3);
- 5) if it should conclude a contract on the utilization of rail infrastructure upon the expiry of the timeframe stipulated in Article 20 Paragraph 3 of this Law;
- 6) if it should fail to allocate lines under equal conditions (Article 24 Paragraph 1);
- 7) if, in the proceedings upon a request for the allocation of lines, it should fail to apply the criteria stipulated in Article 24 Paragraph 2 of this Law;
- 8) if it should fail to evaluate the criteria in the proceedings upon a request for the allocation of lines in compliance with the ascertained methodology (Article 24 Paragraph 3);
- 9) if it should transfer already allocated lines to an other transport provider (Article 25 Paragraph 1);
- 10) if it should determine the level of the fee for the use of the rail infrastructure, organization and regulation of rail transport without applying the criteria stipulated in Article 27 Paragraph 1 of this Law;
- 11) if it should fail to evaluate the criteria for determination of the level of the fee for the use of the rail infrastructure, organization and regulation of rail transport in compliance with the ascertained methodology (Article 27 Paragraph 2);
- 12) if it should construct rail infrastructure without having acquired a construction permit (Article 28 Paragraph 1);
- 13) if it should fail to announce the start of works referred to in Article 29 Paragraph 1 of this Law;
- 14) if it should reconstruct rail infrastructure without ensuring the elements stipulated in Article 30 Paragraph 1 of this Law;
- 15) if it is not maintaining the road crossing and other parts of the road in compliance with the method stipulated in Article 33 Paragraphs 2 and 3 of this Law;
- 16) if it should fail to conclude the contract referred in Article 35 of this Law;
- 17) if it should construct a passenger only road crossing without having been issued with an approval of the manager (Article 37 Paragraph 1);
- 18) if it should fail to construct a curtain barriers on a dirt road crossing with rail infrastructure (Article 38 Paragraph 1);
- 19) if it should reconstruct rail infrastructure without having acquired a reconstruction permit (Article 39 Paragraph 2);
- 20) if it should construct, reconstruct or modernize rail infrastructure in contravention to Article 40 of this Law;
- 21) if, in constructing, i.e. reconstructing facilities over electrified railway lines or over railway lines planned for electrification, it should fail to ensure that such facilities are watertight (Article 41 Paragraph 1);
- 22) if, in removing snow from the overpasses over electrified railway lines, it should fail to ensure adequate mechanical protection to avoid snow falling on the contact network (Article 41 Paragraph 2);
- 23) if it is not maintaining rail infrastructure in such condition to ensure safe and unobstructed rail transport, as well as adequate and regular transportation and if, to that end, it is not executing regular and periodical check-ups and correcting identified irregularities (Article 42);
- 24) if it should fail to execute the maintenance of joint bridge piers and joint structures on bridges constructed for rail infrastructure and public road in compliance with the method and conditions referred to in Article 44 Paragraph 1 of this Law;

- 25) if it should construct buildings, install plants or facilities or other objects in the rail safety belt, in contravention to Article 46 Paragraph 1 and 3 of this Law;
- 26) if it is installing cables, low-voltage lighting power lines, overhead telephone and telegraph lines, tram and trolleybus contact lines and facilities, sanitation systems, pipelines and other ducts and similar facilities and objects in the rail area without the approval of the manager (Article 46 Paragraph 2);
- 27) if it is not undertaking fire protection measures in the railway tracks area, as well as fire protection measures on the railway vehicles (Article 48 Paragraph 1);
- 28) if it is not removing trees, shrubbery and leaves, i.e. is not removing ripe agricultural plants timely and is not undertaking other fire protection measures according to need in prescribed belts (Article 48 Paragraph 2);
- 29) if it should fail to adopt an act regulating the conditions for new construction, reconstruction, modernization, maintenance and protection of industrial railway tracks, rolling stock, and other assets constructed in accordance with special technical norms and standards and for the organization and regulation of rail transport on industrial railway tracks, or should adopt it without acquiring a prior consent of the ministry in charge of transport (Article 51 Paragraph 5);
- 30) if it is executing the transport of passengers, persons or freight in rail transport on rail infrastructure, without having a transport license and a transport safety certificate issued by the Rail Directorate, i.e. by the relevant institution of another state on the basis of reciprocity and a contract on the usage of rail infrastructure (Article 52 Paragraph 1);
- 31) if it should fail to adopt the enactment referred to in Article 52 Paragraph 3 of this Law;
- 32) if it should fail to execute transport in compliance with the conditions and according to the method stipulated in Article 52 Paragraph 4 of this Law;
- 33) if it should execute transport in the course of the period for which his transport license, i.e. transport safety certificate, had been withdrawn (Article 53);
- 34) if, in the locomotive of a train used for the transport of passengers, persons and freight there are no documents stipulated in Article 63 of this Law;
- 35) if it should fail to publish the time table, its amendments and additions in the media or in another usual way (Article 64 Paragraph 1);
- 36) if it should fail to abide by the published time-table and fail to maintain transport regularly and adequately in the course of the validity period of the time-table (Article 64 Paragraph 2);
- 37) if it should execute the entry or the exit of passengers in or out of the train in contravention to Article 66 of this Law;
- 38) if it should execute transport for its own needs in contravention to Article 67 of this Law;
- 39) if it should terminate public transport on an unprofitable line without informing the Republic of Serbia Government (Article 74 Paragraph 1).
- 40) if it should fail to execute the order of the inspector referred to in Article 85 Paragraph 1 of this Law.

Article 90

A physical person shall be sanctioned with a pecuniary fine of between 5,000 and 50,000 dinars for the following breaches:

- 1) if it should construct a passenger only road crossing without having been issued with an approval of the manager (Article 37 Paragraph 1);
- 2) if it is not removing trees, shrubbery and leaves, i.e. is not removing ripe agricultural plants timely and is not undertaking other fire protection measures according to need in prescribed belts (Article 48 Paragraph 2).

VII TRANSITIONAL AND FINAL PROVISIONS

Article 91

With the date of effectiveness of this Law, the Law on Rail (“Official Gazette of the RS”, issues 38/91, 41/91, 53/93, 67/93 and 48/94) shall be abrogated.

The Law on Association in the Union of Yugoslav Rail (“Official Gazette of the SFRY”, issues 18/78 and 30/78) shall be abrogated on May 4th 2005.

Article 92

Technical regulations, norms and standards in the area of rail transport, adopted on the basis of the Law on Rail (“Official Gazette of the RS”, issues 38/91, 41/91, 53/93, 67/93 and 48/94) shall be implemented until the adoption of regulations on the basis of this Law.

Article 93

The “Belgrade” Public Rail Transport Company, founded pursuant to the Law on Rail (“Official Gazette of the RS”, issue 38/91) shall cease to operate with the date of the entry into the Court Registry of the “Zeleznice Srbije [Serbian Rail]” Public Company, founded by the Republic of Serbia Government by a special enactment.

The rights, obligations, assets, employees, documentation and files in the execution of public mandates of the “Belgrade” Public Rail Transport Company and founders’ rights and obligations of that company in companies it had founded and companies whose founders were the legal predecessors of the “Belgrade” Public Rail Transport Company shall be taken over by the “Zeleznice Srbije” Public Company.

Article 94

The Rail Directorate shall start operating by May 5, 2005 at the latest.

Article 95

The rights, obligations, assets, employees, documentation and files in the execution of public mandates of the Union of Yugoslav Rail, founded by the Law on Association in the Union of Yugoslav Rail (“Official Gazette of the SFRY”, issues 18/78 and 30/78) shall be taken over by the Rail Directorate and the “Zeleznice Srbije” Public Company.

Article 96

This Law shall come into effect on March 1st, 2005.

The provisions of this Law stipulating the license and the safety certificate for the management of rail infrastructure, the transport license and the safety certificate for transport, as well as the obligations of the public transport in the provision of activities of common interest in public transport of passengers and freight shall apply from January 1, 2006.