

UPDATE ON THE RECENT ACTIVITIES
OF THE GOVERNMENT OF THE REPUBLIC OF SERBIA

Legislative activities

In previous period a Draft law on cableways for the transport of persons, was prepared. It is important to point out that this law for the first time regulates this area in the Republic of Serbia on that level. Also, this law will be harmonized with new Law on construction and planning. In last few weeks opinions of almost all relevant institutions and government bodies were obtained. It is realistic to expect the law will be adopted by the Government by the end of November, and in the National Assembly by the end of the year.

Another important legislative activity in previous period was preparation of a Draft law on contracts in railway transport. The reason for the preparation of the new law is that the existing law which regulates this area from 1995 is outdated, and also another goal is harmonization with EU Regulation 1371/2007 on the rights and obligations of rail passengers and COTIF Convention. After obtaining opinions of the relevant institutions and incorporation of them into the draft law it will be translated into English and sent to the European Commission for an opinion. Dynamics of adoption of this law will depend on when we receive the opinion of the European Commission.

Also, the Minister of construction, transport and infrastructure formed a working group for drafting the by-laws of the Law on Railways and Law on railway safety and interoperability, with the goal that by the end of 2014, will be prepared 7 by-laws and by the end of 2015, another 10 by-laws. In the period covered by this report, drafts of the following by-laws were prepared:

1. Draft Regulation on the methodology of the evaluation elements for determining the amount of fees for the use of railway infrastructure, organization and regulation of rail transport;
2. Draft Rulebook on the methodology for calculation of the Public Service Obligation;
3. Draft Regulation on the time allocation of railway infrastructure capacity. By adoption of this Rulebook, harmonization with Annex VII of Directive 2012/34/EC which refers to the preparation of timetable, will be made.

The above mentioned by-laws are currently in the process of adoption.

Also, in order to further improve the situation in the railway sector, there are ongoing procedures on the drafting of the Law on Amendments to the Law on Railways, as well as the Law on Amendments to the Law on railway safety and interoperability. In the recent period, there were several meetings of working groups responsible for drafting the draft laws.

Restructuring of Serbian Railways JSC

Assembly of "Serbian Railways" JSC, on the session held on 28 May 2014, adopted the Decision on the adoption of the Statute of the "Serbian Railways" JSC (amendments to the statute), the Decision on the establishment of the Company for public railway infrastructure

management and Decision on the establishment of the Company for railway transport, after which these acts were submitted to the Ministry of Economy for further action and put in the procedure for approving the same by the Government.

Also, the current "Serbian Railways" JSC continues to exist as a founder of these two daughter companies and will also be a separate legal entity. All three of these entities will form a group of companies under Article 550, Paragraph 1, Item 1 and Article 551 of the Law on Business Organizations ("Official Gazette of RS", no. 36/11 and 99/11).

In the next phase of restructuring, division of Company for railway transport on company for the passenger transport and company for freight transport, is expected.

Also, the Rulebook on the content and form of the Network Statement was adopted, based on which the "Serbian Railways" JSC will publish a Network Statement, in order to establish a system of charging fees for the use of infrastructure and equitable market access, in accordance with the Law on Railways.

By the aforementioned decisions the "Serbian Railways" JSC would be reorganized in accordance with EU regulations.

Cross-border agreements

During the previous past weeks the Ministry of construction, transport and infrastructure started the procedure on concluding the Agreement on border procedures between the Government of the Republic of Serbia and Government of FYR Macedonia on joint border station Presevo - Tabanovce. The complete Governmental procedure in Republic of Serbia was already conducted before, and the Draft of the Agreement was harmonized on the meeting of delegations of the two countries held in Belgrade in January 2014, but due the administrative changes in the state authorities of the Republic of Serbia the whole procedure has to be repeated.

It is expected that all of the necessary opinions of the relevant state authorities and institutions will be received during the upcoming weeks and that the Agreement will be signed as soon as possible.