

THE LAW ON PETROLEUM PRODUCTS OF FEDERATION OF BOSNIA AND
HERZEGOVINA
(Official Gazette of Federation of BiH, 52/14)

I. GENERAL PROVISIONS

Article 1

(Subject matter)

The Law on Petroleum Products of Federation of Bosnia and Herzegovina (hereinafter: the Law) regulates: strategy of development of petroleum sector, petroleum sector development policy, petroleum sector development strategic plan, action plan, harmonization of plans, balance of petroleum products, energy-related activities in petroleum industry sector, conditions and manner of performing energy-related activities, petroleum products import, data delivery, petroleum sector regulation, competences and obligations of Regulatory Commission for Energy in Federation of Bosnia and Herzegovina, licence to operate, contents and process of issuing license to operate, license register, safe petroleum products supply to market, petroleum products price, fee for establishing petroleum products additional supplies, petroleum products quality, sealing of fuel dispensers, quality control, launching LPG in bottles into market, operating supplies, obligatory supplies, petroleum products additional supplies, formation and occupational activities of Petroleum Products Additional Supplies Operator, administrative and inspection monitoring.

Article 2

(Definitions and Terms)

The particular terms used for purposes of this Law shall have the following meanings:

- a) liquid fuel supplier is a legal person that produces liquid fuels, imports and/or launches them and uses them for burning in order to produce thermal energy;
- b) licence to operate (hereinafter: the Licence) is an administrative act for performing occupational activities in the petroleum and petroleum products sector which is issued by Regulatory Commission for Energy in Federation of Bosnia and Herzegovina;
- c) energy subject is a legal person whose headquarters are in the Federation of Bosnia and Herzegovina (hereinafter: Federation of BiH) and that is registered in the court registry or/in subsidiary in accordance with the Law on Registration of Business Entities in Federation of Bosnia and Herzegovina (Official Gazette of Federation of BiH 27/05, 68/05 and 43/09), which were given Tax Identification Number by the Tax Administration Office of Federation of Bosnia and Herzegovina and which performs one or more energy-related activities in the petroleum industry sector;
- d) physical and chemical properties of liquid fuels are properties that must be such so that they do not produce severe environmental pollution and must be in compliance with the Decision on quality of liquid petroleum fuels (Official Gazette of BiH 27/02, 28/04, 16/05, 14/06, 22/07, 101/08, 71/09, 58/10 and 73/10), (hereinafter: the Decision);
- e) limits are maximum allowed amounts of total sulphur, lead, total aromas, benzene, and polychlorinated biphenyls and the minimum, i. e. maximum limits of other characteristics of quality of liquid products:
 - 1) oxidation stability,
 - 2) research octane number,
 - 3) motor octane number,

- 4) cold filter plugging point - CFPP,
 - 5) stagnation point,
 - 6) flash point,
 - 7) distillation area,
 - 8) cetane index,
 - 9) cetane number,
 - 10) instruments used for marking,
 - 11) density at 15°C,
 - 12) water,
 - 13) colour and other;
- f) inspection is a legal person that evaluates harmonization of quality of liquid petroleum fuels that are launched into the market of Bosnia and Herzegovina by the Decision,
- g) buyer is every legal and private person - entrepreneur that is registered for performance of activities at competent authorities and that registered which petroleum products they use:
- 1) for transforming in thermal, or
 - 2) for transforming in mechanical energy and it possesses internal petrol station, or
 - 3) in technological process of manufacturing;
- h) petroleum products quality is a quality of fuel defined by physical and chemical properties of fuel and limits of allowed amounts of total sulphur, lead, total aromas, benzene, polychlorinated biphenyls and the minimum, i. e. maximum amounts of other characteristics of quality of liquid products;
- i) LPG is liquid petroleum gas;
- j) Minister is Federal Minister of energy, mining and industry;
- k) Ministry is Federal Ministry of Energy, Mining and Industry;
- l) petroleum products are products of process of refining crude oil (motor gasoline, aviation gasoline, diesel fuel, gas oil, fuel oil, bunker fuel, jet engine oil, kerosene, bitumen, petroleum coke, and LPG);
- m) fee for establishing petroleum products additional supplies (hereinafter: the fee) is public finance meant to establish petroleum products reserves in Federation of BiH;
- n) operating supplies of petroleum products are supplies of petroleum products that are formed by insurance payer for own needs in order to ensure stability of supplying in case of short-term interruption in supplying market of Federation of BiH;
- o) Petroleum Products Additional Supplies Operator (hereinafter: the Operator) is energy subject that stores, purchases, replaces petroleum products with new supplies and disposes of fee in compliance with this law;
- p) LPG bottled gas seller is a legal person that sells LPG bottled gas under the authority and monitoring of energy subject;
- q) trade with LPG bottles is import, transport, storage, wholesale trade, refilling and sale of LPG bottled gas;
- r) Regulatory Commission is Regulatory Commission for Energy in Federation of Bosnia and Herzegovina;
- s) petroleum products additional supplies are supplies of petroleum products stored on the territory of Federation of BiH owned by the Government of Federation of Bosnia and Herzegovina (hereinafter: the Government) and they are established with the goal of supplying with petroleum products in case that

energetic security of Federation BiH is threatened, caused by extraordinary disturbance in supplying;

- t) safe supplying are principles of organizing petroleum sector in a way that necessary supplies, petroleum products quality and technical conditions of how system functions are ensured;
- u) petroleum products storage is an energy-related activity of preserving petroleum products in special storages according to the way it is perscribed;
- v) petroleum products transport is energy-related activity of transport of petroleum products by road or railway traffic.

II. STRATEGY, POLICY AND PLANNING OF PETROLEUM SECTOR DEVELOPMENT

Article 3

(Strategy of Development of Petroleum Sector)

- (1) Ministry shall create, Government shall suggest and Parliament of Federation of Bosnia and Herzegovina shall adopt an Energy strategy of Federation of Bosnia and Herzegovina (hereinafter: Energy strategy).
- (2) Integral part of Energy strategy shall be Strategy of development of petroleum sector of Federation of Bosnia and Herzegovina (hereinafter: Strategy of development of petroleum sector)
- (3) Strategy of development of petroleum sector shall consist of:
 - a) policy of development of petroleum sector,
 - b) Strategic plan of development of petroleum sector (hereinafter: Strategic plan)
 - c) Action plan that defines strategic activities that shall be implemented (hereinafter: Action plan).
- (4) Strategy of development of petroleum sector shall be adopted for the period of at least 20 years
- (5) Strategy of development of petroleum sector shall be considered and updated by the Ministry every three years, and its amendments shall be made according to the procedure referred to in paragraph (1) of this Article
- (6) Policy of development of petroleum sector and Strategic plan shall be adopted for the period of at least 20 years, it shall be discussed at least every three years and updated when necessary, and its amendments shall be made according to the procedure referred to in paragraph (1) of this Article.
- (7)) Strategy of development of petroleum sector shall establish development of infrastructure as stipulated by Strategic plan and Spatial plan of Federation of Bosnia and Herzegovina, at the same time it shall establish necessary investments in public infrastructure as well as expected level of investment of domestic and foreign investors in petroleum sector.
- (8) Strategy of development of petroleum sector shall be prepared in cooperation with cantons.

Article 4

(Petroleum Sector Development Policy)

- (1) Petroleum sector development policy shall be carried out by the Government in accordance with the Strategy of development of petroleum sector.
- (2) Policy of development of petroleum sector shall ensure:
 - a) ensuring safe, reliable and high quality supplying of petroleum products,
 - b) promotion of balance of development of petroleum sector as a whole,

- c) promotion of biofuel use,
- d) ensuring effective use and production of petroleum products,
- e) protection of rights and interests of all participants in the petroleum sector,
- f) ensuring environment protection (ecological balance) during the performance of energy-related activities,
- g) promoting investing in petroleum sector and
- h) promoting competition in petroleum industry sector according to the principles of non-discrimination and transparency and promoting competition on the wholesale and retail market.

Article 5
(Strategic Plan)

(1) Strategic plan shall encompass the following:

- a) infrastructure development, reconstruction of existing and building new facilities, for the purpose of ensuring safety of supplying adhering to technological and economic criteria and in compliance with the environment protection criteria,
- b) development and measures that shall encourage crude oil research on the territory of Federation BiH,
- c) development and measures that shall encourage energy use efficacy,
- d) long term projection of balance with defined dynamics and manner of achieving and keeping track of development, referred to in the previous three indents of this Article, including the assessment of effects that are achieved,
- e) introducing new standards and technologies in petroleum sector,
- f) support measures directed to institutions responsible for energy in the Federation of BiH and
- g) framework financial resources for realization of Plan of petroleum sector development.

(2) Strategic plan referred to in paragraph (1) of this Article must be harmonized with Spatial Plan of Federation of Bosnia and Herzegovina and spatial plans of cantons.

Article 6
(Action Plan)

(1) An Action plan shall be adopted for the period of five years in order to achieve goals stipulated by the Policy of petroleum sector and Strategic plan.

(2) Action Plan referred to in paragraph (1) of this Article shall contain:

- a) means, dynamics and measures for achieving Strategic plan,
- b) dynamics and deadlines for building new and reconstructing existing facilities,
- c) data on persons responsible for realization of planned programmes and projects,
- d) data on amounts of necessary financial resources, sources of financing, including estimation of how much domestic and foreign investors invest in petroleum sector and
- e) other elements that are important for the execution of Strategic Plan.

(3) Ministry shall be competent for supervision of execution of Strategic and Action Plan.

(4) Ministry shall develop and submit annual report on execution of Strategic and Action plan to the Government

(5) Annual report referred to in paragraph (4) of this Article shall contain:

- a) results achieved last year with respect to set goals,
- b) assessment of impact of achieved results of implementation,
- c) proposal of measures for increasing implementation efficiency and
- d) assessment if Strategic and Action plan should be improved.

Article 7

(Harmonization of Plans)

(1) Long-term and short-term plans of energy subjects in petroleum sector must be harmonized with Strategy of development of petroleum sector.

(2) Local and cantonal government units must harmonize their plan documents and documents of energetic development with Strategy of development of petroleum sector.

Article 8

(Balance of Petroleum Products)

(1) Annual balance of petroleum products shall be introduced within Energy Balance,

(2) Balance for the following year referred to in the paragraph (1) of this Article shall be adopted by 31 October of the current year at latest and shall contain:

- a) plan of necessities for individual types of petroleum products;
- b) insurance plan for individual types of petroleum products;
- c) means of insuring needs of supplying according to the individual types of petroleum products;
- d) annual plan, i.e. monthly plan of supplying of petroleum products;
- e) annual plan, i.e. monthly plan of spending petroleum products;
- f) plan of losses due to evaporation, natural losses due to characteristics, and dispersal of stored petroleum products;
- g) petroleum products supplies plan;
- h) overhaul organization and reconstruction of storage capacities plan;
- i) annual available spare capacities of plants and facilities.

III. ENERGY-RELATED ACTIVITIES IN PETROLEUM INDUSTRY SECTOR

Article 9

(Energy-related Activities)

Energy-related activities in petroleum industry sector, for the purpose of this Law, are:

- a) petroleum products production,
- b) petroleum products wholesale, except for LPG,
- c) road and railway transport of petroleum products,
- d) petroleum products retail,
- e) storing petroleum products except for LPG and
- f) LPG trade.

Article 10

(Manner of Performing Energy-related Activities)

(1) Energy-related activities referred to in Article 9 of this Law shall be performed in a manner that ensures safe supplying petroleum products market according to the principles of competition, non-discrimination, energy efficiency, environment protection, transparency and preserving trade secrets of participants on the petroleum products market.

(2) business companies whose core business is not petroleum products trade may not participate in energy-related activities referred to in Article 9 of this Law.

Article 11

(Conditions for Performing Energy-related Activities)

(1) In order to perform energy-related activities referred to in Article 9 point a), b), c), d), e), and f) of this Law energy subject (see definition) must own a Licence.

(2) In order to perform energy-related activities referred to in Article 9 point c) of this Law energy subject must own certificates for transport of dangerous goods for each unit they are using for transport, and adequate licences for drivers.

(3) In order to perform energy-related activities referred to in Article 9 point f) energy subject must:

- a) have at their disposal their own or rented warehouse (LPG terminal) built in compliance with existing regulations on building and equipping storage for flammable liquids and storing and decant of flammable liquids whose capacity must be minimum 150m³ in one or more reservoirs and at least one tank of their own for LPG transportation and
- b) if they own an LPG bottling plant they must own more than 2,000 bottles whose capacity is 10kg and an instrument checking impermeability during the process of bottling.

(4) Storages referred to in paragraph (3) of this Article must be in compliance with provisions of the Rulebook referred to in Article 59 of this Law.

Article 12

(Board of Experts)

(1) Minister shall appoint a Board of experts (hereinafter: the Board) for examining if conditions defined by the Rulebook referred to in Article 11 paragraph (4) of this Law are fulfilled.

(2) Act on Appointing board of experts lays down the number of members of the Board of Experts, time period for which the Board is appointed and remuneration for work in the Board of Experts.

(3) Board of Experts shall use register to establish facts referred to in the paragraph (1) of this Article.

(4) Board of Experts shall suggest to Minister to make decision in compliance with this Law and internal Acts of the Ministry.

Article 13

(Petroleum Products Import)

In order to perform the business of petroleum products import an energy subject must own:

- a) a licence to perform energy-related activities referred to in Article 9 point b) of this Law,

- b) a decision made by Federal Ministry of Trade in compliance with the Law on Internal Trade (Official Gazette of Federation of BiH, 40/10).

Article 14

(Building Facilities and Environmental Protection)

- (1) energy subjects are obliged to build, use, and maintain energy facilities in compliance with the Law on Spatial Planning and Land Use Management on the level of Federation of Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina, 2/06, 72/07, 32/08, 4/10, 13/10, and 45/10) and corresponding cantonal regulations that regulate building and spatial planning.
- (2) energy subjects referred to in paragraph (1) of this Article are obliged to adhere to the Law on Environmental Protection (Official Gazette of Federation BiH), 66/13) and corresponding cantonal regulations that regulate environmental protection.

Article 15

(Data delivery)

- (1) Energy subjects performing energy-related activities referred to in Article 9 point a), b), d), e) and f) of this Law and buyers are obliged to deliver data to the Ministry in compliance with the regulation referred to in paragraph (2) of this article.
- (2) Minister shall issue Rulebook on delivering data from petroleum sector that shall prescribe the obligation of delivering data on amounts of petroleum products sold on monthly and yearly basis and classified according to the type of petroleum products, tariff item, supplier and country of the origin within 30 days of entry into force of this Law. The same Rulebook shall regulate data delivery that refers to launching petroleum product on the market of Federation of BiH classified according to the type of petroleum product, tariff item and supplier.

IV. REGULATION OF PETROLEUM SECTOR

Article 16

(Regulation of Energy-related Activities)

Regulation of energy-related activities referred to in Article 9 of this Law is performed by Regulatory Commission.

Article 17

(Basic Authorities of Regulatory Commission)

- (1) Regulatory Commission, for the purpose of this law, shall have the following authorities:
- a) monitoring and regulating relations among importers, wholesalers, retailers, transporters, and buyers of petroleum products in accordance with this law and implementing acts of Regulatory Commission;
 - b) issuing or revoking licenses for performing energy-related activities.
- (2) Regulatory Commission shall ensure non-discrimination, efficient competition and efficient functioning of petroleum products market, paying special attention to safety of supplying with petroleum products.
- (3) Regulatory Commission shall be financed from income of regulatory and one-time fee that shall be collected from licence owners that perform energy-related duties

referred to in Article 9 of this Law and income from fee for licences it issues, including fee for expenses based on arbitration.

(4) Amount of fee referred to in paragraph (3) of this Article shall be determined so it covers real expenses of Regulatory Commission.

Article 18

(Basic Obligations of Regulatory Commission)

When performing their authority and functions, for the purpose of this Law, Regulatory Commission shall be obliged to:

- a) ensure transparent and equal relations among all participants on the market in accordance with politics and reform of petroleum sector;
- b) protect rights of participants in petroleum sector (importers, wholesalers, retailers, transporters and buyers of petroleum products) through balancing their interests;
- c) create conditions for competitiveness on the petroleum products market.

Article 19

(License to Operate - License)

(1) License for performing energy-related activities referred to in Article 11 paragraph (1) of this Law shall be issued by Regulatory Commission.

(2) License shall be issued for a period of up to 5 years.

(3) License need not be owned for:

- a) retail of petroleum products,
- b) storage of petroleum products and LPG used for personal needs in the amount that does not exceed 100 tonnes a year and
- c) selling bottled LPG by authorisation referred to in Article 37 of this Law and monitored by energy subject that owns an LPG trade licence

Article 20

(Contents of the License)

(1) License shall contain following elements:

- a) name of the energy subject,
- b) energy-related activity for which a request for issuing Licence is submitted,
- c) list of objects and data on capacity of objects for performing a particular energy-related activity,
- d) data regarding eligibility for performing particular energy-related activity and
- e) period for which Licence shall be issued.

(2) Regulatory Commission shall issue a Licence in the form of Decision.

(3) Decision referred to in paragraph (2) of this article is definite and administrative dispute may be initiated against it at competent court.

Article 21

(Issuing License)

License may be issued to a legal person:

- a) that is registered to perform energy-related activities,
- b) that has plants, devices and equipment at its disposal, fulfils technical, safety, environmental and other conditions stated in this Law,
- c) that employs necessary number of professionally educated employees, if such employees are necessary for performing energy-related activity for which a

- request for License is submitted (which is proved by professional qualifications exam certificate),
- d) that disposes of financial resources necessary for performing energy-related activities, or it proves it can ensure the resources,
 - e) to whom license for performing energy-related activities for which he is requesting the licence to be issued was not revoked in the last 10 years from the year when he submitted a request
 - f) whose board members, i. e. people who report to them were not convicted of criminal offence related to performing energy-related activities in the previous five years.
 - g) that fulfils other conditions set in the Rulebook.

Article 22

(Revocation of License)

- (1) Prior to its expiration license may be revoked temporarily or permanently.
- (2) Prior to procedure of revocation of license a warning letter of the Regulatory Commission shall be sent. After Regulatory Commission receives a reply to the warning letter sent by the License owner, or if the License Owner does not reply within time limit set by the License Commission, a procedure of revocation of License shall be implemented. If, during the procedure, License owner fulfils conditions for performing energy-related activities, Regulatory Commission can dismiss the case of revocation of License.
- (3) Procedure for revocation of License is performed in the same way as procedure for issuing a Licence.
- (4) Prior to permanent revocation of License a procedure of temporary revocation of License shall occur
- (5) Procedure of permanent revocation of license shall occur if energy subject does not remove the deficiency within the time limit defined by the decision of the competent inspector.

Article 23

(Reasons for Revocation of License)

- (1) Regulatory Commission shall revoke the License if they determine that License owner:
 - a) stopped fulfilling some of conditions referred to in Article 21 paragraph 1 point a), b), c), or d) of this Law,
 - b) broke customs regulations, did not settle their tax obligations, conditions defined by environmental permit and technical regulations from this area,
 - c) does not respect conditions and deadlines set by the License,
 - d) does not perform approved energy-related activity, about what he was obliged to inform Regulatory Commission,
 - e) does not provide Regulatory Commission with data and information they are asking for,
 - f) delivers incorrect data and information to Regulation Commission on purpose,
 - g) does not allow Regulatory Commission to have direct approach to equipment and documentation,
 - h) becomes insolvent, i. e. declares bankruptcy or liquidation and
 - i) does not fulfil other conditions prescribed by the Rulebook.

(2) Based on the report of Federal Department for Inspection Affairs Regulatory Commission may revoke the License if the License owner did not fulfil obligations determined by the regulations of this Law referring to petrol products quality control.

Article 24

(License Register)

- (1) Regulatory Commission shall keep License Register.
- (2) License Register shall consist of all files (cases) that include all documents and appendices that refer to the same issue and form a unique unit.
- (3) License register shall contain:
 - a) request for issuing License for recovery of licensed energy-related activity,
 - b) documents and appendices that shall be submitted with request for issuing license,
 - c) decision based on request and
 - d) License for performing Licensed energy-related activities, decision on amendments on, renewal or revoke of Licence
- (4) Regulatory Commission shall keep collective register in electronic form that contains following data:
 - a) registration number of License,
 - b) name and headquarters of the License owner,
 - c) date of entering in the register,
 - d) License owner ID number,
 - e) date of issuing License,
 - f) date of License expiry and
 - g) date of adoption of decision on amendments on, renewal or revoke of Licence
- (5) Excerpt from the Register is a public document.

Article 25

(Rulebook on issuing Licenses)

Rulebook on issuing licenses for performing energy-related activities from petroleum sector that is issued by the Regulatory Commission within 30 days from the day of adopting amendments on Statute of Regulatory Commission harmonized with regulations of this law, prescribes:

- a) types of Licenses,
- b) procedure of submitting requests,
- c) necessary documents and documents that are enclosed with request,
- d) request forms,
- e) license validity period,
- f) licence issuing criteria,
- g) license conditions (standard and special),
- h) request to grant access to additional information,
- i) license renewal,
- j) amendments on License.

Article 26

(Conditions of Monitoring)

- (1) Regulatory Commission monitors performance of licenced energy-related activity.
- (2) License owner shall submit to Regulatory Commission a report on all changes related to the criteria defined by the Rulebook and referred to in the Article 25 of this Law during the license validity period immediately after changes occurred.

- (3) During licence validity period, License owner shall deliver annual report on financial operations
- (4) License owner shall deliver all data that are required by the Regulatory Commission during the period the license is valid.
- (5) Regulatory Commission is permitted to inspect plants and documents related to License in the facilities of the license owner (periodically announced and unannounced visits).
- (6) Regulatory Commission shall monitor all aspects of harmonization of License owner with/and licence conditions, as well as with all provisions of this Law.
- (7) Regulatory Commission shall monitor whether licence owner adheres to the license conditions and to this Law.

Article 27

(Professional Qualification Exam)

- (1) Professional competence to do jobs from petroleum sector referred to in paragraph (2) of this Article is tested by taking professional qualification exam.
- (2) Petroleum sector jobs that require passing professional qualification exam are:
 - a) authorised official in the petroleum products storage/terminal
 - b) authorised official in the LPG storage/place of decantation.
- (3) Minister shall issue Rulebook on conditions, manner and expenses concerning taking professional qualifications exam for authorised officials in the energy sector within 90 days upon entry into force of this Law.
- (4) Professional qualifications exam shall be taken in front of the board of experts appointed by the Minister.
- (5) Act on appointing the board shall determine the number of members of the board of experts, time period for which the board is appointed and remuneration for working in the board of experts.
- (6) Professional qualifications exam passed prior to the moment this Law entered into force shall be considered valid.

V. SAFE SUPPLYING OF MARKET WITH PETROLEUM PRODUCTS

Article 28

(Safety of Supplying)

- (1) The Ministry shall monitor and take actions for the purpose of safe, regular and high quality supplying with petroleum products
- (2) At the suggestion of Ministry, Government shall issue emergency plan in case of market disorder on the market of the Federation of BiH or continuous shortage of petroleum products, major natural disasters, technological disasters or unexpected and high price growth of petroleum and petroleum products on the world market.

Article 29

(Petroleum Products Prices)

- (1) Petroleum products prices shall be set according to the market conditions.
- (2) In case of market disorder on the petroleum products market of Federation of BiH or in cases of serious interruptions in supplying, the Government may determine a manner of how to set the highest price of particular petroleum products, at the suggestion of Federal Ministry of Trade, and after previously acquired opinion of the Ministry.

(3) The calculation referred to in paragraph (2) of this Article shall be based on measurable elements of market and it includes: price of petroleum products on the market, exchange rate, customs duty, primary storage and distribution expenses, margin, excises and other indirect taxes.

Article 30

(Fee for Establishment of Petroleum Products Additional Supplies)

- (1) Fee is a special purpose public finance that is prescribed by this Law and its purpose is to finance establishment of petroleum products additional supplies in Federation of BiH and it represents Operator's income.
- (2) Fee referred to in Paragraph (1) of this Article shall be paid on petroleum products trade that shall be used for the final spending of BAM 0.01 per litre of petroleum products, including LPG used in internal combustion engines.
- (3) Fee payers referred to in paragraph (1) of this Article are: energy subjects that work in petroleum products retail and buyer who uses petroleum products for purposes defined in Article 2 point g) of this Law.
- (4) The amount of fee referred to in paragraph (2) of this Article is included in retail price of all petroleum products in distribution in a way that such an amount is added to the already determined retail price not including fee.
- (5) If fee payer referred to in paragraph (3) of this Article is a buyer, fee is calculated on the total amount of petroleum products bought during the month.
- (6) When selling petroleum products, energy subject performing energy-related activity referred to in Article 9 point d) of this Law must separately specify fee amount on the issue voice.
- (7) Fee payers referred to in paragraph (3) of this Article shall pay fee for the previous month referred to in paragraph (2) of this Article by the 20th of the current month on incoming payments - deposit account that shall be transferred to special purpose subaccount of Unique Account of Treasury of Federation of Bosnia and Herzegovina
- (8) If fee is not paid or delayed with paying, a default interest prescribed for public finances in Federation of Bosnia and Herzegovina shall be paid.
- (9) Application of the part of this Law related to the fee shall be monitored by Tax Administration of Federation of Bosnia and Herzegovina.
- (10) Federal Minister of Finance shall determine form and manner of paying fee referred to in paragraph (1) of this Article.
- (11) Minister shall determine content and manner of delivery of data on tax payments using Rulebook referred to in Article 15 paragraph (2) of this Law.

Article 31

(Specific Purpose Expenditure of Finances Collected Based on the Fee)

- (1) Manner of specific purpose expenditure shall be determined by the Government at the suggestion of Ministry.
- (2) Specific Purpose Expenditure referred to in paragraph (1) of this Article is:
 - a) purchase of petroleum products in order to create petroleum products reserves,
 - b) arranging guaranteed petroleum product additional supplies,
 - c) control of petroleum products additional supplies quality,
 - d) ensuring technical and technological correctness of plants and storages for storing petroleum products and
 - e) Operator work-related expenses

Article 32

(Petroleum Products Quality)

(1) Petroleum products imported and/or launched into the market on the territory of Federation of Bosnia and Herzegovina must satisfy quality requirements established by the standards:

- a) gasoline - BAS EN 228:2008,
- b) diesel fuel - BAS EN 590:2008,
- c) extra light fuel oil "LUEL" - BAS 1002:2004,
- d) light fuel oil special "LS", medium "S" and heavy "T" must satisfy physical and chemical properties defined by the existing standards and the Decision,
- e) LPG for use in cars BAS EN 589:2011 and
- f) LPG for use in industry and at home JUS B.H2.134:1962 - until introducing BAS standards.

(2) Petroleum products that are sold on the market may contain biofuel in accordance with regulations on biofuel quality, on petroleum fuel quality, and other regulations that are valid in Federation of BiH.

(3) Together with the abovementioned fuel, energy subjects that import and/or launch into market petroleum products referred to in paragraph (1), (2) and (3) of this Article shall enclose documents defined by the Decision.

(4) Energy subjects that import and/or launch into market petroleum products referred to in paragraph (1) and (2) of this Article may not use means of improving fuel parameters by adding them directly to the fuel.

Article 33

(Internal Trade of Fuel of Lower Quality Level)

On the territory of Federation of Bosnia and Herzegovina fuel of lower quality level than quality level defined by the Article 32 of this Law may not be sold.

Article 34

(Petrol Stations)

(1) Petrol stations shall be subject to control of fuel quality.

(2) Number of samples taken for control of quality shall be determined based on amounts of fuel sold in the last year.

(3) Number of samples referred to in the paragraph (2) of this Article shall be determined in accordance with scope of monitoring determined by the Decision and in accordance with paragraph (3) of Article 35 of this Law.

(4) Petrol station owners shall deliver to the Ministry data on location, capacity, year when the petrol station was built, type and annual amount of petroleum products that are sold within 30 days of entry into force of this Law.

(5) Owners of newly built petrol stations shall deliver to the Ministry data from paragraph (4) of this Article immediately after technical acceptance is finished.

Article 35

(Control of Quality)

(1) Keeping track of control of quality and amounts of petroleum products (hereinafter: monitoring) shall be performed in accordance with Decision and this Law.

(2) Monitoring shall be performed in accordance with Program of establishment of harmonization of quality of liquid petroleum fuels (hereinafter: Program) that shall be prescribed by the Rulebook issued by the Ministry at least once a year.

- (3) Program prescribes scope of the monitoring of all types of liquid fuels and LPG and dynamics of monitoring performing for every individual energy subject.
- (4) Dynamics of performing of monitoring defined by energy subject, energy carrier, number of samples and inspection is determined by the Ministry at least once a month and delivered by them to Federal Department for Inspection Affairs - Technical inspection. Based on dynamics of monitoring performing, Federal Department for Inspection Affairs shall deliver order to inspections to take samples.
- (5) Monitoring of quality of fuel is performed by inspection that uses services of other accredited laboratory that has headquarters on the territory of Federation of BiH about what the inspection issues a certificate on harmonization.
- (6) Total number of samples of one energy carrier defined by the Program will be proportionally distributed to accredited and authorised inspections in accordance with scope of accreditation of test laboratories
- (7) Inspections shall deliver to Ministry and Federal Department for Inspection Affairs a report on conducting dynamics of monitoring performance for the previous month by the 7th of the current month at latest, except for Certificate on harmonization of fuels that do not satisfy quality requirements that shall be delivered immediately.
- (8) Energy subject shall not have the possibility to choose inspection and it shall allow taking samples prescribed by paragraph (4) of this Article.
- (9) Federal Department for Inspection Affairs shall inspect how program is performed, by dynamics referred to in paragraph (4) of this Article.
- (10) Energy subject shall bear the cost of monitoring performance.
- (11) Methodology of calculating the expenses of monitoring performance shall be determined by Regulatory Commission. Based on this methodology, at least once a year, Regulatory Commission shall determine amount of expense for monitoring performance.
- (12) Inspection of petroleum products trade shall be made by market inspection service bodies, which besides inspecting their amounts and making organoleptic inspection also inspect harmonization of documents that keep records on liquid petroleum fuels that are launched into the market of Federation of BiH by Decision and this Law, about what they issue a certificate.
- (13) Contents of certificate referred to in paragraph (12) of this Article shall defined by the Rulebook referred to in the Article 15 paragraph (2) of this Law.
- (14) If market inspection service bodies determine that energy subject did not deliver report on petroleum products trade on time or they delivered false data, they shall take administrative and other measures in accordance with their authorisations and they shall inform Ministry on that.

Article 36

(Scope of LPG Monitoring)

- (1) Number of samples for LPG is determined based on traded quantities of LPG from the previous year.
- (2) Scope, manner and conditions of how shall monitoring quality of LPG referred to in paragraph (1) of this Article be conducted shall be defined by the rulebook that shall be issued by the Ministry within 30 days of entry into force of this Law.

Article 37

(Bottled LPG trade)

- (1) Trade with bottled LPG can be performed by energy subject that owns a License for performing energy-related activities referred to in Article 9 point f) of this Law.
- (2) Exempt from paragraph (1) of this Article, bottled LPG may be launched into market by the salesperson if they signed a contract on authorisation and monitoring with energy subject referred to in paragraph (1) of this Article.
- (3) Energy subject referred to in paragraph (1) of shall deliver to the Ministry:
 - a) notification containing name, address of salesperson and region of trade seven days after they signed individual contract on authorisation and monitoring trade with salesperson at the latest and
 - b) list of all salespersons for every following year by 15 December at the latest.

Article 38

(Operating supplies)

- (1) Operating supplies shall be formed in order to ensure stability of production of electricity and/or thermal energy for the market and for the buyers that require special safety and quality of supplying in Federation of BiH and in order for traffic to function in a stable and safe way.
- (2) Operating supplies shall be formed to satisfy 15-days average needs in the previous calendar year.
- (3) Operating supplies shall be formed for the following petroleum products: diesel fuel, fuel oil, jet engine oil and LPG and they shall be formed exclusively in tanks on the territory of Federation of BiH.
- (4) Insurance payers of operating supplies are:
 - a) energy subjects that use petroleum products referred to in paragraph (3) of this Article when producing electric and heating energy for the market, for tariff buyers, or for their personal needs
 - b) public institutions from the area of education, health and social care that produce or can produce electric or thermal energy for their personal needs from petroleum products referred to in paragraph (3) of this Article and
 - c) energy subjects that provide services of supplying petroleum products on international airports.
- (5) Insurance payers referred to in paragraph (4) of this Article shall keep operating supplies in their own storages or secure them by signing contract on pre-emptive right to purchase with energy subjects referred to in Article 9 paragraph b) and e) of this Law in their storages.
- (6) Rulebook that defines actions, deadlines, manners of preserving, dynamics of forming operating supplies and notification on operating supplies are issued by the Minister.

VI. OBLIGATORY SUPPLIES OF PETROLEUM PRODUCTS

Article 39

(Obligatory Supplies)

Petroleum products obligatory supplies shall be formed in order to ensure petroleum products supplying in case that energy safety of Bosnia and Herzegovina is threatened due to emergency supply disorder in supplying. Obligatory supplies of petroleum products shall be formed in accordance with Directive 2009/119/EC.

VII. PETROLEUM PRODUCTS ADDITIONAL SUPPLIES

Article 40

(Petroleum Products Additional Supplies)

- (1) Petroleum products additional supplies are formed and used in order to ensure petroleum products supplying in case of emergency disorder in supplying.
- (2) At Ministry's suggestion Government shall adopt a Decision and conditions under which petroleum products additional supplies referred to in paragraph (1) of this Article are put on the market and used.
- (3) Decision referred to in paragraph (2) of this Article prescribes energy subjects that shall distribute petroleum products additional supplies on the territory of Federation of BiH.
- (4) Petroleum products additional supplies referred to in paragraph (1) of this Article shall include the following groups of petroleum products:
 - a) gasoline,
 - b) diesel fuel,
 - c) fuel oil - LUEL.
- (5) Petroleum products additional supplies referred to in paragraph (3) of this Article shall be preserved in end products exclusively in warehouses that are owned by Operator and cannot be object of enforcement.
- (6) Warehouses referred to in paragraph (5) of this Article may be registered as customs warehouses in accordance with special regulations.
- (7) Warehouses referred to in paragraph (5) of this Article may be rented to other energy subjects in accordance with laws.
- (8) On suggestion of the Operator Minister shall issue a regulation that defines manner of securing, organization of storing, regional arrangement and dynamics of forming of petroleum product additional supplies and replacing petroleum product additional supplies with new ones.

Article 41

(Petroleum Products Additional Supplies Operator)

- (1) This Law establishes petroleum products additional supplies Operator and prescribes goals of business activities and activities, capital, ownership, authorisations, bodies, financial plan, notifying and other issues relevant for the work of Operator.
- (2) Operator referred to in paragraph (1) of this Article operates under the name of "Operator - Terminali Federacije" d.o.o. Sarajevo
- (3) Short name for Operator is Terminali Federacije
- (4) Operator operates in accordance to the Law on Business Companies (Official Gazette of Federation of BiH 23/99, 45/00, 2/02, 29/03, 68/05, 91/07, 84/08, 88/08, 7/09, 63/10 and 75/13) unless otherwise specified by the Law.

Article 42

(Capital of the Operator)

- (1) Capital of the Operator is 100% owned by the Federation of BiH
- (2) Existing capital of business company "Terminali Federacije" d.o.o. Sarajevo prescribed by the Decision on founding a business company for storing liquid fuels "Terminali Federacije" d.o.o. Sarajevo (Official Gazette of Federation of BiH 60/03, 51/04, 8/05, 13/05, 64/05, 8/09, 99/12, 2/13, 70/13, 14/14, and 24/14) shall become capital of the Operator on the day this Law shall enter into force.
- (3) Decision on increasing or decreasing capital of the Operator shall be issued by the Operator Assembly at the suggestion of the Government.

Article 43

(Bodies of the Operator)

Bodies of the Operator are Assembly, Supervisory Board, Management Board and Audit Committee.

Article 44

(Goals of Operator's Business Activities)

(1) Operator is the only one authorised for establishing and replacing petroleum product additional supplies and Operator shall not do business activities with petrol products additional supplies without written consent of the Ministry.

(2) Operator shall perform activities referred to in paragraph (1) of this Article in accordance with Law on Public Procurement of Bosnia and Herzegovina (Official Gazette of BiH 49/04, 19/05, 52/06, 8/06, 24/06, 70/06, 12/09, 60/10 and 87/13) and in accordance with this Law.

(3) Operator need not pay fee when procuring petroleum products in order to establish or supply petroleum products additional supplies.

(4) Operator shall enable authorised representatives of the Ministry to conduct a review of supporting documents and inspection of establishing petroleum products additional supplies

(5) Ministry and Operator shall keep all documents, data and statistical documents referring to type, amount, quality and arrangement of petroleum products additional supplies for at least five years since they were created.

Article 45

(Activities of the Operator)

(1) Activities of the Operator, among others, shall be:

- a) wholesale of liquid fuels and similar products,
- b) storing petroleum products,
- c) putting petroleum products additional supplies to market in case of disorder in supplying,
- d) organisation, monitoring and management of amounts and quality of petroleum products additional supplies,
- e) collecting and processing data on state and trade of petroleum products operating supplies and petroleum products additional supplies,
- f) cooperation with Ministries and competent inspections in accordance with special regulations,
- g) cooperation with domestic and foreign energy bodies and/or subjects and,
- h) ensuring technical and technological validity of plants and warehouses for storing petroleum products,

(2) Storing petroleum products additional supplies in facilities owned by the Operator and management of these facilities Operator shall not entrust to other energy subject.

Article 46

(Financial Plan and Report)

(1) Operator performs business activities based on annual financial report issued by Assembly of Operators and which determines goals and deadlines for conducting the financial plan. Special part of financial plan must contain a manner the fee is used and deadline before which operating supplies shall be completely replaced with Operator's petroleum products supplies.

(2) During fiscal year Operator submits a report on business activities whose integral part is suggestion of steps to overcome potential problems in conducting business activities.

VIII. MONITORING

Article 47

(Administrative and Inspection Monitoring)

(1) Administrative monitoring which includes monitoring if provisions of this Law and other regulations are applied, monitoring if activities prescribed by this Law are conducted, monitoring of legality of administrative and other acts issued by competent bodies as well as monitoring of their activities shall be conducted by Ministry and Federal Ministry of Trade, each within limits of their own competence, in accordance with authorisations prescribed by this Law and Law on Federal Ministries and Other Bodies of Federal Government (Official Gazette of Federation of BiH, 58/02, 19/03, 38/05, 2/06, 8/06 and 61/06) for the purpose of safe, regular and high quality supply with petroleum products.

(2) Activities of inspection monitoring over application of this Law are conducted by Technical and Trade Inspection of Federal Department of Inspection Affairs, in accordance with the Law on Inspections in Federation of Bosnia and Herzegovina (Official Gazette of Federation of BiH 69/05) by direct insight into energy subject regarding application of provisions of this Law, as well as by taking administrative and other measures and activities in accordance with Law on Organisation of Administrative Bodies in Federation of Bosnia and Herzegovina (Official Gazette of Federation of BiH 35/05) according to the procedure established by Law on Administrative Procedure (Official Gazette of Federation of BiH 2/98, 48/99) and Law on Criminal Offences of Federation of BiH (Official Gazette 31/06) with the goal of harmonization of detected irregularities with regulations.

(3) Monitoring shall be conducted primarily by regular inspections, but also by extraordinary ones in cases when informed on possibly identified deficiencies.

(4) Within regular control Federal inspection shall conduct:

- a) inspection monitoring of data delivery to competent bodies,
- b) inspection of License ownership and validity,
- c) inspection of petroleum products quality and appropriate documents,
- d) inspection of conducting of program and dynamics of conducting monitoring,
- e) inspection of sealing fuel dispensers,
- f) inspection of contract between salesperson and authorised energy subject and
- g) inspection of operating supplies.

(5) In case extraordinary inspection should be needed, Federal Department of Inspection Affairs shall make extraordinary inspection at written request of Ministry i. e. Federal Ministry of Trade in accordance with appropriate provisions of Law on Inspections in Federation of Bosnia and Herzegovina (Official Gazette of Federation of BiH 69/05).

IX. PENAL PROVISIONS

Article 48

(1) A legal person shall be fined with BAM 7.000,00 to 15.000,00 if they:

- a) perform activities contrary to provisions referred to in Article 10 paragraph (2) of this Law,
- b) perform activities contrary to provisions referred to in Article 11,
- c) do not pay fee in accordance with Article 30 paragraph (7) of this Law,

- d) issue invalid certificate on harmonization of quality of liquid fuels, i. e. invalid report on testing in their capacity as inspection and/or laboratory i. e. violate the provisions of Article 35 of this Law
 - e) sell bottled LPG contrary to provisions of Article 37 of this Law
- (2) responsible person in the legal person shall be fined with BAM 1.000,00 to 3.000,00 if they violate paragraph (1) of this Article
- (3) Ministry shall initiate proceedings for revoking License if legal person violates paragraph (1) point d) of this Article for the second time.

Article 49

- (1) A legal person shall be fined with BAM 5.000 to 12.000 if they:
- a) do not provide competent bodies with data referred to in Article 15 of this Law,
 - b) do not specify amount of fee on the invoice in accordance with Article 30 paragraph (6) of this Law,
 - c) use means for improving fuel parameters contrary to the Article 32 paragraph (4) of this Law,
 - d) do not act in accordance with provisions of Article 33 of this Law,
 - e) do not provide competent bodies with data referred to in Article 34 of this Law,
 - f) do not allow accredited inspections to take samples as regulated in Article 35 paragraph (8) of this Law,
 - g) do not provide operating supplies of petroleum products in accordance with Article 38 of this Law,
 - h) do not act in accordance with Article 51 of this Law.
- (2) responsible person in the legal person shall be fined with BAM 500,00 to 3.000,00 if they violate paragraph (1) of this Article.

X. TRANSITIONAL PROVISIONS

Article 50

(List of Fuel Supplies)

- (1) Provisions of this Law do not refer to liquid petroleum fuels procured for the purposes of market of Federation of BiH and stored on the territory of Federation of BiH on the day of entry into force of this Law.
- (2) On the day of entry into force of this Law, Directorate for Stock Reserves of Federation of BiH and suppliers shall make a list of liquid fuels referred to in paragraph (1) and deliver the lists to the Ministry within 15 days from the day of entry into force of this Law,
- (3) Directorate for Stock Reserves of Federation of BiH shall spend or replace with new supplies liquid fuels that are listed in accordance with the paragraph (2) of this Article within 90 days from the day of entry into force of this Law .
- (4) suppliers shall spend or sell to end user liquid fuels that are listed in accordance with the paragraph (2) of this Article within 90 days from the day of entry into force of this Law .

Article 51

(Deadline for First Submission of the Request for the Licence)

Energy subjects that in the moment of entry into force of this Law are already performing one and more than one energy-related activities that according to this

Law require owning a License must file a request for issuing Licence within 60 days from entry into force of Rulebook referred to in Article 25 of this Law.

Article 52

(Biofuels)

Conditions, manner and procedure of production, trade, storing, and use of biofuels in transport as well as other issues relevant for encouraging production and use of biofuels shall be regulated with a separate law.

Article 53

(Functional Establishment of Regulatory Commission)

(1) Deadline for functional establishment of Regulatory Commission is 90 days from the day of entry into force of this Law

(2) Until organisational structure of Regulatory Commission is fully established, function of the regulator in the sector of oil industry shall be performed by the Ministry.

Article 54

(Functional Establishment of the Operator)

(1) Operator shall assume all rights and obligations, including all employees and property of "Terminal Federacije" d.o.o. Sarajevo, by virtue of the entry into force of this Law.

(2) Management bodies of "Terminal Federacije" d.o.o. Sarajevo shall continue to perform their duty until new management bodies are elected.

(3) Management bodies of Operator referred to in Article 43 of this Law shall be established within 90 days from the day of entry into force of this Law.

Article 55

(Termination of the Work of the Operator)

(1) Operator may terminate work only if this Law ceases to have effect or based on other separate Law.

(2) If Operator terminates work by expiry of this Law all property of the Operator that is left after all obligations are discharged shall be transferred to the owner of the Operator – Federation of BiH.

Article 56

(Expiry of the Decision on Founding a Business Company for Storing Liquid Fuels "Terminali Federacije" d.o.o. Sarajevo)

Upon the entry of the force of this Law, the Decision on founding a business company for storing liquid fuels "Terminali Federacije" d.o.o. Sarajevo shall cease to have effect (Official Gazette of Federation of BiH 60/03, 51/04, 8/05, 13/05, 64/05, 8/09, 99/12, 2/13, 70/13, 14/14, 22/14).

Article 57

(Rulebook on LPG)

Minister shall issue a Rulebook that regulates building plants for storing, decant and bottling LPG within 90 days from the day of entry into force of this Law.

Article 58

(Rulebook on Building Petrol Stations)

Minister shall issue a Rulebook on building petrol stations within 6 months from the day of entry into force of this Law.

Article 59

(Rulebook on Technical and Other Conditions That Must be Fulfilled by the Storages of Liquid Fuels – Terminals)

Minister shall issue a Rulebook on technical and other conditions that must be fulfilled by the storages of liquid fuels – terminals within 6 months from the day of entry into force of this Law.

Article 60

(Harmonization with This Law)

In case provisions of other laws and regulations are contrary to this Law, this Law shall be applied.

XI. FINAL PROVISION

Article 61

(Entry into Force)

This Law shall enter into force on the day of its publication in the Official Gazette of Federation of BiH.