

April 2021

In focus: Law on Climate Change

At the session of the National Assembly of the Republic of Serbia held on 18 March 2021, the National Assembly's members adopted the new Law on Climate Change ("Official Gazette of the RS", no. 26/2021) (hereinafter: the **Law**) which entered into force on 31 March 2021.

The deadline for adopting regulations based on the Law is one year from the day its entry into force.

Regulations related to aircraft operators shall be adopted by the date of commencement of application of the provisions of the Law related to aircraft operators, i.e. 1 January 2023.

The Low-Carbon Development Strategy and the Program of Adaptation to Changed Climate Conditions shall be adopted within two years from the day the Law enters into force.

Subject and application of the Law

The Law regulates the system for limiting greenhouse gas emissions (hereinafter: GHG) and for adaptation to changed climate conditions, monitoring and reporting on low-carbon development strategy and its improvements, program for adaptation to changed climate conditions, adoption of the Low-Carbon Development Strategy and the Program of Adaptation to Changed Climate Conditions, issuing permits for GHG emissions to the plant operator (hereinafter: the **Permit**), issuing approvals to the aircraft operator's monitoring plan, monitoring, reporting, verification and accreditation of verifiers, administrative fees, supervision and other issues of importance for limiting GHG

emissions and adapting to changed climate conditions.

The provisions of the Law shall apply to GHG emissions caused by human activity and sectors and systems exposed to the effects of climate change. GHGs are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), fluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

The purpose of the Law

The Law's purpose is to:

- i. reduce GHG emissions to avoid adverse impacts of climate change on a global level;
- ii. reduce GHG emissions and adapt to changing climate conditions by adopting and implementing public policy documents; and
- iii. establish mechanisms for timely, transparent, accurate, consistent, comparable and complete reporting and verification of information on fulfilment of obligations under the Law on Ratification of the UN Framework Convention on Climate Change, with annexes, Law on Ratification of the Doha Amendment to the Kyoto Protocol with the United Nations Framework Convention on Climate Change and the Law on Ratification of the Agreement from Paris, as well as for monitoring and reporting on emissions caused by human activity from sources and removed through abyssees and

activities to adapt to changed climate conditions undertaken in a cost-effective and economically efficient manner.

Obligations of sellers and suppliers of new passenger vehicles

The seller is obliged to:

1. when introducing a new model of passenger vehicle on the market, at the point of sale or near the passenger vehicle and at his own expense, place a clear and visible label on the cost-effectiveness of fuel consumption and CO₂ emissions of such vehicle;
2. make available the latest version of the Guide on Fuel Economy, CO₂ Emissions and Air Pollutants (hereinafter: the **Guide**) at the point of sale and free of charge for the consumer at his/her request; and
3. for all new models of passenger vehicles exhibited or offered for sale or leasing, visibly place a poster or display at the point of sale containing data on official fuel consumption and official specific CO₂ emissions and air pollutants.

The supplier is obliged to:

1. submit to the Traffic Safety Agency (hereinafter: the **Agency**) a list of all new vehicle models sold on the territory of the Republic of Serbia (hereinafter: the List), in electronic form, no later than 31 December of the current year; and
2. draft the Guide at least once a year at its own expense.

All promotional material of the seller and supplier must contain information on the official fuel consumption and the official specific CO₂ emission and air pollutants of the

new model of passenger vehicle to which it refers.

Obligations of plant and aircraft operators

The plant operator is obliged to obtain the Permit from the Ministry of Environmental Protection (hereinafter: the **Ministry**) before the start of operation of the plant in which the activity leading to GHG emissions is performed. The Ministry shall issue the Permit within a maximum of four months from receipt of the complete application for issuance of the Permit, based on the positive assessment of the Environmental Protection Agency. The Law prescribes the content of the Permit, while the Monitoring Plan with accompanying documentation is an integral part of the Permit. The Permit is issued for a plant or part of a plant, and a single permit can be issued for several plants if they are at the same location and are managed by the same plant operator. Every five years, the Ministry ex officio reviews the issued Permit and, if necessary, makes amendments to the same. In addition, the Ministry makes available to the public reports on gas emissions in accordance with the regulation governing access to information of public importance.

The plant operator and the aircraft operator are obliged to monitor GHG emissions based on a monitoring plan, as well as to submit a verified report on GHG emissions to the Environmental Protection Agency/the Directorate of Civil Aviation until 31 March of the current year.

National Committee on Climate Change

The law establishes the National Committee on Climate Change as an advisory body to the Government (hereinafter: the **Committee**). Members of the Council are appointed by the Government for a period of five years with the

possibility of re-election. The Council consists of representatives of the Ministry and other bodies and organizations, representatives of the academic community, as well as representatives of civic society, whose area of activity is important for determining and implementing activities in the field of climate change, as well as a representative of the Commissioner for Protection of Equality.

Deadlines

Three months after entry into force of regulations on the content of the label, the List's form, the content of the Guide, prescribing the appearance, dimensions, and content of the posters/displays, as well as the form and content of promotional material:

- the supplier and the seller are obliged to make available the label, poster or display, as well as all promotional material with data on fuel consumption, official CO2 emissions and air pollutants;
- the supplier is obliged to submit the List to the Agency (three months after posting the List on the Agency's website, the supplier is obliged to post the Guide on its website and deliver it to the sellers, for the first time).

Six months from the date of entry into force of respective regulations, the plant operator is obliged to apply for the Permit.

Penalty provisions

The law prescribes penalties for:

- economic offenses - for a legal entity in the amount from RSD 150,000.00 to RSD 3,000,000.00, and for the responsible person in a legal entity in

the amount from RSD 50,000.00 to RSD 200,000.00; and

- misdemeanors - for a legal entity in the amount from RSD 100,000.00 to RSD 2,000,000.00, for the responsible person in a legal entity in the amount from RSD 5,000.00 to RSD 150,000.00, as well as for an entrepreneur in the amount from RSD 10,000.00 to RSD 500,000.00.

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