

CONSUMER PROTECTION ACT

Sarajevo, February 2001

I GENERAL PROVISIONS

Section 1

1. This Act governs the rights of natural persons who, by purchase or acquisition, use products and services for their personal needs and for the needs of their households, that is do not purchase or acquire the same for any commercial or business or professional purpose whatsoever (hereinafter referred to as »the consumer«) and provides for the competent authorities with regard to protection of the consumer's rights and interests.
2. The rights pertaining to the consumer in terms of the provisions of this Act do not diminish his or her rights he or she is entitled to pursuant to other laws and general regulations on contractual relations.

Section 2

1. This Act prescribes the duties and obligations of all natural persons and legal entities in Bosnia and Herzegovina, and provides for the terms and practices of their sale or delivery of products to consumers, sale or provision of services within their registered business activity, regardless of their legal, organizational and ownership form (hereinafter referred to as »the trader«), or importation of products and services into Bosnia and Herzegovina (hereinafter referred to as »the importer«) or manufacturing of finished (final) products, including agricultural products or raw parts of the products, procurement of raw materials for further production processes (hereinafter referred to as »the manufacturer«), as well as the traders who with the logos and company name of their enterprise or trademark on a product, packaging or offer present themselves as manufacturers, and any manufacturers who in the chain of supply in their joint operation have an impact on the safety of products on the market.
2. In terms of responsibility for products and services, this Act applies to all legal entities and natural persons acting in Bosnia and Herzegovina as suppliers, distributors, representatives of foreign companies, that is as those who provide services in the service sector.

Section 3

1. Traders or any other legal entities or natural persons providing public utility services are obliged to provide for regular and quality provision of such services, as well as to provide for permanent development and improvement of quality of the same.

Section 4

1. Traders or any other legal entities or natural persons in terms of this Act are obliged to operate their business in the official languages of Bosnia and Herzegovina and to use their full company name or an abbreviated company name, if such has been entered into the register of companies or artisanal workshop, and the principal business address (registered seat) in all written documents.

II SALE OF PRODUCTS AND PROVISION OF SERVICES

Section 5

1. The trader is obliged to sell products or provide services to the consumer in such a manner which is not in contravention of good business practices.
2. The trader is obliged to sell products or provide services to all consumers under the same terms and conditions. If certain groups are offered special conditions (new mothers, bridal couples, disabled, retired persons, etc.), such conditions should be clearly displayed at the points of sale.
3. The trader is obliged to deliver the paid product or service to the consumer without delay.
4. The trader is prohibited to discriminate against any consumer, particularly in terms of refusal to sell a product on display or a product prepared for sale by any other means, or in terms of refusal to provide services which may be performed, or in terms of conditioning the sale of products or the provision of services by the sale of some other products or the provision of some other services.

Section 6

1. The trader is obliged to display clearly and visibly the purchase price of products and services in Convertible Marks (KM).
2. The purchase price of products and services is the final price which includes all taxes, contributions and levies, and as such is equal to the purchase price specified in the inventory list.
3. Apart from the purchase price of a product, the price of a unit of measurement of the same product, as well as the name and type thereof should be displayed.
4. The price of a unit of measurement should not be displayed if the same is equal to the purchase price of the product.
5. Bulk products are those products offered on sale which have not been previously packed or wrapped and which are measured in the presence of consumers. Bulk products should only have the price-tag for a unit of measurement.
6. The purchase price and the price of a unit of measurement should be clearly, visibly, legibly and unambiguously displayed on the product or on its packaging, as well as on the point of sale of such product or service and in the shop-window. No price other than that referred to in Paragraph 2 above may be displayed on the product, with the exception of a special offer.
7. The trader is obliged to issue a bill (invoice) to the consumer for each product sold or each service provided, in accordance with the Law and special regulations.
8. Except for the items prescribed by the Law, the bill (invoice) may contain other items which are of use to the consumer.
9. The trader is obliged to enable the consumer to check the correctness of the amount charged in relation to quality and quantity of the product purchased or the service provided.
10. The trader is obliged to adhere to the displayed purchase price of products and services.

Section 7

1. Regardless of general provisions on contractual relations, any financial liability of the consumer to be paid via post, bank or some other financial institution will be considered paid on the day when such an institution received the consumer's payment order.

Section 8

1. If the trader offers the sale of products to include delivery to the consumer's home or to some other point of delivery designated by the consumer, the trader is obliged to deliver the product to the consumer in good working order, in the agreed quality and quantity and within the agreed time (day and time), as well as to hand all accompanying documents over to the consumer.

2. Leaving of products in front of the door of the consumer's house or flat will not be considered proper delivery of the products referred to in Paragraph 1 above.

Section 9

1. The trader is obliged to preserve all the properties of the product intended for sale, in the manner set forth in the regulations on the quality of such product or in accordance with the manufacturer's recommendation, especially in case of a product with a limited shelf-life.
2. The limited shelf-life of a product should be clearly, visibly and legibly indicated on the packaging.
3. The product which is not suitable for its usual use due to quality deficiencies must not be sold by the trader; furthermore, the trader is obliged to withdraw such product from sale or indicate the purpose of such product on the packaging.

Section 10

1. The trader is obliged to present the properties and qualities of the offered product to the consumer upon his or her request.
2. The trader is obliged to show the operation of the product offered, on a chosen sample, and to prove that the same is in working order. Should this be impossible, the trader is obliged to give detailed instructions and explanations of the product offered to the consumer.
3. The trader who cannot comply with the obligation referred to in Paragraph 1 above is obliged to withdraw such a product from sale.

Section 11

1. The trader is obliged to provide the consumer with the documents referred to in Sections 27 and 28 of this Act, the prescribed marks, data and product labels, as well as the list of the trader's own and authorized after-sales service shops.

Section 12

1. The trader is obliged to sell the product with its corresponding packaging, and upon request of the consumer also to wrap the product in a special wrapping.
2. In case of offer of special wrapping paper and use of additional decorations, the price of such decorative items should be clearly and visibly displayed.
3. Packaging (bags, special wrapping paper etc.) with the manufacturer's and/or the trader's logo and/or name is considered advertising and the consumer may not be charged separately for the same.
4. Packaging must be harmless to the consumer's health, suitable in terms of the product form and mass and must not cause confusion among the consumers in terms of the product mass and size.
5. The trader is obliged to keep the packaging of the sold product upon the consumer's request.

Section 13

1. In case of any defect, flaw or imperfection on a product, upon request and by option of the consumer the trader is obliged to:
 - a) replace the defective or flawed product with another product in working order of the same kind;or

- b) return the amount of money paid and compensate for the actual reasonable cost of return of such defective or flawed product; or
 - c) repair the defect on the product at the trader's expense.
1. If the defect or flaw is visible, the consumer should send the request referred to in Paragraph 1 above to the trader in written form within eight days as of the date of the product acquisition.
 2. If the consumer detects a hidden defect or flaw on the product at a later date, the request in written form should be sent within eight days as of the date when such a hidden defect or flaw has been detected, and within six months as of the date of the product take-over at the latest. This period does not apply to the products accompanied by a guarantee certificate.
 3. If the consumer detects a hidden defect or flaw on the product after one month, the same will be entitled not only to full refund of the amount of money paid for the product in accordance with Paragraph 1 b) but also to the interest payable at the interest rate of the trader's bank for 3-month time deposits from the date of purchase (payment) till the date of payment.

Section 14

1. If a service has been performed in an inappropriate or partial manner, upon request and by option of the consumer the trader is obliged to:
 - a) provide such service once again or finish provision of the same; or
 - b) reduce the agreed price of such service, due to poorer quality.
1. If a defect or flaw is visible, the consumer should send the request referred to in Paragraph 1 above to the trader in written form within eight days as of the date of provision of such service.
2. If the consumer detects a hidden defect or flaw of the performed service at a later time, the request in written form should be sent within eight days as of the date when such a hidden defect or flaw has been detected, and within six months as of the date of the provision of such service at the latest. This period does not apply to the services accompanied by a guarantee certificate.
3. If the consumer detects a hidden defect or flaw of the performed service after one month, the same will be entitled not only to full refund of the amount of money paid for the service in accordance with Paragraph 1 b) but also to the interest payable at the interest rate of the trader's bank for 3-month time deposits till the date of payment.

Section 15

1. If in the cases referred to in Sections 13 and 14 the trader does not dispute such defect or flaw, the same is obliged to perform in accordance with the consumer's request without any delay.
2. If the trader disputes such defect or flaw, the same is obliged to send a written answer to the consumer within eight days as of the date of receipt of such request.
3. If the trader disputes such defect or flaw and the consumer does not waive his or her request, a qualified opinion on justification of such request will be given by a certified court expert or by the Bureau of Standards, Measurement and Intellectual Property of Bosnia and Herzegovina.
4. If the examination performed by a certified court expert reveals and confirms the existence of a defect or flaw on the product or service, the cost of examination will be paid by the trader.

Section 16

1. If a product given by the consumer to the trader or an authorized after-sales service shop for the purpose of repair, maintenance or improvement is lost or destroyed, the trader is obliged to:
 - a) deliver a new product, of the same quality and intended for the same purpose, to the consumer within eight days as of the date of the consumer's request; or

- b) compensate without delay for the damage inflicted, i.e. in the amount of the retail price of a new product.
1. If the trader or an authorized after-sales service shop damages or breaks the product received for the purpose of repair, maintenance or improvement, the same is obliged to repair such damage or eliminate such defect within three days at its own expense, provided that such procedure does not reduce the value and usability of the product. If this is not possible, the consumer will be entitled to exercise his or her right referred to in Paragraph 1 above.

III PRODUCT LABELLING

Section 17

1. The products intended for the consumers' use must be labelled in accordance with the Law on technical and other regulations and standards.

Section 18

1. Product labelling is an indication on the product or its packaging or some other notification of the data identifying the product, its properties, as well as of the data on the product manufacturer and the legal entity or the natural person offering the product for sale.
2. A label comprises all data, markings, the manufacturer's or trader's trademarks, illustrations and logos on the product and its packaging.
3. Labelling also includes a written attachment, a nameplate, a (chain-)link, a buckle (clasp) etc., attached to the product and/or its packaging, accompanying the product or referring to the same.
4. Labelling is obligatory for each product and must include at least the following data:
 - a) name or commercial name of the product;
 - b) type or model of the product;
 - c) (company) name of the product manufacturer, its principal business address; in case of imported products also the importer's (company) name and principal business address, and the country of origin.
1. In case of a previously wrapped product, the label must comprise the following data: net mass, date of production, minimum shelf-life, indication of modified properties of products and organisms, ingredients and additives, as well as procedures.
2. The name under which a product is sold is an indication or description of the product and of its use, if necessary, which is needed to enable the buyer to recognize the product and to distinguish it from other similar products.
3. The information to be indicated on such labels for certain products or groups of products are set forth by the Minister of Trade of the Federation of Bosnia and Herzegovina and of the Republic of Srpska (hereinafter referred to as "the entity").
4. The full address referred to in Paragraph 4 c must comprise the following data: place, street and number, telephone and facsimile numbers, E-mail and postal number (if needed).
5. It will be considered that the product, its ingredients or additives, as well as organisms have modified properties in accordance with Paragraph 5, if:
 - a) an expert opinion based on a corresponding analysis shows that the properties established are different from those which are usual for such products, ingredients or additives and organisms, taking into account the accepted limits of natural diversities with regard to such properties;
 - b) there is substance in the product, ingredient or additive and organism which is not present in another product, ingredient, additive or organism of the kind, and which is deemed to be harmful;

- c) there is substance in the product, ingredient or additive and organism which is not present in another product, ingredient, additive or organism of the kind, and which is deemed to be inadequate for use;
 - d) there is a genetically mutated organism, or if there are metabolites of a genetically mutated organism, present in the product.
1. No indications or other data printed on product labels may be removed or modified.
 2. Upon request of manufacturers or traders, the Consumer Association of Bosnia and Herzegovina (hereinafter referred to as “CABH”) is authorized to mark foodstuff products, including food additives and seeds, with its trademark “Recommended by the Consumer Association of Bosnia and Herzegovina” or “Recommended by CABH”, provided that such products meet the criteria in accordance with the latest scientific achievements regarding ecological and health principles and maintenance of biological diversity.
 3. If raw materials are purchased with an indication “Recommended by CABH”, the trader i.e. supplier is obliged to indicate the origin of raw materials on its packaging, as well as on delivery notes and invoices. Otherwise it is deemed that such marking is non-existent.

IV RESPONSIBILITY FOR THE PRODUCT

Section 19

1. Relevant authorities in the entities prescribe safety and health of products by special regulations.
2. The product in terms of this Act is any movable article obtained by manufacturing or artificial means, even if the same is a part of another movable article or is connected with immovable property, including all forms of energy.

Section 20

1. In accordance with general regulations on responsibility for damages and the regulations on the manufacturer’s or supplier’s responsibility for defective or flawed products, in case of death or injury of the consumer, due to a defect or flaw of the product or due to an error in product usage instructions, or in case of damage of another product due to a defect or flaw, the manufacturer or supplier is obliged to compensate for such damage.
2. The manufacturer or supplier is obliged to compensate for the damage of another product if the value of such damaged product exceeds KM 50.00 and if the damaged product is intended for personal use.
3. If no supplier may be established in terms of responsibility referred to in Paragraph 2 above, the trader is deemed responsible.

Section 21

1. A product will be considered defective or flawed if the condition of such a product does not meet the consumer’s reasonable expectations.
2. In assessment of the consumer’s reasonable expectations the following will be taken into account:
 - a) idea of such product in relation to its purpose,
 - b) expected use of such product in the usual way,
 - c) date of sale of such product.

1. A product is not considered defective or flawed, if the same or a similar product of better quality or properties is offered for sale at a later stage.

Section 22

1. The consumer who has suffered a damage is obliged to prove the existence of defects or flaws, as well as the damage inflicted upon him or her.
2. The manufacturer or supplier is free from any responsibility if the same can prove that such damage has occurred due to the reasons which could have not been foreseen, avoided or prevented.

Section 23

1. The product is offered for sale when the manufacturer or supplier puts the same at disposal or in use, i.e. when the product is delivered to a warehouse or dispatched.

Section 24

1. The manufacturer or supplier is responsible for damage caused by the product during a period of ten years from the date of offering the product for sale.
2. If the product has a shelf-life, the manufacturer or supplier is responsible for damages only within that period.

Section 25

1. The manufacturer or supplier is not responsible for any damages, if the same can prove:
 - a) that the product has not been offered for sale,
 - b) that defects or errors caused by the product did not exist when the product was offered for sale,
 - c) that the manufacturer or supplier adhered to the regulations with regard to the product,
 - d) that the manufacturer has produced only integral parts of the product or procured only raw materials, ancillary raw materials and/or additives, and that such defects or errors were caused by the composition of the product with an integral part built into it, that is for which basic or ancillary raw materials or additives were used, and if the damage was caused due to disregard of the manufacturer's instructions,
 - e) that the level of expertise worldwide and the technical level of development at the moment of offering such product for sale have not provided a possibility of detecting defects or flaws of the product.

Section 26

1. Responsibility for damage may not be limited or excluded by any provision of the sales or service contract, nor by any other legal means or act.

V PRODUCT OR SERVICE GUARANTEE

Section 27

1. In order to be fully functional and flawless, products and services must be accompanied by a guarantee certificate. Manufacturers and traders are obliged to issue such guarantee certificates to consumers.

2. The shortest guarantee period for new and technically simpler products and services is one year, i.e. minimum two years for new and technically more complex products and services. The guarantee period commences on the date of sale (delivery and take-over) of such product or service.

Section 28

1. Technically more complex products must be accompanied by technical instructions and a list of the trader's own and other authorized after-sales services. The products which may be harmful to the consumer's health or which may be harmful or dangerous for other persons and environment at the moment of their use must be accompanied clear and easily understandable usage instructions.
2. In case of sale of technically complex products whose properties or qualities may be harmful during their use, the content of technical instructions or usage instructions referred to in Paragraph 1 above will be established by the competent authorities in the entities.

Section 29

1. Documents and data referred to in Section 27 and 28 must be printed or written in the official languages of Bosnia and Herzegovina.

Section 30

1. Technical instructions accompanying technically complex products must contain information on the period of after-sales service; the manufacturer or supplier is obliged to provide the market with spare parts, accessories and other products needed for proper use of the product (hereinafter referred to as "spare parts").
2. The period referred to in Paragraph 1 above must not be less than three years for household appliances and five years for other technically complex products, unless otherwise stipulated by other regulations pursuant to this Act.
3. After discontinuance of the production of such a product, the manufacturer or supplier is obliged to ensure further procurement of spare parts for the product maintenance; for technically complex products, such period may not be less than ten years.
4. If the manufacturer or supplier does not have its own after-sales service shop in Bosnia and Herzegovina, the same is obliged to provide a list of legal entities or natural persons authorized for the corresponding after-sales service in Bosnia and Herzegovina.

Section 31

1. The manufacturer or supplier is obliged to deliver spare parts, of types and in quantities needed, to its own after-sales service shops, authorized after-sales service shops and the market on a regular basis.
2. The authorized after-sales service shop must be authorized by the manufacturer and is subject to an agreement regarding procurement of spare parts.

Section 32

1. Traders selling second-hand motor vehicles, vessels and second-hand technically complex products are obliged to provide the consumer with a guarantee certificate, technical instructions and a list of the trader's own and other authorized after-sales services. The guarantee period

must be clearly specified; in case of second-hand motor vehicles, vessels and second-hand technically complex products the same may not be less than one year.

VI GUARANTEE CERTIFICATE

Section 33

1. Guarantee certificates must comprise the following data:

- a)* Company name and registered seat of the manufacturer,
- b)* Product identification data,
- c)* Duration of guarantee period,
- d)* Company name and registered seat of the trader, date of delivery,
- e)* Manufacturer's declaration on full validity of such guarantee certificate during the guarantee period, i.e. as of the date of delivery,
- f)* All other information set forth by this Act, other regulations and by-laws.

1. The manufacturer is obliged to assume its responsibilities with regard to guarantees for products and services pursuant to Sections 27, 28 and 29 even in those cases when no guarantee certificates have been issued or delivered to the consumer or when guarantee certificates do not contain any statutory prescribed obligation of manufacturers or service providers.

Section 34

1. The provisions of this Act and other regulations adopted pursuant to the same apply to products and services of local origin as well as to imported products and services, to products and services leased from abroad, all that for the purpose of use in Bosnia and Herzegovina.
2. The provisions of this Act and other regulations adopted pursuant to the same with regard to guarantee certificates, after-sales services and procurement of spare parts do not apply to products and services of customs origin, products of amateur making, and the products specially imported upon request and for the needs of natural persons, unless stipulated otherwise by any other law or provision pursuant to this Act or other regulations adopted pursuant to the same.

Section 35

1. The rights described in this chapter may also be exercised by persons who are not deemed consumers in terms of this Act.

VII GUARANTEE AND HEALTH CERTIFICATES OF FOODSTUFFS AND PRODUCTS FOR GENERAL USE

Section 36

1. Foodstuffs and products for general use, manufactured or imported for the purpose of offering for sale on the local market, must comply with the requirements regarding their health as set forth by the law and other regulations regarding health certificates of foodstuffs.
2. Health of foodstuffs includes: hygiene of foodstuffs and their correct composition in terms of energy, ingredients and protection substances affecting the biological value of foodstuffs in accordance with the law.

Section 37

1. Pursuant to this Act, foodstuffs are all items used for food or drink in processed or unprocessed condition, which are not harmful to health, as well as water, used for public supply of the population or for the production of foodstuffs for sale.

Section 38

1. Pursuant to this Act, products for general use are the following:
 - a) dishes, accessories, machines, plants, devices and packaging for foodstuffs;
 - b) toys;
 - c) personal hygiene products, beauty and care products (face and body), and packaging for such products;
 - d) cleaning agents;
 - e) tobacco, tobacco products and smoking utensils;
 - f) certain products in direct contact with skin or mucous membrane during their use.

Section 39

1. In the case that a product or a group of product is or may be harmful to the consumer's health or life, or harmful to the consumer's environment or property, the authorized bodies will prohibit such sale.

VIII ADVERTISING OF PRODUCTS AND SERVICES

Section 40

1. Advertising of products and services must not be in contravention of the laws and other regulations, must not offend human dignity nor violate the basic human, economic, social and cultural rights.
2. Advertisements may not contain any statement or visible presentation which would directly or indirectly mislead the consumer by omission, uncertainty or overstatement, in particular with regard to:
 - a) properties of a product or service such as: nature, composition, process and date of production, possibility of efficiency and effects, quantity, quality of commercial or geographical origin or effect on environment,
 - b) value of a product or service and the total price to be actually paid,
 - c) delivery, replacement, return or maintenance,
 - d) terms and conditions of guarantee,
 - e) copyrights and other similar rights, industrial property rights such as patents, trademarks, industrial shapes, drawings and models, indications of geographical origin, integrated circuit schemes (topography) and brands,
 - f) certificate of compliance (homologation) and official honouring, medals, prizes, awards and achievements for humanitarian and charity purposes.
1. Advertising may not illegally use results of research projects or quotes from technical and professional publications. Statistical data may not be presented for the purpose of overstatements in advertising messages. Technical terms may not be used to attach scientific values to advertising messages.

2. Advertising of products and services may not be improper, fraudulent or ambiguous. Good business practices are to be respected in all advertising. Advertising messages must be in one of the official languages of Bosnia and Herzegovina, if such are intended for local consumers. Exceptionally, slogans and other parts of advertising messages may be in other languages or script.
3. Advertising messages with insulting parts or possibly insulting meanings for consumers, readers, television or radio audience are considered improper advertising.
4. Improper advertising includes also those advertising messages which are not ethical or dignified, which are fraudulent or those that cause or might cause physical, mental and other damage to children, or those containing elements which abuse or might abuse children's lack of experience or knowledge.
5. Fraudulent advertising of products and services includes advertising messages and effect which are or might be fraudulent, whereby such effects on economic behaviour either damage or may damage other competitors on the market, e.g. smaller letters and figures, images and signs for indication of important parts of the offer, in particular the price.
6. Fraudulent advertising of products and services abuses or may abuse lack of experience and knowledge or distracts the consumer's attention span from important parts of the offer for the purpose of profit-making; it includes unclear, ambiguous and false statements, as well as over-statements and under-statements and other mechanisms which mislead or might mislead the consumer.
7. Advertising includes also any offer of goods or services in any form, in particular in the form of flyers, placates, posters, etc.
8. Any advertisement must contain name or company name and address of the advertiser.

Section 41

1. Upon request of an authorized body or organization for consumer protection, the authorized body for information gives expert opinion whether an advertising message is improper or fraudulent, i.e. whether it is contrary to the provisions of the International Code of Advertising Practice, issued by the International Chamber of Commerce.

IX PROVISIONS REGARDING SPECIAL OFFER

Section 42

1. The trader is obliged to notify the consumers of any special offer in the manner which is common at the point of sale.
2. Products on special offer should be clearly and visibly marked with a price-tag including the price before special offer and the actual price.
3. If the percentage of price reduction is in a certain range, the highest percentage of such reduction should refer to at least one fifth of the value of all products on special offer.

Section 43

1. A product on special offer because of expiry of its shelf-life in a short time should be additionally marked with "Best before ...".

Section 44

1. The trader selling a defective or flawed product is obliged to separate such a product from regular sale of flawless products of the same kind and indicate in a clear and visible manner that the product in question is defective or flawed. Each of such products must be separately marked.
2. The trader is obliged to inform the buyer of any defect or flaw.
3. The trader selling a product because of expiry of its shelf-life in a short time is obliged to separate such product from regular sale of other products of the same kind and indicate in a clear and visible manner that the shelf-life of such product will soon expire.

X SALE OF ENERGY, WATER, TELECOMMUNICATION, UTILITIES AND OTHER SERVICES

Section 45

1. Sale of energy (electric power, heating, gas, etc.) and water is to be charged in accordance with actual deliveries as read from the consumer's meters.
2. If such sale (delivery) of energy is not charged in accordance with consumption measurement on the consumer's meters, upon the consumer's request the supplier of energy referred to in Paragraph 1 is obliged to enable the consumer to install a consumption meter at his or her own expense, pursuant to a technical feasibility project. The technical feasibility project is made and certified by an authorized person, either legal entity or natural person, pursuant to the law.
3. Public utilities services which cannot be precisely measured (waste disposal, etc.) are charged according to the number of consumers or users of such service.
4. Bodies authorized for electric power management and authorized persons for water management, in cooperation with an authorized person from the Bureau of Standards, Measurement and Intellectual Property, will prescribe the method of measurement of the actual quantity of electric power or water supplied.

Section 46

1. Telecommunication bills issued to the consumer must contain all relevant data which enable the consumer to check correctness of the calculation of services delivered (telephone numbers dialled, duration of each call, number of telephone impulses and charge) in a period.
2. Bills for energy, telecommunication, public utilities and other services (television subscription, etc.) delivered to the consumer are to be sent separately.

Section 47

1. If the trader or service provider requests or explicitly imposes conditions on the purchase of products or service on the basis of partial or total pre-payment and delivers a product or performs a service upon receipt of such pre-payment, upon delivery of the product or performance of the service the same is obliged to calculate and pay out interest to the consumer, according to the interest rate of its bank for 3-month time deposits, provided that the term of delivery is longer than one month.

XI DIRECT MARKETING (DIRECT SALE)

Section 48

1. Direct marketing (direct sale) is sale of products and services, organized in advance, outside the trader's business premises and in accordance with a contract entered into by and between the trader and the consumer in one of the following manners:
 - a) at the consumer's place, in his apartment or house or in the apartment or house of some other person,
 - b) at the consumer's workplace,
 - c) at some other place outside permanent points of sale, when products and services are offered and sold by a personally present direct seller giving explanations and showing the product or service.
1. Sale outside the trader's business premises following the consumer's explicit request is not considered a direct sale, especially in case of products or services known or possibly known to the consumer or known as the trader's registered activity.
2. Contracts regarding construction, sale or rental of real estate, as well as contracts on other rights to real estate, contracts on delivery and installation of products to the existing real estate, or contracts on repair of the existing real estate, contracts for delivery of foodstuffs or drinks or other articles for household use, as delivered by retail vans on short terms, contracts on catalogue sale of goods and services, insurance policies and securities contracts are not considered direct sale.
3. The trader offering products and services on the "door-to-door" principle is obliged to identify himself or herself by presentation of an identity card issued by the legal entity or natural persons registered for the specific business activity.
4. In "door-to-door" sale the consumer is entitled to cancel the purchase in question within eight days of receipt of products or services, without any cost or explanation. Such cancellation is addressed to the trader and must be in written form.
5. In case of receipt of the product and subsequent cancellation of such purchase, the consumer is obliged to return the same in an unchanged and perfect condition and quantity, within eight days as of the date of notice referred to in Paragraph 5 above, with the exception of destruction, breakage or loss of the product or a change in its quality or quantity beyond the consumer's control.
6. If the consumer has started to use the agreed service, he or she may not cancel the performed segment of such a service. In such a case the trader is obliged to reduce the agreed price proportionally.
7. Return of a product to the trader within eight days as of the date of receipt is considered as cancellation of the order.
8. Cancellation of the unperformed segment of service is possible if the consumer notifies the trader thereof in written form within eight days as of the date of the performed segment of such service.
9. The period of notice in writing referred to in Paragraphs 3, 8 and 9 above and return of the product commence as of the date of dispatch of the product to an authorized agent (freight forwarder, transport agent, etc.), that is as of the date of performance of such service.
10. The period of notice in writing regarding cancellation of the unperformed part of the service referred to in Paragraph 9 above commences as of the date of delivery of such notice by registered mail.
11. With regard to refund of the price paid, the provisions of Section 55, Paragraphs 5 and 6 will apply.

Section 49

1. The contract of sale of product or service on the "door-to-door" principle must be in written form as follows:

- a) company name, VAT number, full address of the trader's or supplier's registered seat,
 - b) name, surname and address of the consumer,
 - c) name, description and quantity of product or service,
 - d) term of delivery,
 - e) date of entering into the contract,
 - f) terms and conditions of payment,
 - g) price of the product or service, and possible additional charges,
 - h) credit conditions in case of normal payment, including amount of deposit on the account, instalment plan, amount of each instalment, total price and discount for cash payment,
 - i) the consumer's rights in accordance with the provisions of Section 48 and other laws and regulations.
2. Important provisions in the contract must not be printed or written in small letters and figures.
 3. The trader's and supplier's full address must contain place, street and number, telephone and facsimile numbers, E-mail, and may also include P.O. Box number.

XII SALE AT A DISTANCE

Section 50

1. A contract of sale at a distance is each contract related to sale of products or services, organized by the trader by means of an instrument of sale at a distance, and is entered into by and between the trader and the consumer. Until final execution of such contract, one or more means of communication at a distance are used.
2. The consumer enters into a contract of sale at a distance when the trader does not have its registered seat or representation office on the territory of Bosnia and Herzegovina on his or her own responsibility.

Section 51

1. Means of communication at a distance in terms of this Act are all means which may be used for execution of a contract between the parties without actual personal presence of the trader and the consumer (printed material, letters, printed advertisements with order forms, catalogues, telephone, videophone-telephone with screen, facsimile, radio, television, cable television, E-mail, etc.).

Section 52

1. Provisions with regard to consumer protection in contracts of sale at a distance do not refer to financial service contracts (investment, insurance and banking services), contracts entered into by means of automated selling machines or automated points of sale, real estate contracts except for lease contracts, and contracts entered into at auctions.

Section 53

Previous notice

1. Before execution of a contract of sale at a distance the trader is obliged to notify the consumer of the following (by means of remote communication):
 - a) company name, VAT number and full address of the trader's and supplier's registered seat,
 - b) name of product or service, commercial name of the product,

- c)* major properties and benefits of the product or service
 - d)* price and other additional charges including the cost of delivery,
 - e)* terms and conditions of payment, terms of delivery of product or service,
 - f)* information on after-sale service (maintenance and sale of spare parts during and upon expiry of guarantee period),
 - g)* right and terms of contract cancellation, except for the cases referred to in Section 56,
 - h)* expenses of remote communication means, if such expenses are not charged within the price and additional costs referred to in d) above,
 - i)* option of the offer, i.e. validity of offer and price,
 - j)* minimum period of contract validity, in case of continuous or regularly recurring protection,
 - k)* competent court and applicable law in case of disputes.
1. The trader's and supplier's full address must contain place, street and number, telephone and facsimile numbers, E-mail, and may also include P.O. Box number, for the purpose of possible complaints.
 2. Notifications referred to in Paragraph 1 above must be unambiguous, clear, easily understandable and adapted to remote communication means, subject to full respect of good business practices and principles governing the protection of minors and other persons who are not eligible to conclude a contract of sale.
 3. Notifications referred to in Paragraph 1 above must contain the terms and conditions of contract cancellation.
 4. In sale to a distance by means of remote communication, at the beginning of each communication the trader is obliged to present its identity and clear commercial purpose.

Section 54

1. During the period of agreement and prior to delivery at the latest, the consumer is entitled to receive a notification in written or other permanent form containing all the information referred to in Section 53.
2. Notifications referred to in Section 53 should contain the trader's warranty that the information regarding the consumer will not be disclosed to third parties or legal entities or natural persons operating within the same group of companies (concern), unless previously agreed upon by the consumer in written form.
3. Immediately upon dispatch of the product, the trader is obliged to notify the consumer of the time and manner of such dispatch.

Section 55

1. The consumer is entitled to cancel the contract entered into at a distance within 14 days without any cost and explanation. In case of such cancellation, the consumer is obliged to refund only the cost of product return.
2. The period of notice commences on the date when the consumer receives the product, provided that the trader has been previously notified thereof in accordance with the provision of Section 53.
3. In case of services the period of notice commences as of the date of entering into the contract, provided that the trader has been previously notified thereof in accordance with the provision of Section 53.
4. If the trader has failed to notify the consumer in accordance with the provision of Section 53, the period of return is three months, i.e.:
 - a)* in case of products, as of the date of receipt thereof by the consumer,
 - b)* in case of services, as of the date of execution of the contract.

1. If the trader notifies the consumer in accordance with the provision of Section 53 within three months, the period of return of 14 days referred to in Paragraph 1 commences as of the date of receipt of written notification.
2. If the consumer cancels a contract of sale at a distance, the trader is obliged to return the paid amount of money without further delay.
3. If the trader fails to return the paid amount of money within 14 days as of the date of receipt of the consumer's notification on contract cancellation, the same will be liable to pay interest on arrears and an additional sum of ten percent of the purchase price for each thirty days of arrears.

Section 56

1. Unless agreed otherwise by the parties, the consumer may not cancel the contract in the following cases:
 - a) in case of services, if commenced before the expiry of the period of notice,
 - b) in case of services such as games of chance,
 - c) if the product or service price depends on modifications beyond the consumer's control,
 - d) if the consumer has personally sent an order or specification in written form,
 - e) if the product may not be returned due to its nature,
 - f) in case of deliveries of audio or video recordings or computer instructions used by the consumer,
 - g) in case of deliveries of newspapers, periodicals and journals.
1. Written notifications referred to in Section 53 should define the reasons for impossibility of contract cancellation.
2. If the trader provides the consumer with a credit on the basis of a contract of sale, either alone or through third parties, in case of contract cancellation the same is not entitled to claim interest on arrears or any other refund related to contract cancellation.

Section 57

1. The trader is obliged to deliver the product or render the service agreed within 14 days as of the date of order. Otherwise the trader is obliged to refund the amount of down payment received. Refunds of down payments are governed by the provisions of Section 55, Paragraphs 6 and 7.

Section 58

1. Deliveries of products or services which have not been ordered by the consumer are prohibited, if such deliveries include payment.
2. If the trader sends a product to the consumer aiming at sale of the same without the consumer's order, the consumer is entitled to consider such product an advertising or promotional gift.
3. Without prior consent of the consumer, the trader must not use remote communication means such as telephone, facsimile, E-mail, etc.

XIII CONSUMER CREDITS

Section 59

1. A consumer credit contract is a contract in written form by which the trader on the basis of its registered activity grants or offers a credit to the consumer, either in form of hire purchase, loan or similar financial support.

Section 60

- 1.** A consumer credit contract must comprise the following:
 - a)* liability and terms of savings of money deposit with the trader if such deposit is a condition for credit grant,
 - b)* annual interest rate for credit in real terms,
 - c)* annual interest rate for credit and interest rate for money deposit, if such deposit is a condition for granting credit,
 - d)* possibility of settling the interest rate,
 - e)* terms and conditions of changes of annual interest rate for credit in real terms,
 - f)* amount to be paid off, number of instalments and instalment plan,
 - g)* amount of the credit to be paid off, total amount of credit repayment,
 - h)* security of credit repayment and other conditions requested by the trader,
 - i)* interest rate on arrears and other charges and levies to be charged to the consumer in case of failure to fulfil his or her obligations and commitments.

Section 61

- 1.** Prior to entering into the contract, the consumer must be informed about all provisions thereof in written form (letter, offer, flyer, etc.), as well as about the total costs of such credit, which must be presented in items.
- 2.** The total costs of credit to be borne by the consumer are the total costs including interest and other expenses to be paid.

Section 62

- 1.** The total costs of credit to be borne by the consumer do not include the following:
 - a)* costs paid by the consumer in case of failure to comply with contract obligations,
 - b)* costs of money orders and remittances and costs of accounting with regard to instalments, interest and other expenses,
 - c)* costs of credit repayment security, the maximum of which may be the total amount of credit, including interest and other expenses,
 - d)* costs of membership fees of certain associations or group arising from special agreements and having impact on consumer credits,
 - e)* miscellaneous costs, such as the costs to be paid by the consumer which are not considered the purchase price of the product.

Section 63

- 1.** The annual interest rate for credit in real terms is the annual rate of credit costs which means the total costs of such credit to be borne by the consumer, expressed in an annual percentage of the credit granted, in order to equalize the value of all liabilities (lease, repayment and expenses) at an annual level.

Section 64

- 1.** The annual rate of credit costs is calculated at the moment of entering into a contract and is valid during the entire period of such a contract, also for contractual obligations, provided that the

contract is valid for the agreed period of time and that both parties comply with their obligations.

Section 65

1. The consumer is entitled to fulfil his or her obligations arising from a consumer credit contract before the expiry of the same, which is subject to a proportional reduction of the total costs of such a credit.

Section 66

1. In case of assignment of the trader's rights arising from the credit contract to third parties, the consumer is entitled to transfer his or her right of recourse to such third parties, provided that the right of recourse may be exercised toward the initial trader, including also the right of recourse regarding settlement.

Section 67

1. If the trader receives the consumer's bill of exchange and/or cheques, the same will be responsible for adequate protection of the consumer with regard to the use of these securities.

Section 68

1. If the trader grants a consumer credit to the consumer for the purpose of purchase of a certain product and/or service pursuant to the previous agreement between the trader and the supplier of such product and/or service and the product and/or services which is the object of the consumer credit contract has not been delivered or has been only partially delivered, or if the product and/or service delivered does not comply with the sale contractual provisions, and the consumer cannot prove his or her rights to the supplier, the consumer is entitled to prove his or her rights to the trader.
2. If the consumer credit is granted for purchase of a certain product supplied by a certain supplier and if the product purchased is to be returned by the consumer due to failure of credit repayment, the settlement between the parties in such withdrawal must not enable unauthorized profit-making.

Section 69

1. In case of conclusion of a contract between the consumer and the trader on consumer credit grant in form of a permitted overdraft on the consumer's current account, prior to entering into such contract the trader is obliged to inform the consumer in writing of the following:
 - a) permitted upper limit of such overdraft on the consumer's current account,
 - b) annual interest rate and charges debiting the consumer's current account for such overdraft within the granted credit, for the period of contract validity, reasons for possible changes of terms and conditions,
 - c) cases of contract termination.
1. The trader is obliged to inform the consumer in writing about each change of annual interest rates and other charges eight days in advance, or exceptionally at the moment of such changes, if

this period is less than eight days, as well as at the moment of debiting the consumer's current account.

Section 70

1. If the trader silently permits overdrafts of the consumer's current account, the same is obliged to notify the consumer in writing of the amount of annual interest rates and the interest to be paid, of all changes of interest rates for current account overdrafts longer than three months and of the charges to be debited due to such overdrafts, as well as of all liabilities of the consumer due to current account overdrafts.

XIV PURCHASE ON INSTALMENT PLAN

Section 71

1. By entering into a contract of sale of products or services on an instalment plan, the trader is obliged to deliver a certain product or render a certain service before the consumer pays the entire sum of the purchase price, and the consumer is obliged to pay the purchase price by instalments according to an agreed instalment plan.

Section 72

1. A contract of sale of products or services on an instalment plan must be drawn up in written form and include all stipulated elements: the total amount of all instalments, including the first instalment to be paid at the moment of contract execution, the amount of each instalment, the number of instalments, instalment plan, and other costs charged by the trader with regard to sale of products or rendering of services.
2. If a contract of sale of products or services on an instalment plan does not include all the elements referred to in Paragraph 1 above, the consumer is entitled to cancel the contract.
3. Important provisions in the contract must not be printed or written in small letters and figures.
4. The consumer is entitled to cancel the contract of sale of products or services on an instalment plan, provided that the same notifies the trader thereof in writing within eight days as of the date of entering into the contract.
5. The consumer may not waive the right set forth in Paragraph 4 above.

Section 73

1. The consumer is at any time entitled to pay the remaining sum of instalments due without interest and additional costs as a single payment.
2. Any provision in contravention of the provision set forth in Paragraph 1 above is null and void.

Section 74

1. The trader is entitled to cancel the contract of sale of products or services on an instalment plan if the consumer is in arrears with payment of the first instalment, provided that the total purchase price is to be paid by up to four instalments.
2. Upon receipt of the first instalment, the trader is entitled to cancel the contract of sale of products or services on an instalment plan, if the consumer is in arrears with payment of two consecutive instalments, however not less than one eighth of the total purchase price.

3. Instead of claiming its rights arising from Paragraphs 1 and 2 above, the trader is entitled to claim the payment of the amount due within a period of 14 days.

Section 75

1. Under exceptional circumstances, upon the consumer's request, the court may prolong the term of payment of instalments in arrears, provided that the consumer produces adequate performance guarantees and that the trader does not suffer any damage.
2. The contractual provision with regard to penalties due to arrears is null and void.

Section 76

1. In case of cancellation of a contract of sale of products or services on an instalment plan, the trader is obliged to refund all paid and received instalments to the consumer, together with the interest payable at the interest rate of the trader's bank for 3-month time deposits as of the date of receipt of such payments until the date of refund thereof, as well as to refund all the costs incurred upon the consumer in connection with the product and/or service.
2. The consumer is obliged to return the product in an unchanged and perfect condition and quantity, or to pay a fee for the reduced value of the product due to the use of the same, until the date of cancellation of a contract of sale of products or services on an instalment plan.

Section 77

1. The consumer's rights arising from this Chapter are to be quoted in the contract of sale of products or services on an instalment plan.
2. All contractual provisions which are less favourable for the consumer than the provisions of this chapter, except for the provisions regarding reserved property rights, are null and void.

Section 78

1. The provisions of a contract of sale of products or services on an instalment plan arising from this chapter apply also to other types of contracts with the same content (leasing contracts, whereas the object of leasing is transferred to the consumer's ownership upon a certain period of leasing payment).

XV INSURANCE

Section 79

1. Insurance business pursuant to this Act includes taking out and execution of insurance policies for general (property) insurance, insurance of persons, measures for prevention and reduction of risks to property and life, measures for prevention and reduction of damages, and other insurance operations governed by the Insurance Act.

Section 80

1. Insurance is a contract-based transaction in which the consumer is sold or offered for sale the insurance products referred to in Section 80 at a previously fixed price.

Section 81

1. **Insurer** is a legal entity entering into a property insurance contract (insurance policy) or a contract of insurance of persons with a policy holder.
2. **Insurance broker** is a legal entity or a natural person offering or selling property insurance policies or policies of insurance of persons on behalf of and for the account of an insurer.
3. **Policy holder** is a consumer entering into an insurance contract (taking out an insurance policy) with an insurer in written form.
4. **Insured** is a consumer whose property or life is being insured and who is entitled to all the rights arising from such insurance.
5. **Insurance premium** is the amount paid by the policy holder for insurance in accordance with the provisions laid down in the insurance contract.
6. **Insured sum** is the amount of money covering property or life insurance.
7. **Insurance policy** is a document of insurance contracting.

Section 82

1. Descriptions from an insurance proposal given to the policy holder by the insurer or an insurance broker, price and other contractual terms and conditions must not contain fraudulent information.
2. Terms and conditions of insurance (hereinafter referred to as the “Terms and Conditions”), which are obligatory given to the policy holder in written form, must be clear, legible and understandable.
3. Important information on the Terms and Conditions must not be printed or written in small letters and figures. The policy holder must be clearly and unambiguously informed of any subsequent modifications of the information contained in the Terms and Conditions prior to entering into an insurance contract, which must be explicitly indicated as an instruction in the Terms and Conditions.

Section 83

1. The policy holder must be informed of all contractual provisions prior to entering into such a contract of insurance (hereinafter referred to as the “contract of insurance”) in the way that he or she is personally served a copy of the contract.
2. The provision added to the contract subsequently or immediately before entering into the same will be considered null and void, provided that such a provision is in contravention of other contractual provisions.

Section 84

1. The contract of insurance should include the following:
 - a) company name and registered seat with full business address of the insurer,
 - b) company name and registered seat with full business address, or name and full address, of the insurance broker, who may be either a legal entity or a natural person,
 - c) name, surname, social security number and address of the policy holder,
 - d) name, surname, social security number and address of the insured,
 - e) precise description of the rights the policy holder and the insured are entitled to pursuant to the contract of insurance,

- f) object of insurance,
 - g) period of validity of the contract of insurance,
 - h) period in which the rights arising from the contract may be exercised,
 - i) inception date of insurance cover,
 - j) sum insured,
 - k) amount of insurance premium,
 - l) date of insurance premium payment,
 - m) discounts on the amount of insurance premium,
 - n) number of instalments, amount of each instalment and instalment plan, in case of insurance with the premium paid by instalments,
 - o) taxes, municipal taxes and other levies,
 - p) provision that the policy holder may not be charged any additional fees other than the agreed ones,
 - q) terms of contract termination,
 - r) settlement of disputes,
 - s) competent court and applicable law in case of disputes,
 - t) place and date of entering into the contract of insurance.
1. The full address referred to in Paragraph 1 *a)* and *b)* above must consist of place, street and number, telephone and facsimile numbers, E-mail, and may also include P.O. Box number.
 2. Important provisions in the contract must not be printed or written in small letters and figures.

Section 85

1. The price established in the contract may not be modified, unless there is such a provision in the contract and provided that the contract includes the data for calculation of a new price.

Section 86

1. The policy holder is entitled, without specification of any reasons whatsoever, to cancel the contract, provided that the same notifies the insurer thereon in written form within 14 days as of the date of entering into such contract.
2. During the cancellation notice referred to in Paragraph 1 above the insurer must not claim any payments from the insured.
3. If the contract does not contain all the provisions set forth in Section 84 above, the policy holder is entitled to cancel the contract, provided that the insurer sends a written statement within three months as of the date of entering into the contract.
4. In case of cancellation of the contract in accordance with Paragraph 1 above, the provisions set forth in Section 76 will apply.
5. Provided that the policy holder cancels the contract in accordance with the provisions set forth in this Section, the provision governing the policy holder's obligation to compensate for the expenses in full or in any part will be considered null and void.

Section 87

1. In case of a contract entered into for a period of at least three years, the policy holder is entitled to terminate the same, provided that the policy holder notifies the insurer thereon in written form one month before the date of insurance premium payment.
2. Termination of the contract referred to in Paragraph 1 above should be in written form and served to the insurer by registered mail or in any other appropriate manner.
3. The contract entered into for a period less than three years may not be terminated.

4. In case of termination of the contract in accordance with the provisions of this Section, the provisions set forth in Section 76 will apply.
5. Provided that the policy holder terminates the contract in accordance with the provisions set forth in this Section, the provision governing the policy holder's obligation to compensate for the expenses in full or in any part will be considered null and void.

XVI ELECTRONIC MEANS OF PAYMENT

Section 88

1. Electronic means of payment (hereinafter referred to as "EMP") include means of payment at a distance, which enable the account holder to access his or her money held on an account at a financial institution for the purpose of transferring a sum of money (transaction), which is subject to a proof of identification number and/or a similar proof of identity.
2. Means of payment at a distance may be various cards such as credit and debit cards, customer's cards (cards issued by trading companies), by means of which account debiting may be postponed, as well as application of telecommunication and home banking.
3. Electronic money (also known as e-money) is a means which consists of a stored value card (a card which memorizes money values) or a computer memory in which a certain amount of value is stored electronically, thus enabling its holder to perform financial transactions.
4. Some types of e-money may be 'refilled' with an amount of value. E-money is not considered a means of payment at a distance.
5. The provisions regarding EMP refer to:
 - a) money transfers by means of EMP, except for payments ordered or effected through financial institutions,
 - b) deposit and withdrawal of cash by means of EMP from ATMs in or outside buildings of the EMP issuer or other legal entities which are entitled to accept EMP according to a contract.
1. The provisions regarding EMP apply neither to payments by cheques nor to guarantee functions of EMP of certain cards with regard to payments by cheques.

Section 89

1. **Issuer** of EMP is a person who within its business operation puts EMP to the disposal of another person in accordance with a contract in written form.
2. **Holder** of EMP is a person who holds EMP in accordance with a written contract entered into with the issuer.
3. **User** of EMP is a person who has EMP at its disposal in accordance with a written contract entered into with the holder. The user may also be the holder of EMP.

Section 90

1. At the moment of completion of a contract and prior to delivery of EMP by all means, the issuer of EMP should notify the interested party (possible user) of the following information, in written but also, if possible, in electronic form:
 - a) communication equipment of EMP holder and user, type and method of EMP use including, if an, the financial limit of payment,
 - b) description of EMP, if needed also technical requirements with regard to the use of EMP, list of corresponding liabilities and responsibilities of the EMP holder and/or user and of the issuer of EMP, in particular list of measures to be implemented by the EMP issuer in order to ensure

safety of EMP and the means which enable its use (e.g. entering and use of code into EMP in the form of a social security number or identification number or some other code),

- c) usual time of debiting or crediting the EMP holder's or user's account, including the date of conversion, that is – if the EMP holder or user does not hold an account at the EMP issuer, usual time of receiving the invoices,
 - d) all costs charged to the holder, particularly the amount of initial and annual taxes, commissions and costs paid by the EMP holder or user to the EMP issuer for its performance, if necessary also interest and method of interest calculation,
 - e) period of time in which the EMP holder or user may send a complaint with regard to a certain transfer of an amount of value, instructions with regard to assistance and compensation procedures the holder or user is entitled to, as well as commencement of such procedures,
 - f) applicable law.
1. If EMP may be used in transactions with foreign countries (outside the country of the EMP issuer or union), the EMP issuer will notify the EMP holder or user of the following:
 - a) amount of all taxes and prices for foreign currency conversion, if needed also rate of exchange,
 - b) relevant exchange rate for calculations, including the date of foreign exchange rate.

Section 91

1. Upon the transfer of an amount of value the EMP issuer is obliged to notify the EMP user of the following information, in written but also, if possible, in electronic form:
 - a) information by means of which the EMP user may identify the transfer of an amount of value and the data on the receiver of such transfer,
 - b) amount of such transfer which will be charged to the holder,
 - c) currency in which such transfer will be charged to the EMP user,
 - d) amount of taxes and cost of such transfer.
1. The EMP issuer is obliged to provide the EMP holder and user an insight into at least the last five transfers of amounts of value performed in that way, as well as to check the actual account balance.

Obligations of EMP holders and users

Section 92

1. EMP holders and users are obliged to use EMP in accordance with the conditions established for issue and use of EMP. EMP holders and users are obliged to undertake all measures to ensure safety of EMP and its use, in particular personal identification numbers or other codes.
2. EMP users are obliged to report to the EMP issuer or to an institution designated by the EMP issuer without any delay in any of the following cases:
 - a) loss or theft of EMP or of an identification document,
 - b) entry of an illegal transfer of an amount of value on his or her account,
 - c) each error and irregularity in the EMP issuer's accounting.
1. The EMP user is prohibited to note down his or her identification number or other code in an easily recognizable form, neither on EMP nor on any other thing the user carries with himself or herself together with EMP.
2. The EMP user is prohibited to cancel an order made by means of his or her EMP, except for the case when no amount was fixed at the moment of placing such an order.

Liabilities of EMP users

Section 93

1. Until the moment of reporting a loss or theft, the EMP user will be liable to compensate for the costs incurred up to a maximum amount of KM 300.00, except for the cases when such loss was caused by negligence of the EMP user, fraud or infringement of the provisions set forth in Section 92, Paragraph 2.
2. As of the moment of the EMP user's reporting to the EMP issuer (or to any other institution designated by the EMP issuer) about loss or theft of EMP, the EMP user is not liable for any further consequences of such loss or theft, except for the cases of negligence, fraud or infringement of the provisions of this Act by the EMP user.
3. The EMP user is not liable if EMP was used in his or her absence or without his or her identification card. Application of confidential codes or any other identification mechanism is not sufficient to make the EMP user liable.

Obligations of EMP issuers

Section 94

1. The EMP issuer is entitled to modify the terms and conditions of a contract if the EMP holder of user is personally notified of such modifications in advance, so that the EMP holder may cancel the contract within one month as of receipt of such notification due to modifications of terms and conditions.
2. The provisions set forth in Paragraph 1 above do not refer to changes in the interest rate applicable as of the date of issue if the EMP issuer notifies personally the EMP holder or user thereof, which does not affect the EMP holder's right to cancel the contract.
3. The EMP issuer:
 - a) is prohibited to disclose the personal identification number or any other code of the EMP holder, except to the EMP holder,
 - b) is prohibited to send unrequested EMP, except for the cases of replacing EMP by another EMP which the EMP holder or user already possesses,
 - c) is obliged to keep internal records for the purpose of checking and correcting possible errors in transfers of amounts of value as referred to in Section 88,
 - d) is obliged to provide the EMP holder and user with an appropriate means for notification and delivery of notices. If the EMP user sends his notification per telephone, the EMP issuer is obliged to confirm the receipt of such notification in written form.
1. In case of a dispute with the EMP holder regarding a transfer of an amount of value referred to in Section 88, the EMP issuer should, with reserved right of the other party's evidence, prove the following:
 - a) the transfer has been duly noted and entered into accounts,
 - b) the transfer has not been affected by a technical breakdown or any similar failure.

Responsibilities of EMP issuers

Section 95

1. The EMP issuer is responsible:
 - a) for unperformed or wrongly performed transfers of amounts of value of the EMP holder or user also in cases when such transfer has been performed through the machine/terminal which is not under direct or exclusive control of the EMP issuer, provided that such transfer has not been performed through a machine whose operation has not been authorized by the EMP issuer,

- b) for transfers which have not been authorized by the EMP holder or user; the EMP issuer is responsible also for any mistake or error in maintaining the EMP holder's or user's account,
 - c) for the amount of unperformed or wrongly performed transfers of amounts of value with accrued interest,
 - d) for the amount needed in order to restore the EMP holder's or user's account to the balance existing before entry of an unauthorized amount,
 - e) for financial consequences, in particular those regarding the volume and compensation of damages in accordance with the provisions of the contract entered into by and between the EMP issuer and the EMP holder.
1. The EMP issuer is liable towards the EMP holder for any loss of the value stored or for wrongful performance of transfers of amounts of value due to a functional error of the machine or EMP until such loss or wrongful performance is not corrected, provided that the functional error has not been caused by the user deliberately or in contravention of the provisions set forth in Section 91, Paragraph 1 a).
 2. Functional errors of machines or EMP may not inflict damages to the EMP holder or user which would not be reasonably compensated by the EMP issuer.

Section 96

1. The EMP issuer enables the EMP user to report a loss or theft of EMP at any time.
2. Upon receipt of notification on a loss or theft of EMP, the EMP issuer is obliged to undertake all measures for the prevention of further use of EMP, even in case when the EMP holder or user acts negligently or fraudulently.

XVII PACKAGE HOLIDAYS AND TOURS

Section 97

1. Package holidays and tours (hereinafter referred to as "package tours") are contract-based transactions in which the consumer is sold or offered for sale the services of transport and accommodation at a previously fixed price, provided that the duration of such a package tour is at least 24 hours and that it includes at least one overnight stay.
2. A package tour may also include other tourist services which are not ancillary transport and/or accommodation services and which make up a significant part of the total price.
3. In case of separate charge for certain services within the package tour, the tour operator or agent (hereinafter referred to as "the tour operator") is also responsible for those services.

Section 98

1. **Tour operator** is the person organizing package tours on a permanent or occasional basis, offering such services directly or through agents.
2. **Consumer** is the person purchasing (booking) a package tour or undertaking such purchase (main contractor), or the person through whom the main contractor is obliged to use the package tour services, or the person to whom the main contractor and other assistants transfer the package tour (receiver).
3. **Agent** is the person selling or offering for sale, the package tours prepared by the tour operator, on behalf of and for the account of the tour operator.
4. A package tour contract in written form is entered into by and between the consumer and the tour operator.

Section 99

1. Descriptions of tourist services, price and other contractual provisions the consumer is provided with by the tour operator must not contain any fraudulent information.
2. Programs, brochures or catalogues which are always personally presented to the consumer prior to completion of a package tour contract must be understandable, legible and clear, and should contain the following information:
 - a) precise itinerary and description of route, i.e. package tour,
 - b) precise description of destination (place of stay),
 - c) clear and exact data on type, position and category of accommodation, as well as other important features of board and lodging,
 - d) type of transport and class,
 - e) total number of days and overnight stays in the package tour,
 - f) date, time and place of departure and return,
 - g) total price of the package tour and amount or percentage of the total price to be paid in advance (down payment), as well as the instalment plan,
 - h) prices of optional services,
 - i) instructions regarding the minimum number of tourists needed to realize the package tour, if such minimum number is a condition,
 - j) terms and conditions regarding booking and cancellation of booking, and guarantees of the tour operator,
 - k) deadline for notification in case of cancellation of the package tour by the tour operator or agent,
 - l) other information of importance to the consumer (climate, currency, etc.).
1. Important information in programs, brochures or catalogues referred to in Paragraph 1 above must not be printed or written in small letters and figures.
2. The consumer must be clearly and unambiguously informed of any subsequent modifications of the information contained in programs, brochures or catalogues prior to entering into a contract, which must be explicitly indicated as an instruction in programs, brochures or catalogues.
3. Prior to entering into a contract, the tour operator or agent is obliged to inform the consumer, either in written or some other form, of all formalities with regard to travel and stay, i.e. regarding passports, visas, health requirements in the country of departure, transit or destination, and in particular of all deadlines for obtaining or extending the above mentioned documents.

Section 100

1. Before the beginning of the tour, the tour operator or agent should inform the consumer in written or some other appropriate form of the following:
 - a) time and place of stopping places and connection lines, information on the place occupied by the consumer in a means of transport (cabin, bed on board a ship or a train),
 - b) name and surname or company name, address and telephone number of the tour operator's local representative or place in which the consumer may be provided assistance or help, if needed,
 - c) in case of non-existence of such representatives, the consumer will be given a telephone number for emergency calls or some similar information for the same purpose, so as to enable the consumer to contact the tour operator in case of emergency,
 - d) in case of children travelling abroad, the person responsible for the child during travel and methods of establishing direct contacts with the child's parent(s) during the package tour,
 - e) information on possible taking out of a special insurance policy to cover the costs in case of travel cancellation, injury, illness and death, return to the home country, and loss of luggage during the package tour.

Section 101

1. The consumer should be notified of all contractual provisions prior to entering into such contract and should obtain one copy thereof.
2. The contract must contain all the provisions set forth in the programs, brochures and catalogues referred to in Section 99, Paragraph 2, personally served to the consumer.
3. Any provision included in the contract subsequently or immediately before the execution thereof, provided that the same is in contravention of other provisions, will be considered null and void.

Section 102

1. In case of inability to travel on the basis of a package tour, provided that the tour operator has been duly notified thereof in written form, the consumer may assign his or her booking until the agreed date of departure to another consumer eligible for such journey.
2. The consumer assigning its booking and the consumer accepting such assignment are jointly responsible to the tour operator and are jointly liable for contract obligations (payment of the amount due, costs of package tour transfer, etc.).

Section 103

1. The price established by the contract may not be changed unless such change is explicitly agreed upon, provided that the contract comprises all elements for calculation of a new price. Subsequent changes of calculation are permitted only in one of the following cases:
 - a) changes of transport costs exceeding five percent of the price due to a change of price of fuel,
 - b) changes of taxes such as docking taxes at sea, river or lake ports and harbours, airport landing taxes, maritime navigation and tugging fares, passenger airport taxes,
 - c) effect of exchange rate fluctuations, if such fluctuation increase the price of a package tour by more than five percent.
1. The agreed price may not be increased in the period of twenty days before the agreed date of departure.

XVIII TIME-SHARING OF TOURIST OBJECTS

Section 109

1. The contract on direct and indirect acquisition of right to use the tourist object (real estate) on time-sharing basis (hereinafter referred to as "the contract"), should be made in written form and agreed upon for the period not shorter than three years.
2. The contract should include the following:
 - a) name and full address of the company selling the tourist object on time-sharing basis;
 - b) name and full address of the legal entity or natural person - owner or having the right of disposal of the tourist object;
 - c) name, family name and address of the consumer;
 - d) full description of the rights entitled to consumer by this contract;
 - e) name and exact description of the tourist object and its occupancy, if such right relates to the specific real estate, country, province, city or village or place where the tourist object is located, position, classification, communal equipment and other data important for its use;

- f) period in which the contractual rights can be realized and the time when the contract becomes effective;
- g) in case that the tourist object has not been finished at the moment of the contract conclusion, exact data about the state of construction and the time envisaged for the tourist object to be in use, number of building permit, name and full address of the body that issued the building permit;
- h) data about public utility services at disposal to the tourist object (gas, electricity and heating connections, water, telecommunications, cable television etc);
- i) performance bond for the tourist object completion and indemnity in case the object is not finished at all or is not finished within the contractual period, as well as the mode of realisation of the guarantee rights;
- j) exact price for the time-sharing of the tourist object;
- k) taxes, surtaxes and other levies deemed to be paid by the consumer, not included in the price from item j);
- l) other expenses, save for the price, the consumer is due to pay in connection with the use of tourist object and principles of such costs allocation (tourist tax, maintenance and management of tourist object, use of common premises and spaces, appliances and devices, waste disposal, gas, electric and heating energy, water etc);
- m) data about shared rooms, spaces and devices (pool, sauna, laundry-room and drying-room, balcony, garden, cellar, wood-shed etc) and the terms about the consumer access to such premises, spaces and devices;
- n) rules for maintenance, repair, running and business management of the tourist object,
- o) consumer rights according to this Law;
- p) provision that the consumer cannot be encumbered with any other charges save for contractual ones;
- q) possibilities for change or further sale from this contract;
- r) contract cancellation terms;
- s) settlement of disputes terms;
- t) court jurisdiction and application of material law in case of dispute;
- u) place and date of contract conclusion.

3. Full address from Paragraph 2, items a), b) and g) and Paragraph 2 of this Section must include the place, street and street number, telephone and facsimile numbers, E-mail address and may include the P.O. Box.

4. Substantial provisions in the contract may not be written in small letters or in numbers.

5. The Trader must provide the data from this Section to each consumer asking for information about the tourist object.

6. In case the consumer does not stipulate otherwise, and/or the changes happen which could not have been influenced by the trader, any changes to this contract are allowed only in case they were notified to the consumer prior to the contract conclusion, providing that such changes were explicitly mentioned in the contract.

Section 110

1. The consumer has the right to desist from the contract without quoting the reasons in case the written notice was sent to the trader with whom the contract has been concluded within 14 days as of the conclusion date.

2. The trader may not claim any payment from the consumer within the desist period from Paragraph 1.

3. In case the contract does not include all provisions prescribed in Section 109, the consumer has the right to desist from the contract, provided that he sends a written notice to the trader with whom the contract has been concluded, within three months time from the conclusion date.
4. In case of annulment of the contract on basis of provisions from this Section, provisions from Section 55 Paragraph 6 and 7 will be applied.
5. In case of annulment of the contract on basis of Paragraph 3, the consumer is not liable to compensate for any costs.
6. Any provision from the contract requiring the consumer to compensate all costs or part of the costs in case of annulment of the contract according to the stipulations from this Section, will be null and void.

XIX CONTRACTUAL PROVISIONS

Section 111

1. Contractual provisions are binding upon the consumer only in the case he has been informed about the contract contents prior to its conclusion, or if the contractual terms should have been known to him at the moment of the contract conclusion.
2. Contractual provisions must be clear and interconnected with the other provisions in the same or any other contract between the same parties, bearing in mind the nature of goods or services and other participants in connection with the contract conclusion.
3. In case of doubt concerning any contractual provision, the more favourable meaning for the consumer will be applicable.
4. It will be considered that the consumer was informed about the contractual provisions if the trader notified him and such provisions were at his disposal.

Section 112

1. The trader is not allowed to ask for contractual provisions which are unfair or could be harmful for the consumer in any sense.
2. Contractual provisions from Paragraph 1 are null and void.

Section 113

1. Contractual provisions that were not personally bargained will be considered unfair provided that such provisions are contrary to the principles of good will and:
 - a) create substantial inequality by damaging customer's contractual rights and the obligations of the contracted parties,
 - b) if the fulfilment of contractual obligations would differ significantly from the customer's justified expectations,
 - c) if they are contrary to the principles of honesty, conscientiousness and good business relations.
2. In case of doubt regarding a particular contractual stipulation, the more favourable interpretation for the customer will apply.
3. The contractual stipulations will be considered null and void in case the implications therefrom are that:
 - a) the trader may escape his contractual obligations in any case;
 - b) the consumer is deprived of his right of execution of contractual provision (provision concerning invalidity, incompleteness or irregular execution of contractual provisions);
 - c) the price is not fixed or has not been clearly enough defined;

- d) the responsibility by the trader, producer, importer, or representative for the damage caused accidentally is excluded;
- e) the trader has contracted an inappropriate length of time for the customer's order to be fulfilled;
- f) the trader is unilaterally allowed to change the contract stipulations;
- g) the trader retains the right to decide whether the delivered product or services were in accordance with the contractual provisions;
- h) the trader or consumer may, without the other party's consent, transfer their contractual obligations to a third party, which has not been nominated in the contract;
- i) the trader commits the customer to compensate the costs, in case of valid annulment in accordance with the rights pertaining to the customer in accordance with this Law.

Section 114

1. The jurisdiction of the Bosnia and Herzegovina court is mandatory to be agreed upon as contractual legal protection of the customer in case of the contracts concluded in Bosnia and Herzegovina between the domestic customers and foreign legal entity or natural person.
2. Any provision contrary to Paragraph 1 is null and void.
3. Any contract between the domestic customer and foreign legal entity or natural person as well as any contract on sale at a distance, regardless of the trader's seat, will be considered the contract concluded in Bosnia and Herzegovina.

XX CONSUMER PROTECTION HOLDERS

Section 115

1. The responsible consumer protection subjects in Bosnia and Herzegovina are the following:
 - a) Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina (hereinafter referred to as the Ministry);
 - b) Bosnia and Herzegovina Competition Council;
 - c) Bosnia and Herzegovina Consumer protection council;
 - d) Competition and Consumer Protection Office in the Federation of Bosnia and Herzegovina and the Republic of Srpska (hereinafter referred to as the CCPO of the entities);
 - e) Consumer associations;
 - f) Educational institutions, media and publications;
 - g) Inspection and other bodies, according to the law.

Section 116

1. Within its competence, the Ministry of Foreign Trade and Economic Relations, performs the activities related to consumer protections and particularly:
 - a) coordinates the National annual consumer protection programme production;
 - b) coordinates work and activities related to consumer protection with the Competition Council of Bosnia and Herzegovina, Bosnia and Herzegovina Consumer protection council and Entity CCPOs;
 - c) monitors the situation in consumer protection sphere and proposes to the competent authorities the changes of legislation related to consumer protection;
 - d) informs the public opinion in Bosnia and Herzegovina about the consumer rights and interest violations;

- e) coordinates and exchange information and data with all subjects responsible for consumer protection;
- f) keeps record about the public authority allocations to the Bosnian-Herzegovina consumer associations.

Section 117

1. The Minister of the Ministry nominates members of the Consumer Protection Council of Bosnia and Herzegovina (hereinafter referred to as the Council), one representative from each of the following:

- a) Competition Council of Bosnia and Herzegovina;
- b) Veterinary Office of Bosnia and Herzegovina;
- c) Statistics Agency of Bosnia and Herzegovina;
- d) Institute for standards, measurements and intellectual property of Bosnia and Herzegovina;
- e) CCPO of Federation of Bosnia and Herzegovina;
- f) CCPO of Republic of Srpska;
- g) Chamber of Foreign Trade of Bosnia and Herzegovina;
- h) Chamber of Commerce of Federation of Bosnia and Herzegovina;
- i) Chamber of Commerce of Republic of Srpska;
- j) Chamber of Commerce, Brčko District;
- k) Bosnian-Herzegovina Consumer Associations;

2. The Council convenes its meetings at least twice a year. The Council meetings are chaired by the Minister of the relevant Ministry.

Section 118

1. Within its competencies, the Council performs particularly the following activities:

- a) proposes the National Annual Consumer Protection Programme to the Council of Ministers of Bosnia and Herzegovina and monitors its execution;
- b) determines the basics of consumer protection policies;
- c) directs the volume of activities to be financed or co-financed from the budget.

Section 119

1. The National Annual Consumer Protection Programme refers in particular to the following:

- a) principles and targets of consumer protection policy,
- b) priority responsibilities in the realisation of Consumer Protection Policy, which will be executed by the assignment of competent public authorities to consumer protection associations,
- c) overall budget in order to execute the duties;
- d) overall budget to stimulate the development and work of consumer protection associations.

Section 120

1. The Bosnia and Herzegovina Competition Council performs the duties of consumer protection according to the Competition Law (Official Gazette of Bosnia and Herzegovina, No.:) and enactments brought in accordance with the said law.

Section 121

1. Alongside the consumer associations, the CCPOs of the entities prepares the annual consumer protection programmes, which have to be coordinated with the National Annual Consumer Protection programme. The individual annual consumer protection programs are financed from the budget, wherein the goals and duties for their implementation are set, as well as the consumer associations are allocated, which will be receiving the transferred public authorities, in accordance with the law.

2. Besides the duties from Paragraph 1, the entity CCPO-s also perform the following:

- a) all duties related to transfer of public authorities to the consumer associations and follow their work in close cooperation;
- b) establishes the registry of consumer associations allocated by the transferred public authorities;
- c) follows the implementation of the annual consumer protection programme;
- d) informs public opinion about consumer rights and interests violations, cooperates and exchanges all necessary information with consumer protection interests from Section 115 of this Law.

Section 122

1. Consumer protection activities are performed by consumer associations which receive the status of legal entities according to the law by entry into the association's registry.

2. Consumer associations are non-profit making organizations and may not engage in economic activities.

3. The consumer associations may be organized on territorial principles and operate on the entity, canton, city or communal level.

4. The consumer associations from Paragraph 1 may constitute in themselves the Bosnian - Herzegovina consumer association, in order to provide mutual assistance and look after consumer protection interests in Bosnia and Herzegovina and at international level.

5. The Bosnian-Herzegovina consumer associations are constituted by at least one consumer association active on the territory of the whole entity and a consumer association.

Section 123

1. The consumer associations are constituted in order to represent and protect the consumers and must operate independently from traders, importers, suppliers and providers of services.

2. Within its competencies, the consumer association:

- a) takes care to protect individual and collective consumer interests,
- b) gives advice and other types of assistance for the realization of consumer rights;
- c) informs consumers about prices, quality, control and security of products and services on the market or to be on the market,
- d) according to needs, organizes independently or in cooperation with the Ministry, entity CCPO or competent inspection authorities parallel controls on quality, impact on health, prices of food products, environmental protection inspections and informs the public about their findings,
- e) delivers documentation to the competent bodies about trader's or service provider's responsibilities in case of sale of goods and provision of services which are not adhering to the required conditions in terms of security and quality ,
- f) cooperates with all competent bodies, inspections, consumer associations and other subjects in Bosnia and Herzegovina who are, according to the law, in charge of consumer protection.

Section 124

1. The consumer associations bring their annual work plans and, depending on the area of their operation or registration, compete to obtain the status of public authorities in the area of consumer

protection. In case of receipt of such authorities, they receive funding or co-funding means from the budget.

Section 125

1. The Council of Ministers of Bosnia and Herzegovina or the Entity government (hereinafter referred to as the transferor) by their Decree allocate public authority in the sphere of consumer protection to consumer associations on basis of the public tender.
2. Public tender from Paragraph 1 consists of, in particular;
 - a) the subject of allocation;
 - b) the terms of performance of public authorities;
 - c) the period for which the public authority is allocated;
 - d) the period for submission of tenders;
 - e) the period within which the submitter will be informed about the appointment.

Section 126

1. The mutual relations between the transferor and recipient of public authority are regulated by the contract on Transfer of Public Authority.
2. Paragraph 1 of the Contract prescribes particularly the following:
 - a) the scope and dynamics of public authority execution;
 - b) the beginning of public authority execution;
 - c) the terms, manner and period for cancellation of the transferred public authorities;
 - d) the means provided by the transferor to execute the public authorities.
3. The contract on Transfer of Public Authority is made in written form.

Section 127

1. Consumer education is performed through:
 - a) School educational programmes in primary and secondary education, which have to contain a basic knowledge about duties, rights and protection of consumers;
 - b) Special courses, seminars and symposia;
 - c) Mass media (television, radio, press);
 - d) Special publications on consumer education.
2. The school educational programme of elementary and secondary education from Paragraph 1 item a) is prepared by the competent Ministries of Trade and Ministry of Education and teaching in the entities.

XXI INSPECTION SUPERVISION AND ADMINISTRATIVE MEASURES

Section 128

1. Implementation of this Law is supervised by competent bodies as set out in Section 115 in accordance with authorizations prescribed by special laws and other enactments.

Section 129

1. In case the trader refuses the consumer request from Section 12, 13, 14 or 16 without good reason, the inspector shall, upon consumer request, enforce the decision ordering the trader to meet the justified consumer request.

Section 130

1. The inspector will enforce the decision by ordering the suspension of the sale of the product until the irregularities found are eliminated, in cases where it is found that:
 - a) the sale price of the product or service has not been visibly displayed or has not been displayed in KM (Section 6, Paragraph 1);
 - b) the prescribed validity date has not been clearly, visibly and legibly displayed on the product cover (Section 9, Paragraph 2);
 - c) the trader has displayed for sale the product that does not correspond, due to its characteristics, to the usual use or quality, or that there are no marks on its cover about the intended purpose (Section 9);
 - d) the trader has not provided at the moment of sale to the consumer the required documents from Section 27 and 28, prescribed marks, data and declaration as well as the list of own and authorized service centres and servicemen (Section 11);
 - e) the trader does not sell the product in appropriate packing (Section 12, Paragraph 1);
 - f) the trader has not declared the clearance sale of products in the manner customary in the place of sale (Section 42, Paragraph 1);
 - g) the product on clearance sale is not clearly and visibly marked with prior price and price after the price decrease (Section 42, Paragraph 2);
 - h) the maximum percentage of decreased prices for products on clearance sale does not amount to at least one fifth of the total quantity of products on clearance sale (Section 42, Paragraph 3);
 - i) the product on clearance sale due to its expiry date, does not clearly display the latest expiry date (Section 43);
 - j) the trader having goods with deficiency or defect on sale has not physically separated such products from the regular sale of correct products and clearly declared that the goods on sale have deficiency or defect, as well as having individually marked each one of these products (Section 44, Paragraph 1);
 - a) the trader selling goods with expiry use by date, has not physically separated such products from the regular sale of other products and clearly declared that the goods on sale are expiring (Section 23, Paragraph 3);
2. A complaint about a decision from Paragraph 1 does not postpone its implementation.

Section 131

1. The inspector will bring a decision on suspension of advertising until the irregularities were removed, in case of finding that:
 - a) the trader is advertising the product or service contrary to the law and other enactments, or offending human dignity or breaks principal human, economic, social or cultural laws (Section 40, Paragraph 1);
 - b) the trader advertises the product or service while his advertisement includes the statement or visible presentation that might directly or indirectly be misleading to the consumers (Section 40, Paragraph 2);
 - c) the trader advertises the product or service while in the advertisement the research results or the statements from the technical or scientific works are improperly used or the statistical data are shown only to exaggerate the validity of such statements or the scientific terms are used in order to falsely attribute the scientific values to the advertisement (Section 40, Paragraph 3);
 - d) the trader advertises the product or service improperly, in fraudulent way, ambiguously or not adhering to good business practice (Section 40, Paragraph 4);

- e) the trader is not advertising the product or service in one of the official languages in Bosnia and Herzegovina (Section 40, Paragraph 4);
 - f) the trader advertises the product or service with the advertisement message including elements which cause or might cause the physical, psychological or other damage to children or containing elements which take advantage of, abuse, or could take advantage of or abuse their gullibility or lack of experience (Section 40, Paragraph 6);
2. An objection on a decision from Paragraph 1 does not postpone its implementation.

XXII LEGAL PROTECTION OF CONSUMERS

Section 132

1. An action against the trader may be brought if:
- a) the trader applies unacceptable general conditions in business operation with consumers;
 - b) the trader presents printed forms (form contracts) containing unacceptable or unfavourable conditions for the consumer or such conditions which are in contravention of good business practices and the provisions of this Act.

Section 133

- 1. An action referred to in Section 132 may be brought by any legal entity responsible for the protection of consumers' interests and rights, which has been operating at least one year before bringing such an action.
- 2. An action referred to in Paragraph 1 above may be brought by a business association or a chamber the trader is a member of.

Section 134

- 1. An action in accordance with Section 132 above may request nullity of such contracts or any parts thereof, general conditions of business operation or of the content of printed forms (form contracts) or any parts thereof.
- 2. Judgements on nullity in accordance with Paragraph 1 above are legally binding on all.
- 3. A judgement by which an action is rejected or refused is legally binding only between the parties and does not deter the bringing of another action with the same request, which may be brought by another legal entity authorized to bring an action in accordance with Section 133.
- 4. Another legal entity authorized to bring an action in accordance with Section 133 may join the already existing action during the entire proceedings until the court judgement becomes final.

XXIII PENAL PROVISIONS

Section 135

1. A fine of KM 500 to 2500 shall be charged on a trader if it:
- a) fails to indicate clearly the sale price of a product or a service in KM (Section 6, Paragraph 1);
 - b) fails to indicate clearly the unit price, name and type of a product (Section 6, Paragraph 3);
 - c) fails to indicate the sale price and the unit price clearly, legibly and uniformly at the product, its package, sales outlet, as well as at a product exhibited in a shop-window (Section 6, Paragraph 6);
 - d) fails to issue an invoice to a consumer for a sold product or a service rendered (Section 6, Paragraph 7, and Section 46 Paragraphs 1 and 2);

- e)* fails to comply with the sale price of a product or a service (Section 6 Paragraph 10);
 - f)* fails to inform a consumer on the features of a product, at its request (Section 10, Paragraph 1);
 - g)* fails to demonstrate the function of a product on a selected sample and prove its functionality (Section 10, Paragraph 2);
 - h)* fails to withdraw from the market a product on the selected sample of which the trader cannot or does not know how to demonstrate its use or provide necessary instructions or explanations on the product being sold (Section 9, Paragraph 3);
 - i)* fails to indicate clearly and visibly the price of the special wrapping paper or use of additional decorations (Section 12, Paragraph 2);
 - j)* fails to keep the wrapping or package of a sold product at the consumer's request (Section 12, Paragraph 5);
 - k)* has a product on sale for which the price before and the price after discount is not clearly and visibly indicated (Section 42, Paragraph 2);
 - l)* if a service provider fails to enable the consumer to install a consumption meter (Section 45, Paragraph 2);
 - lj)* if, in the course of negotiations, or at latest before the shipment, the consumer has not received a written notice with all the information as set under Section 53 (Section 54, Paragraph 1.);
 - m)* fails to inform the consumer on the time and method of delivery immediately after the shipment of the product (Section 54, Paragraph 3);
 - n)* fails to notify the consumer in writing, before the credit agreement is made, on all the contractual provisions and total costs of credit, if not notified separately for each element of the credit agreement (Section 61, Paragraph 1);
 - nj)* fails to inform the consumer in writing, before or at the moment of signing the agreement, on the provisions as referred to under Section 69, Paragraph 1;
 - o)* fails to inform the interested party on the conditions of use of EMP in a reasonable manner at the moment of signing the contract and before the delivery of EMP, in writing, and if possible also in electronic form, in accordance to the provisions of Section 90;
 - p)* after the transfer of a cash value, fails to inform the owner on the data as referred to under Section 91, Paragraph 1;
 - r)* fails to inform a change in conditions to an EMP holder or user, timely and in person (Section 94, Paragraph 1);
 - s)* fails to ensure that an EMP holder is able to report the loss or theft of EMP at any time during day or night (Section 96, Paragraph 1).
- 2.** If a trader is a legal entity, its responsible person shall be subject to a fine for breaches under Paragraph 1 above in the amount of KM 150 to 500.
- 3.** The inspector shall fine with KM 150 KM on the spot the responsible person within the legal entity or a natural person – trader for a breach as referred to under the Paragraph 1.

Section 136

- 1.** A fine of KM 750 to 3500 shall be charged on a trader if it:
- a)* fails to operate in the official languages of Bosnia and Herzegovina and if it fails to use in its written documents the full corporate name and seat or the abbreviated name and the seat, provided the abbreviated name is registered in the court register or register of trades (Section 4);
 - b)* sells products or renders services contrary to good business practices (Section 5, Paragraph 1);
 - c)* fails to enable the consumer to verify the accuracy of the charged amount in relation to the quality and quantity of a product bought or a service received (Section 6, Paragraph 9);
 - d)* fails to deliver a product to a consumer in functional condition, in the agreed quantity and quality, within the agreed term, and fails to deliver all the appertaining documents at that occasion (Section 8, Paragraph 1);

- e)* fails to preserve all the features of a product intended for sale, in particular a product with a limited shelf life (Section 9, Paragraph 1);
- f)* fails to mark the shelf life at the packaging of a product with the prescribed shelf life in a clear, visible and legible manner (Section 9, Paragraph 2);
- g)* fails to provide detailed instructions and explanations on a product (Section 10, Paragraph 2);
- h)* sells a product without the relevant wrapping or package or fails to wrap a product specially at the consumer's request (Section 12, Paragraph 1);
- i)* charges the consumer for the wrapping containing the logo and/or name of the manufacturer and/or trader (Section 12, Paragraph 3);
- j)* if the wrapping is not adjusted to the form and weight of a product or if the trader misleads the consumer as regards the product weight and size (Section 12, Paragraph 4);
- k)* fails to fulfil a consumer's request under Section 15, Paragraph 2 within the prescribed term;
- l)* if a product has no declaration or does not include the required data (Section 18, Paragraph 4);
- lj)* fails to announce the sale in the normal way at the usual place of sale (Section 42, Paragraph 1);
- m)* the major percentage of price discount is not related to at least one fifth of the value of all the products on sale (Section 42, Paragraph 3);
- n)* if a product is on sale because its shelf life is soon to expire and has no additional clear indication of the final expiry date (Section 43);
- nj)* fails to charge the sold electricity and water based on actual deliveries as per consumer's meter (Section 45 Paragraph 1) or fails to charge a service rendered accordance to Section 45, Paragraph 3;
- o)* has no identification card (Section 48, Paragraph 4);
- p)* if a contract on door-to-door sales (direct sales) is not prepared in writing and if it does not contain the compulsory clauses (Section 49, Paragraph 1);
- r)* fails to inform a consumer on the provisions of Section 53, Par. 1 before making a contract by means of remote communications, or if the information is not in accordance to Section 53, Par. 3;
- s)* a written announcement as referred to under Section 53 does not contain the trader's obligation not to disclose the consumer information to a third party or a party being a legal or a natural entity within the same group of companies (a concern) to which the trader belongs, except if the consumer approves it in writing (Section 54, Paragraph 2);
- š)* fails to repay the amount paid to the consumer immediately (Section 55, Paragraph 6);
- t)* based on a contract on remote sales, makes a credit available to a consumer, either by itself or through a third person, and in case of the consumer's withdrawal from the credit requests default interests or other costs due to the termination of the credit agreement (Section 56, Paragraph 3);
- u)* delivers goods or renders services not ordered by a consumer, if such a delivery requires payment (Section 58, Paragraph 1);
- v)* uses particular remote communication means towards the consumer, without the consumer's previous acceptance (Section 58, Paragraph 3);
- z)* if a credit agreement does not contain all the provisions as referred to under Section 60;
- ž)* fails to inform the consumer in writing on any change of the annual interest rate and costs at latest on the eighth day before the change occurs and the consumer's current account is charged (Section 69, Paragraph 2);
- aa)* fails to inform the consumer in writing on the annual interests and interest rates and the amounts to charge the consumer's account for exceeding the authorized period of the account, as well as on all the consumer's liabilities occurring for its bank account overrun (Section 69, Par. 1);
- bb)* if the agreement on the sale of a product or on a service with payment on instalments contains the substantial contractual provisions printed in small letters (Section 72 , Paragraph 3);
- cc)* if the consumers' rights are not mentioned in an agreement on the sale of goods or rendering services with payment in instalments, (Section 77, Paragraph 1);
- dd)* breach of any of the provisions under Section 94, Paragraph 3;

- ee*) fails to act in accordance to Section 99, Paragraph 5;
 - ff*) fails to provide the consumer timely before departure, in written or in another appropriate way, with the information as prescribed under Section 100;
 - gg*) fails to inform the consumer with all the contractual provisions before the contract signing, by providing him with a copy of the contract (Section 101, Paragraph 1);
 - hh*) if an organiser forced to a substantial change in contractual provisions before the start of a voyage – particularly price change – fails to inform the consumer thereon in writing, to give him a chance to make an appropriate decision (Section 104, Paragraph 1);
 - jj*) asks from a consumer to pay the price difference if another offered package is at higher value than the arrangement under the contract (Section 104, Paragraph 2a);
 - kk*) in addition to damages for the difference between the anticipated and the actual price of services fails to pay out the appropriate interests (Section 107, Paragraph 2);
 - ll*) the agreement on time lease of a tourist facility is not made in writing and does not contain all the elements as referred to under Section 109, Paragraphs 1, 2 and 3;
 - ljlj*) at the time of the term for withdrawal from the agreement on time lease of tourist facilities claims payments from the consumer (Section 110, Paragraph 2);
 - mm*) fails to compensate a damage on another product if the value of the damaged product exceeds KM 50 and if the damaged object is intended for personal use (Section 20, Paragraph 2);
 - nn*) if the warranty list, technical instructions, documents and data are not in accordance with Section 29.;
 - njnj*) at the sale of a used motor vehicle or vessel, and in signing a sale agreement, fails to provide the consumer with a warranty list for faultless function of the product, technical instructions and the list of own and authorized service shops and repairers, as well as the validity term of the warranty period that for the motor vehicles and vessels should not be shorter than a year (Section 32);
- 2.** If a trader is a legal entity, a responsible person shall be subject to a fine of KM 250 to 750 for breaches under the Paragraph 1.

Section 137

- 1.** A fine of KM 1500 to 6500 shall be charged on a trader if it:
- a*) fails to sell products or render services under equal conditions for all consumers (Section 5, Paragraph 2.);
 - b*) fails to include all taxes, contributions, and duties in the sale price, and if the sale price is not equal with the sale price under the ledger of lists (Section 6, Paragraph 2);
 - c*) sells a product which for its features does not comply to the usual use or fails to indicate at the packaging of a product for which purposes it is intended (Section 9, Paragraph 3);
 - d*) when selling a product to a customer, fails to provide the prescribed documents, indications, data, and declaration, as well as the list of own and authorized service shops and repairers (Section 11);
 - e*) if the packaging is damaging for health (Section 12, Paragraph 4);
 - f*) in case of deficiencies in the product, at request and at the consumer's selection, fails to act in accordance to the provisions of Section 13;
 - g*) in case of a service rendered improperly or partially, fails to act in accordance to the provisions of Section 14, Paragraph 1;
 - h*) loses or destroys a product delivered for repair, maintenance, or processing by the customer and, at the customer's selection, fails to deliver a new product with the same features or for the same purpose within eight days as of the customer's request, or fails to pay for damages in the amount of retail price of a new product immediately (Section 16, Paragraph 1);
 - i*) damages or spoils a product received for repair, maintenance, or processing, and fails to remove the damage at its own expense within three days, if in that way the value of the product utilization is not reduced (Section 16, Paragraph 2);

- j)* if a product with a deficiency or a defect sold on sale is not physically separated from the regularly sold products in working order, and if it is not visibly indicated that the product on sale is deficient or defective, and each particular product specially labelled (Section 44, Paragraph 1);
- k)* if a product with a short remaining shelf life is not physically separated from the regular sale of other products and visibly indicated as such (Section 44, Paragraph 3);
- l)* if the invoice for telecommunication services does not contain all the required data that enable the consumer to check the accuracy of calculation of the services, or if the invoices for electricity, water, telecommunications, utilities, or other services are not made out separately for each service (Section 46);
- lj)* if it requires or expressly conditions the sale of a product or rendering a service with partial or total advance payment, and delivers a product or renders a service after the acceptance of the advance payment, failing to account and pay the interests as per the trader's bank rate for tied deposits on three months if the delivery term exceeded one month (Section 47);
- m)* if it fails to pay, along with the legal default interest, also the additional 10 percent purchase cost for each 30 days of delay (Section 55, Paragraph 7);
- n)* fails to deliver the product or render a service within 14 days as of the day of the consumer's order or, in contrary case, fails to repay the advance payment to the consumer (Section 57);
- nj)* fails to make possible to the consumer to fulfil its consumer credit obligations in advance or fails to approve the proportional reduction of total credit costs (Section 65);
- o)* if an agreement on sale of a product or rendering a service with repayment in instalments is not made in written, does not have all the prescribed elements, does not contain total amount of instalments, amount of a single instalment, number of instalments, and repayment terms, as well as all the other costs charged by a trader to a consumer in relation to the sale of a product (Section 72, Paragraph 1);
- p)* makes it impossible for a consumer to pay at once the remaining amount of instalments without incurring contractual interest and additional costs (Section 73, Paragraph 1);
- r)* when withdrawing from the agreement on sale of a product or rendering of a service with repayment on instalments, fails to return the received instalments and interests as per interest rate of the trader's commercial bank for tied savings deposit on three months, from the day when the funds were received until the payment date, as well as all the costs incurred to the consumer related to the product or the service (Section 76, Paragraph 1);
- s)* changes the contractual price when it is not expressly allowed in the contract and when the contract does not have the information for calculation of a new price (Section 103, Paragraph 1);
- š)* increases the contractual price in the period of 20 days before the agreed departure date (Section 103, Paragraph 2);
- t)* if another arrangement offered is of lower quality or is cheaper, fails to pay the price difference or immediately return to the customer all the amounts paid as per the contract plus interest (Section 104, Paragraph 3);
- u)* after the start of a voyage, establishes that it will not be able to fulfil a substantial part of the contractual provisions without taking – except for increase of consumer's price – other adequate steps to make possible the further realization of the arrangement and pay damages to the consumer in the amount of the difference between the anticipated and the actual price (Section 107, Paragraph 1);
- v)* without increasing the consumer's price, fails to provide an equal or more expensive transport to make possible for the consumer to return to the place of departure or another place as agreed with the consumer, and if the trader disputes the consumer the right to damages (Section 107, Paragraph 3.);
- z)* if the consumer is unable to pay for return costs, and the organizer fails to ensure its return (Section 107, Paragraph 4);

ž) if the advertising of products and services is not in accordance with Section 40, Paragraph 4 and Section 112, Paragraph 1;

2. If a trader is a legal entity, a responsible person shall be subject to a fine of KM 500 to 1500 for breaches as referred to under 1 above.

Section 138

1. A fine of KM 750 to 3500 shall be charged on a supplier, if it:

a) launches a product with a declaration not containing the data as prescribed in Section 18, Paragraph 4 and the subordinate legislation as referred to under Section 19, Paragraph 7;

b) for technically complex products, fails to establish and mention in the technical instructions the term of ensured servicing and to ensure the market of spare parts, accessories, and other products without which the product cannot be used according to its purpose (Section 30, Paragraph 1);

c) fails to provide its service shops or authorized service shops, repairers, and the market, on regular basis, with the required type and quantity of spare parts, accessories, and other products without which a technically complex product cannot be used according to the anticipated purpose (Section 31, Paragraph 1);

2. If a supplier is a legal entity, a responsible person shall be subject to a fine in the amount of KM 250 to 750 for breaches under the Paragraph 1.

XXIV TRANSITIONAL AND FINAL PROVISIONS

Section 139

1. The competent bodies shall adopt the regulations for implementation of this Act, within six months as of taking effect hereof.

Section 140

1. This Act shall take effect as of the eighth day of its publication in the “Official Gazette of Bosnia and Herzegovina” and shall be published in the official gazettes of the entities.

2. The entities shall harmonize their laws and regulations herewith, at latest within six months as of taking effect hereof.