

I - GENERAL PROVISIONS

Member 1 (Subject of the Act)

This Law defines the concept of concession, basic terms, subject of concession, determines planning and preparatory actions for the award of concession, establishment and competence of the Commission for Concessions, concession award procedure, concession contract, rights and obligations of the concessionaire, supervision and other issues of importance for realization of concessions in the area of Sarajevo Canton (hereinafter: Canton).

Article 2 (Defining the term concession)

A concession is the granting of the right to use natural resources, goods in general use or the performance of activities of general interest, which the competent cantonal body (hereinafter: the concessionaire) grants for a certain period of time, with the payment of a concession fee, to a domestic or foreign legal entity registered for economic activity. activities (hereinafter: concessionaire), under the conditions prescribed by this Law.

Article 3 (Goal)

The aim of this law is to prescribe a transparent, non-discriminatory and clear legal framework for determining the conditions under which domestic or foreign legal entities registered to perform economic activities can be granted concessions in the Canton and to stimulate the investment of domestic and foreign capital in the areas established by this law, for the sake of economic development of the Canton.

Article 4 (Principles)

- (1) Regulation of the conditions, manner and procedure of granting the concession is based on the principles of equal and fair treatment, free market competition and the autonomy of the will of the contracting parties.
- (2) The principle of equal and fair treatment includes the prohibition of discrimination on any basis between the participants in the concession awarding and concessionaire selection process, as well as the obligation for participants in the concessionaire selection process to have complete and accurate information about the procedure, standards and criteria for concessionaire selection.
- (3) The principle of free market competition includes the prohibition of limiting competition between participants and the obligation to accept all participants whose offers meet the conditions prescribed by law.
- (4) The principle of autonomy of will includes the freedom of the contracting parties to arrange mutual rights and obligations as they wish, in accordance with the law and other regulations and good business practices.

Article 5 (Basic terms)

Terms used in this law have the following meanings:

- a) The **grantor of the concession (concessionaire)** is the Canton of Sarajevo - the Government of the Canton of Sarajevo (hereinafter: the concessionaire), which, through the line ministries, lead the process of awarding the concession, i.e. conclude the concession contract.

- b) **Concession** is the right to perform economic activities using natural resources, goods in general use and performing activities of general interest determined by this law.
- c) **Concessionaire** is a legal entity established in accordance with the special laws of the Federation or a foreign entity to which a concession is granted and which executes a concession contract in accordance with this law.
- d) **The concession contract** is a contract concluded by the concessionaire on the one hand and the concessionaire on the other hand, which contains provisions on mutual rights and obligations related to the use of the granted concession.
- e) **The concession fee** is the fee paid by the concessionaire based on the concession contract.
- f) **The register of concessions** is a unique electronic record of contracts on concessions awarded in the territory of the Canton.
- g) **The decision on the selection of the most favorable bidder** is an administrative act issued by the concessionaire at the proposal of the Commission for Concessions (hereinafter: the Commission) after the evaluation of the received bids for the award of the concession, and in accordance with the tender documentation and criteria for the selection of the most favorable bid.
- h) **The bidder** is a domestic or foreign legal entity that submitted an offer in the concession award procedure or submitted a self-initiated offer.

Article 6 **(Subject of concession)**

- (1) Subjects of the concession according to the provisions of this law are:
- 1) construction and/or use of roads within the jurisdiction of the Canton;
 - 2) construction and/or use of hydropower facilities with an installed capacity of up to 5 MW;
 - 3) construction and/or use of facilities for converting wind power into electricity;
 - 4) construction and/or use of facilities for converting solar energy into electricity;
 - 5) construction and/or use of combined plants for converting wind power and solar energy into electricity;
 - 6) construction and/or use of thermal power plants;
 - 7) construction and/or use of thermal energy plants for the production of (primarily) thermal energy;
 - 8) construction and/or use of water management and water supply facilities (hydraulic reservoirs, water supply facilities with a water intake in excess of one liter per second, use of watercourses and other waters);
 - 9) communal services (water supply, gas distribution, thermal energy distribution, funeral services, etc.);
 - 10) cantonal and municipal transport of persons;
 - 11) all types of scheduled passenger transportation in the Canton area;
 - 12) commercial, sports and tourist use of the cable car;
 - 13) use of state-owned agricultural land;
 - 14) use of medicinal, thermal, mineral and thermo-mineral waters;
 - 15) hydromelioration systems and systems for extracting material from watercourses and water surfaces;

- 16) exploration and/or use of non-metallic mineral raw materials, including all secondary mineral raw materials prescribed by a special law;
- 17) research and/or use of all types of energy and other mineral raw materials, including all types of salt and salt water determined by a special law;
- 18) disposal of solid waste;
- 19) recycling of metal and non-metal waste and residues;
- 20) management of commercial hunting grounds and commercial fishing;
- 21) hotels and other tourist facilities;
- 22) individual activities within protected nature areas, and for the use of other protected natural values and speleological facilities;
- 23) health and pharmaceutical services in accordance with the Law on Health Care ("Official Gazette of the Federation of BiH", No. 46/10 and 75/13) and the Law on Health Insurance ("Official Gazette of the Federation of BiH", No. 30/97, 7/02, 70/08 and 48/11);
- 24) sports and recreational facilities;
- 25) other general and public goods, facilities and services suitable for granting a concession and which fall under the jurisdiction of the Canton, and which are not determined by this law.
- (2) For concession items from paragraph (1) point. 2), 3), 4), 5), 6), 8), 12), 13), 14), 15), 16), 17), 20) and 21) the line ministry is the Ministry of Economy of Sarajevo Canton (in hereinafter: Ministry), for concession items from paragraph (1) point. 1), 10) and 11) the line ministry is the Ministry of Transport of Sarajevo Canton, for concession items from paragraph (1) point. 7), 9), 18), 19) and 22) the line ministry is the Ministry of Communal Economy, Infrastructure, Spatial Planning, Construction and Environmental Protection of Sarajevo Canton, for the concession items from paragraph (1) point 23) the line ministry is the Ministry of Health of the Canton Sarajevo and for the concession items from paragraph (1) point 24) the competent ministry is the Ministry of Culture and Sports of the Sarajevo Canton."
- (3) For the concession items referred to in paragraph (1) point 25), the Sarajevo Canton Government (hereinafter: the Canton Government) will, in a specific case, determine the relevant ministry by a special act.
- (4) A legal or natural person who is the owner and/or user of a micro-plant for the production of electricity from renewable energy sources in the Canton area, with a total installed power of up to 23 kW, is exempt from the obligation to sign a concession contract.
- (5) Public enterprises in the field of water supply, whose founders are the Canton or municipalities in the Canton of Sarajevo, are exempt from the obligation to sign a concession contract.
- (6) The Government of the Canton of Sarajevo shall, by a special regulation, determine the manner and criteria for defining public property, as well as recording and opening a register of property that has the character of public property, and determine the authorities for its implementation. The bearer of drafting this special regulation is the Ministry, and it is prepared by an expert working body formed by the decision of the Canton Government, which consists of representatives of the Ministry of Justice and Administration of Sarajevo Canton and relevant ministries from paragraph (2) of this article, representatives of local self-government units and persons from the ranks of prominent experts from areas of law. The deadline for the adoption of this special regulation is 12 months from the date of entry into force of this law.

II - PLANNING AND PREPARATORY ACTIONS FOR THE GRANT OF THE CONCESSION

Article 7 (Planning approach)

(1) The ministries referred to in Article 6, paragraph (2) of this law are obliged to prepare a medium-term (three-year) and annual plan for granting concessions in the manner established by this Law.

(2) Municipalities in the Canton of Sarajevo are obliged to propose projects suitable for granting a concession, which the relevant ministry may include in the plans referred to in paragraph (1) of this article if deemed justified.

(3) In the plans referred to in paragraph (1) of this article, the line ministry can also include proposals from business companies.

(4) The concessionaire, before the end of the current calendar year, determines the list of projects that are planned to be realized in the following year through the granting of concessions, which is published on their website.

(5) In the medium-term plan for the granting of concessions, economic and other areas from the department of the competent ministry in which it is planned to grant concessions for the use of general or other goods, concessions for public works and concessions for public services, as well as planned income and expenses from the concession, assessment expected benefits from planned concessions. The medium-term plan may also contain other elements that are important for the efficiency of the concession implementation.

(6) The ministries referred to in Article 6, paragraph (2) of this law are obliged, before the end of the current year, to prepare an annual plan for awarding concessions within their jurisdiction for the following calendar year, as an integral part of their annual work program. This annual plan must be in accordance with the medium-term plan for granting concessions.

(7) The annual concession award plan contains:

- a) planned number of concessions,
- b) type of each concession,
- c) terms for which individual concessions are planned to be granted,
- d) legal basis for awarding the concession i
- e) the estimated annual fee for an individual concession.

Article 8

(Jurisdiction for awarding the concession)

(1) The decision to grant a concession for a specific asset is made by the Assembly of the Canton of Sarajevo, on the proposal of the Government of the Canton, based on the medium-term (three-year) and annual plan for granting concessions.

(2) In the event that, in the process of resolving the request (self-initiated offer) for the award of a concession from Article 20 of this law, the Government of the Canton deems it justified to conduct the procedure for awarding the concession in question by means of a public invitation from Article 17 of this law, the Assembly of the Canton of Sarajevo makes a decision on acceding to the award of the concession in question, at the proposal of the Cantonal Government.

Article 9

(Preparatory actions)

(1) Preparatory actions for granting the concession are carried out by the Government of the Canton.

(2) Preparatory actions are especially considered to be:

- a) preparation of a study on the justification of granting a concession,
- b) assessment of the value of the concession,

- c) appointment of the Commission,
- d) preparation of tender documentation, and
- e) taking all other measures that precede the concession award procedure in accordance with the provisions of this Law and special regulations that regulate each type of concession in more detail.

Article 10
(Study of the justification of granting a concession)

The grantor of the concession (concessionaire) in preparing the justification study for granting the concession investigates the public interest, the impact on the environment, the protection of nature and cultural assets, investments, employment, the financial effects of the entire concession project, the financial effects in favor of the future concessionaire, and the impact of the concession on the cantonal budget, i.e. the budget local self-government unit and compliance with economic development plans and concessionaire plans.

Article 11
(Assessment of the value of the concession)

- (1) The value of the concession includes the value expression of financial effects in a certain economic life of the use of the concession property, i.e. discounted cash flows in the economic life of the project.
- (2) The elements for calculating the value of the concession are determined by a study of the justification of granting the concession.
- (3) The value of the concession is determined by the Government of the Canton, on the proposal of the line ministry.

Article 12
(Bidding documentation)

- (1) Tender documentation contains the form of the offer, the content of the offer, the validity period of the offer, the description of the subject of the concession (technical specifications that must not restrict market competition), the draft of the concession contract, conditions and evidence that the bidders are obliged to submit with the offer in order to prove their ability bidders, the deadline for making a decision on the selection of the most favorable bidder, and all other requirements that the bidder must fulfill.
- (2) The concessionaire is obliged to determine the amount of the guarantee for the seriousness of the offer in absolute amount, which cannot amount to more than 5% of the estimated value of the concession.

Article 13
(Establishment and composition of the Commission for Concessions)

- (1) Before the start of the concession award procedure, the concession grantor is obliged in each individual case to appoint a Commission from among prominent experts in the fields of law, economics, technical and other relevant professions, depending on the subject of the concession.
- (2) The commission consists of five members, including the president of the commission.
- (3) The commission consists of a representative of the line ministry, a representative of the local self-government unit/units, depending on where the subject of the concession is located, a representative of the Ministry of Finance of Sarajevo Canton, and two members from the ranks of prominent experts in the field that is the subject of the concession.
- (4) The provisions of the Law on conflict of interest in authorities in the Federation of Bosnia and Herzegovina ("Official Gazette of the Federation of Bosnia and Herzegovina", number 70/08) apply to the Commission.

(5) The commission has a secretary who does not participate in decision-making, and is chosen from among civil servants of the line ministry whose concession is the subject of the award.

Article 14
(Competences of the Commission)

(1) The tasks of the Commission are:

- a) preparation and creation of bidding documents, rules and conditions for evaluation of bidders and bids received, and criteria for bid selection,
- b) analysis of the concession project proposal in order to determine whether it is a public-private partnership project, as determined by the regulations governing public-private partnership,
- c) review and evaluation of received offers,
- d) determination of the proposed decision on the selection of the most favorable bidder for the concession award or the proposed decision on the cancellation of the concession award procedure with the explanation of those proposals,
- e) preparation of the draft text of the concession contract,
- f) performing other tasks necessary for the implementation of the concession award procedure. The Committee keeps a record of its work, which is signed by all members of the Committee.

(2) For the performance of certain professional tasks, the concessionaire may, if necessary, engage professional, advisory, and specialized bodies or experts in the economic-financial, legal, or technical field.

Article 15
(Funds for the work of the Commission)

(1) Funds for the operation and performance of tasks within the scope of the Commission are provided in the budget of the competent ministries, except in the case of concluding a concession contract based on a request (self-initiated offer) for the award of a concession in which those funds are provided by the submitter of this offer.

(2) On the proposal of the Ministry, the unique criteria for the payment of commissions for granting concessions shall be established by the Government of the Canton.

III - CONCESSION AWARD PROCEDURE

Article 16
(Concession project approval)

(1) The line ministry prepares a proposal for a justification study for the award of a concession for each project that the plan from Article 7, paragraph (1) of this law provides for awarding.

(2) Along with the proposal from paragraph (1) of this article, the relevant ministry must submit to the concessionaire the resolved previous issues, including an extract from the spatial planning document and the consent of the municipal council.

(3) The concessionaire considers the study from paragraph (1) of this article.

(4) The Sarajevo Canton Assembly passes the Decision on accession to the concession award upon the concessionaire's proposal, which approves the study from paragraph (3) of this article.

(5) If he does not approve the study from paragraph (1) of this article, the concessionaire may make a proposal or recommendations that would make the project acceptable.

(6) After approving the study from paragraph (4) of this article, the Commission prepares the text of the public invitation, which the line ministry will publish in one of the means of public information. If the concessionaire deems it necessary, an international public call will also be published.

(7) The process of awarding a concession begins on the day of the publication of the Public Notice on the intention to grant a concession in the "Official Gazette of the Federation of Bosnia and Herzegovina", which is also published on the website of the grantor of the concession, and the unchanged content may also be published in other means of public information.

(8) The concession awarding procedure ends with the finality of the Decision on the selection of the most favorable bidder or the Decision on the cancellation of the concession awarding procedure.

(9) The Ministry, with the consent of the Government of the Canton, shall issue a rulebook that regulates in more detail the procedure for awarding a concession through a public invitation, within six months from the date of entry into force of this law.

(10) The deadline for the completion of the concession award procedure through a public invitation is 90 (ninety) days, and 120 (one hundred and twenty) days in the case of publication of an international public invitation and in the case referred to in Article 17, paragraph (2) of this law.

Article 17 (Public Call)

(1) The public invitation contains:

- a) extract from the spatial planning document;
- b) project description;
- c) definition of economic and legal conditions, and the request related to the project;
- d) principles and methods of calculating the concession fee;
- e) the minimum amount of the fee for the concession and fees and fees for participation in the public invitation;
- f) description of funds and assets that are made available to the concessionaire;
- g) criteria for evaluating the offer and awarding the concession based on clear and public principles of non-discrimination available to all;
- h) deadline for submission of bids;
- i) a list of required permits and approvals or authorizations;
- j) tax benefits related to the project, if they exist;
- k) measures of financial security of the offer;
- l) draft concession contract i
- m) if exploratory works were carried out, the value of the works and a clear indication that in the process of awarding the concession, the Commission will evaluate the means and efforts invested in exploratory works to the potential concessionaire.

(2) In the event that a study on the justification of the concession award has not been prepared, the Commission may require that the public invitation includes the bidder's obligation to prepare such a study, which will include assessments and measures to protect the human environment.

(3) The study of the justification of the concession award is considered when assessing the criteria on the basis of which the concession award is made.

Article 18 (Criteria for choosing the best offer)

The criteria for choosing the best offer are:

a) the criteria for the most economically favorable offer, which are related to the subject of the concession, are: quality, amount of compensation, price, technical achievement, aesthetic, functional and ecological features, operating costs, economy, servicing after delivery and technical assistance, delivery date and deadlines or deadlines for completion of works;

b) the highest fee offered for the concession;

c) criteria determined by special regulations, which indicate the long-term viability of the bidder during the implementation of the concession within the stipulated period.

Article 19
(Decision on the selection of the most favorable bidder)

(1) The concessionaire makes decisions in accordance with the provisions of the Law on Administrative Procedure.

(2) The concessionaire, at the proposal of the Commission, makes a decision on the selection of the most favorable bidder, if all the conditions and criteria established in the public invitation are met.

(3) The concessionaire, at the proposal of the Commission, may make a decision from paragraph (2) of this article also in the case that only one offer was received following a public invitation.

(4) The decision from paragraph (1) of this article is delivered to all participants of the public call.

(5) The decision on the selection of the most favorable bidder must contain:

a) the name of the concessionaire with the number and date of the decision,

b) the ministry that will conclude the contract on behalf of the concessionaire,

c) the name of the concessionaire,

d) subject of concession,

e) nature, scope and place of performance of concession activities,

f) the term for which the concession contract will be concluded,

g) special conditions that must be met by the bidder during the concession period,

h) the amount of the concession fee or the basis for determining the amount of the concession fee to be paid by the concessionaire,

i) the term in which the most favorable bidder is obliged to sign the concession contract with the concessionaire,

j) explanation of the reasons for the selection of the bidder,

k) instruction on legal remedy.

(6) No appeal is allowed against the decision of the concessionaire from paragraph (1) of this article, but an administrative dispute can be initiated before the Cantonal Court in Sarajevo.

Article 20
(Self-initiated offer)

(1) In the event that a bidder submits a request to the line ministry for the award of a concession for which a public invitation has not been issued, and is not included in the planning documents from Article 7 of this law, the Cantonal Government forms the Commission from Article 13 of this law, which assesses whether there is a public interest and submits a proposal for a decision to the Government of the Canton through the line ministry.

(2) The request from paragraph (1) of this article must be accompanied by a study on the justification of granting the concession and resolved previous issues (excerpt from the spatial

planning document, consent of the municipal council, as well as documents specific to the area of the concession prescribed by the line ministry).

(3) When evaluating the request from paragraph (1) of this article, the following is taken into account in particular:

a) that the project that is the subject of the proposed concession can only be realized if a process, design, methodology or research concept is used to which the bidder claims exclusive rights and

b) the urgency of providing services or the existence of infrastructure for public use.

(4) The line ministry submits a request to the Cantonal Government for authorization to negotiate with the bidder, if the Cantonal Government assesses that there is a public interest in the concession.

(5) Within 15 (fifteen) days, the Cantonal Government shall notify the line ministry whether it approves the granting of authorization.

(6) The authorization given by the Cantonal Government includes the obligation to monitor the process or inspect the documentation.

(7) The line ministry cannot conclude a concession contract on the basis of a self-initiated offer, unless it receives authorization for negotiations and approval of the text of the concession contract from the Canton Government.

(8) The Cantonal Government may refuse to grant authorization for negotiations in the event that a self-initiated offer is not provided for in Article 7 of this law (planning approach), but if it assesses its justification, the procedure for awarding the concession shall be carried out in accordance with the procedure prescribed by this law.

(9) If the Government of the Canton assesses that there is no public interest in awarding the concession, it will inform the self-initiated offer applicant about this with a Decision on rejection of the request within 60 (sixty) days from the date of receipt of the formal request. The decision that there is no public interest must be explained.

(10) In the case of public interest in granting a concession, the Government of the Canton shall issue a Decision on the existence of public interest in granting a concession within 45 (forty-five) days from the date of receipt of the formal request for the granting of a concession.

(11) The Cantonal Government, upon the proposal of the line ministry, shall approve the text of the concession contract within 30 (thirty) days from the date of authorization for negotiations.

(12) The line ministry, with the approval of the Cantonal Government, shall issue a rulebook that regulates in more detail the procedure for awarding a concession based on a request (self-initiated offer) for the award of a concession, within six months from the date of entry into force of this law. This rulebook also prescribes documents that are specific to the subject of the concession, i.e. the area of the subject of the concession, which must be submitted with the application for granting the concession, as well as the documents that the bidder must submit to the municipality in order to grant the consent of the municipal council for the implementation of the procedure for awarding the concession in question.

(13) Against the Decision from para. (9) and (10) of this article, no appeal is allowed, but an administrative dispute can be initiated before the Cantonal Court in Sarajevo.

IV - CONCESSION AGREEMENT

Article 21

(Content of the concession contract)

(1) The concession contract must contain:

1) contractual parties,

2) the subject of the concession,

- 3) the amount of the concession fee,
 - 4) measures of financial security of the contract,
 - 5) rights and obligations of the contracting parties, including obligations to provide safe service to users at the lowest prices,
 - 6) obligations of the concessionaire in the field of environmental protection,
 - 7) the obligation to revitalize renewable natural wealth, i.e. recultivation of non-renewable natural wealth,
 - 8) the obligation to register the Concession Agreement in the land register,
 - 9) obligations of the concessionaire to assume all risks of adverse consequences arising from the use of the concession right,
 - 10) actions related to obtaining the necessary authorizations for carrying out activities in accordance with the concession contract,
 - 11) investment conditions,
 - 12) funds and assets made available by the concessionaire,
 - 13) concessions in land use,
 - 14) conditions, manner and time of use of concession items,
 - 15) conditions for contract renewal,
 - 16) handling of concessionaires with objects found during the use of concession objects, which represent the value of the natural, historical, cultural and/or architectural heritage of Bosnia and Herzegovina,
 - 17) actions of the concessionaire in the event that further use of the object of the concession would endanger the location, i.e. the value and entirety of the object representing the value of the natural, historical, or historical-cultural and/or architectural heritage of Bosnia and Herzegovina,
 - 18) measures to enable project financing,
 - 19) description of events that are considered force majeure,
 - 20) determining and harmonizing tariffs,
 - 21) sanctions and fees for non-fulfillment of the contractual parties' obligations,
 - 22) procedure in case of impossibility of fulfilling the contract, for which neither party is responsible,
 - 23) termination of the contract and the procedure in case of termination of the contract before the termination date determined by the contract,
 - 24) the method of settling disputes, including international arbitration, if the contracting parties agree on it,
 - 25) the agreed jurisdiction of the court i
 - 26) other elements essential for the subject of the concession.
- (2) The concession contract shall determine the rights and obligations of the grantor of the concession and the concessionaire in accordance with the provisions of this Law and the special regulations governing a specific concession.
- (3) The provisions of the regulations regulating the obligation relations are applied to issues from the concession contract that are not regulated by this Law.

(4) In the case of a concession that is an integral part of a public-private partnership project, the regulation governing the content of the public-private partnership contract shall be applied accordingly.

(5) The Ministry of Finance of the Canton of Sarajevo, with the consent of the Government of the Canton, shall issue a rulebook that regulates in detail the issue of financial security measures for the concession contract, within six months from the date of entry into force of this law. In the process of adopting this rulebook, the Ministry of Finance of the Canton of Sarajevo must obtain the opinions of relevant ministries from Article 6, paragraph (2) of this law.

Article 22

(Term for which the concession is granted and restrictions)

(1) The concession contract is concluded for a certain period of time, provided that this period cannot be shorter than five nor longer than thirty years. The concession contract can be renewed for a period that cannot be longer than half of the originally agreed term under the conditions of full fulfillment of the concession contract and based on a study of the justification of the concession award.

(2) The deadline for starting the use of the concession cannot be longer than five years from the date of conclusion of the concession contract. Only in exceptional cases can this term be extended for a period of up to two years.

(3) A concession contract cannot be concluded with a concessionaire who has not fully fulfilled all obligations from any concluded concession contract with the concessionaire.

(4) The duration of the concession will be determined in a way that does not restrict market competition more than is necessary to ensure the amortization of the concessionaire's investment and a reasonable return on invested capital, while taking into account the risk associated with the economic use of the concession.

Article 23

(Transfer of Concession Agreement)

(1) The concession contract cannot be transferred to another concessionaire without the prior consent of the Sarajevo Canton Assembly.

(2) In the event that the concessionaire has not fulfilled the assumed obligation towards the international financial institution of which Bosnia and Herzegovina is a member, the concession contract may be transferred to the relevant institution without the consent of the concessionaire.

(3) When considering the request for approval from paragraph (1) of this article, the concessionaire takes into account:

a) financial condition of the proposed new concessionaire;

b) expertise and ability of the proposed new concessionaire to provide services and fulfill its obligations under the concession contract i

c) the impact that a given concession will have on the concentration of ownership in a certain sector of activity.

(4) The new concessionaire takes over the rights and obligations of the previous concessionaire.

Article 24

(Concession fee)

(1) The concession fee is an obligatory and integral element of the concession contract, and the contract without the established obligation to pay the concession fee is null and void.

(2) The fee for the concession must be of a monetary nature, and consists of: a fee for the right, which is calculated once, when concluding the concession contract, and a concession fee for use, which is expressed as a percentage and refers to the annual gross income generated by the

use of public of goods, natural resources or provision of services or by unit of measure - tons, m³, m² and others.

(3) The fee for the concession can be contracted as a constant equal amount and/or as a variable amount, depending on the particularities of each type of concession.

(4) The amount of the concession fee is determined depending on the type of activity, duration of the concession, business risk and expected profit, equipment and area of the general or public good.

(5) The concession contract must determine the change in the amount of the concession fee in a certain period of time for the duration of the concession contract, which is indicated in the tender documentation.

(6) Fees for concessions are income from the cantonal budget and the budget of local self-government units, which are distributed in the amount of 40% to the budget of the Canton, and the amount of 60% to the budget of the municipality on whose territory the subject of the concession is located.

(7) During the duration of the concession contract, the concessionaire may not prescribe or contract with the concessionaire any form of compensation in exchange for the payment of the concession fee.

Article 25 (Termination of contract)

The concession contract ends:

- a) upon expiry of the agreed term in accordance with this law,
- b) by opening bankruptcy proceedings against the concessionaire,
- c) upon the cessation of the existence of the subject of the concession,
- d) termination of the concession contract i
- e) if the concessionaire does not fulfill the goals and effects of the given concession.

Article 26 (Contract termination)

(1) The concession contract can be terminated:

- a) if the concessionaire is insolvent for more than six months,
- b) if the concessionaire or concessionaire does not fulfill the contractual obligations i
- c) if he performs the activity in a manner contrary to the provisions of the concession contract.

Article 27 (Impossibility of fulfilling the contract for which neither party is responsible - Termination of the contract)

(1) When the fulfillment of the obligation of one party has become impossible due to events for which neither party is responsible, and no contractual party wishes to terminate the contract, the concession relationship continues when the circumstances that led to the impossibility of performing the activity, i.e. non-fulfillment of contractual obligations, cease. Those circumstances are:

- a) if the performance of the concession activity endangers the environment and health or areas and facilities protected by law, which could not have been foreseen at the time the concession was granted,
- b) in case of impossibility to carry out the activity due to significant damage to the concession facility that he did not hide or that is not the result of gross negligence on the part of the concessionaire and

c) in other cases stipulated by the concession contract.

(2) During the time elapsed in the impossibility of fulfilling the contract, the deadline for which the concession contract was signed is extended.

Article 28
(Register of concessions)

(1) The register of concessions is a unique electronic record of concessions granted in the territory of the Canton, which is formed on the basis of registers of concessions of relevant ministries.

(2) The single register of all concluded concession contracts is kept by the Ministry of Finance of Sarajevo Canton.

(3) The registry of concessions guarantees the availability of data to the public. The following are considered public data: the name of the concession grantor, the registration number of the concession grantor, the name of the concessionaire, the address of the concessionaire's headquarters, the start date and the end date of the concession, the name (type) of the concession and the location of the concession.

(4) Contracts and previously concluded concessions for which the concession period has not expired by the date of entry into force of this Law, as well as all contracts that will be concluded after the entry into force of this Law, are recorded in the register of concessions.

(5) The Ministry of Finance of the Canton of Sarajevo shall issue a Rulebook on the establishment and management of the register of concessions within 6 months from the date of entry into force of this law, in which it may determine that the task of establishing and managing a single register of concessions is entrusted to an organization that is competent in terms of IT and staffing to manage it .

V - CONCESSIONAIRE

Article 29
(Legal status of the concessionaire)

A concessionaire is a domestic or foreign legal entity registered for the performance of economic activity with whom the concessionaire concludes a concession contract and which has the rights and obligations established by the contract in accordance with this Law.

Article 30
(Concessionaire's rights)

The concessionaire has the right to possess and use the assets and property that the concessionaire makes available to him, in accordance with the concession agreement.

Article 31
(Obligations of the concessionaire)

The concessionaire is obliged to perform the activity that is determined as the subject of the concession in the concession agreement and cannot extend it beyond the scope established by the concession agreement.

VI - CONTROL

Article 32
(Supervision of the enforcement of laws and contracts)

(1) The line ministry is obliged to continuously supervise the work of the concessionaire and the fulfillment of his obligations under the concession contract, and to regularly monitor the scope and amount of use of the concession right.

(2) In case of deviation from the agreed use of the concession right in time and quantity, the line ministry informs the concessionaire and the Ministry of Finance and undertakes measures at the competent inspection within 30 days from the day of learning about the deviation.

(3) In the event of non-fulfillment of the contractual obligation to pay concession fees, the line ministry is obliged to take all measures to collect them from the competent authorities, about which the Ministry of Finance of the Canton of Sarajevo and the concessionaire shall be notified.

(4) In procedures where it is not possible to fulfill the obligations from the concession contract or due to other observed irregularities, the line ministry is obliged to inform the competent Attorney General, the Ministry of Finance of Sarajevo Canton and other supervisory inspection services, and initiate all necessary measures to eliminate the observed irregularities. about which it is mandatory to inform the concessionaire within 30 days from the date of taking the measures.

(5) The Ministry of Finance of Sarajevo Canton submits monthly reports on payments related to the use of the concession right to the relevant ministry, and the relevant ministry submits to the concessionaire a semi-annual and annual report on all issues related to concession items from its department.

(6) For concession items from the respective municipality, the relevant ministry shall deliver to the municipal head one copy of the concluded concession contract, within 15 (fifteen) days from the date of conclusion. This obligation also applies to every concluded annex to the concession agreement.

(7) For concession items from the respective municipality, the line ministry submits the annual report from paragraph (5) of this article to the municipal mayor.

(8) The Government of the Canton submits to the Assembly of the Canton of Sarajevo an annual report on the state of implementation of this law, which includes issues of execution of concluded concession contracts.

Article 33 (Dispute Resolution)

(1) The Municipal Court in Sarajevo is competent to resolve disputes regarding the fulfillment of contractual obligations by the concessionaire and concessionaires.

(2) Disputes that arise in connection with the jurisdiction for granting concessions between the Federation of BiH and the Canton are resolved by the Special Joint Commission for Concessions established by the Law on Concessions ("Official Gazette of the Federation of BiH", no. 40/02 and 61/06).

(3) For disputes that arise in connection with the jurisdiction for granting concessions between cantons, the arbitration of the commission from paragraph (2) of this article will be requested.

(4) For disputes that arise in connection with the jurisdiction to grant concessions, and when a certain good is located on the territory of two or more municipalities of the Canton, the Government of the Canton will form a Joint Commission whose members are representatives of the Canton and the municipality on whose territory the subject of the concession is located.

(5) For disputes that arise in connection with the jurisdiction for awarding the concession, and which cannot be resolved, an administrative dispute will be initiated at the Cantonal Court in Sarajevo.

VII - PENAL PROVISIONS

Article 34 (Penal provisions)

(1) A legal entity that uses the object of the concession, without a signed concession contract, will be fined in the amount of 5,000.00 KM to 15,000.00 KM.

(2) A fine in the amount of 1,500.00 KM to 3,000.00 KM shall be imposed on the responsible person in the legal entity for the actions referred to in paragraph (1) of this article.

(3) A fine in the amount of 500.00 KM to 1,500.00 KM shall be imposed for a misdemeanor on a natural person who uses the object of the concession without a signed concession contract.

(4) A fine in the amount of 3,000.00 KM to 10,000.00 KM shall be imposed on a legal entity - the concessionaire, if it uses the object of the concession in an amount greater than the contracted amount.

(5) A fine in the amount of 1,500.00 KM to 3,000.00 KM shall be imposed on the responsible person in the legal entity of the concessionaire for the actions referred to in paragraph (4) of this article.

(6) A fine in the amount of 500.00 KM to 1,000.00 KM will be fined for a violation of a natural person - the concessionaire if he uses the object of the concession in an amount greater than the contracted amount.

(7) A fine in the amount of 2,000.00 KM to 12,000.00 KM shall be imposed for a misdemeanor on a legal entity - a concessionaire who has made false statements in order to secure the transfer of shares, shares or certificates of shares, and on the basis of which the concessionaire issues an authorization for transfer.

(8) A fine in the amount of 500.00 KM to 3,000.00 KM shall be imposed on the responsible person in the legal entity - the concessionaire for the actions referred to in paragraph (7) of this article.

(9) A fine of 1,000.00 KM to 3,000.00 KM shall be imposed for the offense of a person from paragraphs (7) and (8) of this article if:

- a) fail or refuse to complete and return incomplete documents in the manner prescribed by this law;
- b) fail or refuse to answer the questions asked in the documents;
- c) intentionally give a wrong answer;
- d) failure to answer questions that can determine the facts for which the inquiry is being made;
- e) at the concessionaire's request, they refuse to present the book, documents, accounts, archives or other documentation to a person authorized by the competent minister;
- f) fail or refuse to perform a duty entrusted to them, for which no penalty has been established;
- g) fail or refuse to comply with the request or order issued by the concessionaire, or the judgment of the competent court; or
- h) failure to fulfill the obligation to enter the concession contract in the land register (Article 21, paragraph (1) point 8).

(10) In terms of paragraph (8) of this article, the action, omission or mistake of any responsible person, officer, agent, or other person who acts on behalf of or is employed by a concessionaire and acts within the scope of his work and instructions, in any case is considered an act, omission or mistake of that concessionaire.

VIII - TRANSITIONAL AND FINAL PROVISIONS

Article 35

(Signing contracts with existing users)

1) A business company that is the holder of the right to use a general or other good concludes a concession contract without carrying out the procedure prescribed by this Law for a period of five (5) years, if the holder of the right to use meets the conditions for granting a concession prescribed by this Law.

2) The beneficiary of the general or other good from paragraph (1) of this article is obliged to submit a request for signing a concession contract within 30 (thirty) days from the date of entry into force of this Act.

(3) The concessionaire is obliged within 90 (ninety) days to resolve the procedure according to the concessionaire's request from paragraph (2) of this article.

(4) If the company does not act in accordance with paragraph (2) of this article, the concession is granted according to the procedure prescribed by this law.

(5) The period referred to in paragraph (2) of this article shall be calculated from the date of entry into force of this law.

(6) If the contract referred to in paragraph (1) of this article is not concluded within the prescribed period, the competent inspection body will prohibit the use of the concession by decision.

(7) The provisions of Article 22, paragraph (1) of this law do not apply to concessionaires who have signed concession contracts for concession items that are under the jurisdiction of the Canton according to current regulations for a period of up to 5 (five) years, but they have the right through the implementation of the procedure determined by this Law for the same subject of concession to sign a new concession contract.

(8) The user of the subject of the concession referred to in Article 6, paragraph (1) point 4) of this law, who has a work permit, is obliged to submit an application for granting a concession in accordance with Article 20 of this law within 30 (thirty) days from on the date of entry into force of this law.

(9) If the concession contract according to the request from paragraph (8) of this article is not concluded within 90 (ninety) days from the date of submission of the proper request, the competent inspection authority will prohibit the use of the concession item by decision.

(10) The Government of the Canton, on the proposal of the Ministry, shall, by decree, prescribe the use of water supply facilities with the intake of water in the amount of up to one liter per second, within six months from the date of entry into force of this law. In the process of adopting this regulation, the Ministry must obtain the opinions of local self-government units. The contract for the use of water from these facilities can be concluded for a period of up to five years, which can be renewed.

Article 36 **(Obligations of public companies)**

In accordance with Article 35 of this Law, public companies are also subject to the obligation to sign the concession contract, with the exception of public companies from Article 6, paragraph (2) of this Law.

Article 37 **(Cessation of the Law)**

On the day this Law enters into force, the Law on Concessions ceases to be valid ("Official Gazette of Sarajevo Canton", number 21/03).

Article 38 **(Entering into force of the Law)**

This law enters into force on the eighth day from the day of its publication in the "Official Gazette of Sarajevo Canton".