

QUESTION 24:

Could Croatia please advise the status of its new trade law (we presume this is Annex 8 referred to in WT/ACC/HRV/4/Add.I)?

ANSWER:

Croatia submitted the Law on Trade on March 21, 1996 to the WTO Secretariat.

III.1(i) Measures Against Unfair Trade Practices

QUESTION 25:

Could Croatia please advise the status of its new law on "competition and monopolies"? (WT/ACC/HRV/3, Question 13)

ANSWER:

The Law on the protection of market competition has been adopted by the Croatian Parliament on June 27, 1995 and published in the Croatian Official gazette No. 48/1995. For more details, please refer to the answer on Question Number 17 in Document. WT/ACC/HRV/7.

QUESTION 26:

Please elaborate how the Law on Competition Protection is implemented in practice? (WT/ACC/HRV/3, Question 13)

ANSWER:

The Competition Protection Agency has been recently established and the members of the Council which is the body within the Agency that decides upon all the cases have been appointed by the Government of the Republic of Croatia. The sessions of the Council so far were dealing with organizational matters, drafting of enforcement supplementary acts and initiating some cases which have not yet been completed. The recruitment of the permanent staff is in the course. The preference is at this point given to promote, explain and disseminate the scope and content of the competition legislation and policy which is in Croatia completely unknown and often misunderstood. Some publications and seminars have been accomplished in the mean time as well.

QUESTION 27:

In the response to question 13 in WT/ACC/HRV/3, Croatia's characterization of export cartels is still unclear. Could Croatia please explain what is meant by the term "the geographic limitation of the Competition Protection Agency". Does Croatian law or policy provide for the formation of export cartels? Is it Croatia's intent to explore use of such measures?

ANSWER:

The relevant provision of the Article 4 (2) of Croatian Protection of Market Competition Act are: "Stipulations of the Act shall not apply to deals and contracts which do not effect the home market..... provided that international agreements signed by Republic of Croatia do not stipulate otherwise". The word "cartel" is not to be found in the entire text of the respective Law. Describing the scope of the application of the Croatian Competition Law the word "cartel" is used in the German law meaning of the word as agreements between undertakings which have effect on the restriction of competition. The "effect" is measured and taken in consideration only on domestic market. The word "cartel" is not meant nor regulated in Croatian legislation as "per se" illegal agreements. In the Article 6 of the Protection of Market Competition Act general prohibitions and special cases such as price fixing, market share, tying arrangements etc. are envisaged but all of them are subjected to the rule of reason and group exemptions carefully regulated in Articles 8, 9, 10 and 11.

"Per se" prohibitions are expected to evolve in the enforcement practice.

Croatian law or policy does not provide formation of export cartels and Croatian competition or other laws do not contain provision on export cartels comparable to German Law (Article 6 - Ausfuhrkartelle) explicitly approving such practice.

Group exemptions envisaged are only contracts on specialization, on exclusive distribution, on selective distribution, on exclusive purchase, on franchising and on research and development (R&D).

QUESTION 28:

Please confirm that the Croatian Competition Protection Act (Appendix 28) is in effect (WT/ACC/HRV/4).

ANSWER:

The Competition Protection Act has entered into force.

QUESTION 29:

The Act states in Article 3 that it does not apply to "legal entities and natural persons who have, pursuant to special legal provisions, been entrusted with the task of performing public duties, or have been granted special and exclusive rights or concessions, provided that the cases in question are of such a nature that the application of the Act would prevent the above mentioned entities from performing the tasks for which they were established".

Does this law apply to all firms operating in Croatia, regardless of their form of incorporation or ownership, with the exception of entities covered by Article 3?

ANSWER:

This law applies to all firms operating in Croatia regardless of their form of incorporation or ownership.

QUESTION 30:

Please indicate what sort of situations and enterprises are contemplated under Article 3. What sectors of Croatia's economy might require application of such an exemption? At the time of implementation, did any entrepreneurs of entities report to the implementing Agency concerning "concentrations" created prior to the law as provided for in Article 40?

ANSWER:

In the previous drafts of the law the enterprises pointed out were undertakings in area of public services (utilities), or suppliers of energy, public traffic and telecommunications. This enumeration of undertakings according to their activities has been abandoned but they remain as potential applicant for such exemptions. Apart from that indicative list possible exemption undertakings might be those which were entrusted by state with some tasks that otherwise should have performed state and are not profit making so their fulfilment can not depend on private initiative. In regard to aforementioned it has to be pointed out as well that those enterprises and situations are not exempted as a group in whole but only in the cases activities in which if the law would have been applied it would prevent them in performing the tasks entrusted to them by special provisions. There were no reporting on concentrations in accordance with Article 40, since Agency is still in formative stage and all the forms needed for the application are not yet completed.

QUESTION 31:

Are any state-owned, managed, or authorized entities or legal persons currently exempted from the Competition Protection Act? Please list all such legal entities and natural persons" now operating within the customs territory of Croatia that are exempted from the terms of this Act.

ANSWER:

There are no state owned, managed or authorized entities or legal persons currently, specifically and explicitly exempted from Competition Protection Act. The indicative list of state owned or public companies that might seek such exemption can be found listed in Annex taken from the act on public purchasing. The list has been recently enlarged. Please see Annex.

III.2(a) Evolution of Customs Tariff Regulation

QUESTION 32:

In explaining the basic principles underlying its system of customs protection on page 23 in the Memorandum on the Foreign Trade Regime, L/7466, Croatia states that the first pillar is the "free and unobstructed exchange of goods with restrictions strictly confined to protection of domestic production and market".

Please cite and list existing legislation and regulations that provide for these restrictions.

Please indicate what restrictions are currently in place and explain how they can be justified WTO regulations after accession.

In response no. 16 in WT/ACC/HRV/3, Croatia indicates that its import protection policy includes a gradual transition to price-based protection measures.

Does this mean that Croatia intends to regulate its imports with tariff-only protection?

ANSWER:

Croatia regulates imports with tariff only protection.

QUESTION 33:

If not, please describe what conditions could require the application of non-price-based measures to protect the domestic market.

Can Croatia indicate which products (by HS numbers) it contemplates might need such measures or could be affected by such interventions?

Does the Government of Croatia contemplate a possible need to use protective measures for products currently subject to quotas and licensing requirements in the agriculture, foodstuffs, iron, steel, chemical textile and machinery industries?

Please indicate the legal provisions that would permit Croatia to apply such protection in conformity with WTO provisions? If such legal basis is lacking, Croatia should develop and promulgate new legislation as soon as possible whose provisions track the requirements of the WTO Agreement.

ANSWER:

Articles 38-39 and Articles 40-47 of the Law on Trade corresponding to GATT Articles XI:2, XX, XXI, possibly XVIII and XIX.

QUESTION 34:

Could Croatia please provide the customs tariff and any subsequent revisions (page 28)? Any seasonal customs duties (page 32) should also be included. (L/7466)

ANSWER:

The Customs Tariff Law (with the new tariff rates) will enter into force July 1, 1996, As soon as it is translated in English we will provide a copy to the WTO Secretariat. The new customs tariff for agricultural products contains compound duties (ad valorem plus specific rates), which would allow a temporary increase of the specific element of the rate, within the limits of any tariff binding, depending on seasonal requirements.

QUESTION 35:

Please provide the English translation of new Customs Law. (WT/ACC/HRV/3, Question 12)

ANSWER:

As soon as the new Law on Customs is passed by the Parliament of the Republic of Croatia and translated, the WTO Secretariat will receive a copy.

QUESTION 36:

Croatia stated in response to question 15 in WT/ACC/HRV/3 that the new Customs Tariff Law would be finalized by the end of 1995. Did that happen? Is it currently in effect? If so, please outline its provisions and provide a copy for the Working Party.

ANSWER:

We expect that the new Customs Tariff Law, recently passed by Parliament, will enter into force July 1, 1996. Croatia will provide the WTO Secretariat with a copy as soon as the English translation is available.

III.2(b) Customs Tariff Nomenclature, Types of Duties, General Description of the Customs Tariff Structure

QUESTION 37:

When does Croatia intend to provide its tariff schedule in English, according to HS system?

What is the present status of the new law on customs tariffs? When does Croatia intend to submit the present level of its tariffs? (WT/ACC/HRV/3, question 19)

ANSWER: The new Customs Tariff Law, based on the HS system, was recently passed by Parliament and is expected to enter into force July 1, 1996. Croatia will provide the WTO Secretariat a copy as soon as it has been translated into English.

QUESTION 38:

Croatia notes in response 19 that it also intends to adjust its tariff nomenclature by the end of 1995. Has this happened? (WT/ACC/HRV/3)

ANSWER:

The recently passed Customs Tariff is based on the 1996 version of the Harmonized System.

QUESTION 39:

We would welcome from Croatia an indication of its general intentions in relation to the level of tariff bindings. (WT/ACC/HRV/3, Question 20)

ANSWER:

Croatia will be ready to consider negotiating a ceiling applied to the tariff rates in due course.

QUESTION 40:

Concerning the response to question 20 in WT/ACC/HRV/3, Croatia should note that all agricultural tariffs must be bound upon accession.

ANSWER:

Croatia is aware that agricultural tariffs must be bound upon accession.

QUESTION 41:

On what products is the seasonal tax levied and for what period is it levied? (WT/ACC/HRV/3, Question 23)

ANSWER:

The seasonal tax has never applied in Croatia.

QUESTION 42:

Can Croatia provide an assurance that it will remove all its charges upon imports that are not customs duties or customs fees? How will Croatia ensure that its customs fees will approximate the cost of services rendered? (WT/ACC/HRV/3, Question 24)

ANSWER:

The new Customs Tariff Law has removed all charges upon importation which are not customs duties.

QUESTION 43:

A proposal of a customs nomenclature (HS, 1996 version) has been submitted. Did it definitively come into force on 1 January 1996, and where may it be consulted? (WT/ACC/HRV/3, question 27)

ANSWER:

The new Customs Tariff Law is based on the HS 1996 version.

III.2(c) Import Charges and Fees

QUESTION 44:

For which commodities (and tariff items) has the special fee been applied and at what rates, since 1988, or since its inception (III.2.(c) page 33, and IV. 2 (c) page 48)? How does Croatia plan to adjust this policy in light of WTO requirements? (L/7466)

ANSWER:

The Customs Tariff Law (with the new tariff rates) will enter into force July 1, 1996, As soon as it is translated in English we will provide a copy to the WTO Secretariat. The new customs tariff for agricultural products contains compound duties (ad valorem plus specific rates), which would allow a temporary increase of the specific element of the rate, within the limits of any tariff binding, depending on seasonal requirements.

QUESTION 45:

Croatia notes that the Ministry of Finance may levy a 15 percent customs duty on goods classified as "free" imports if the price of such goods causes major disruptions or create a monopoly. How much notice is given to importers once the Ministry of Finance decides to levy this additional