

RECOMMENDATIONS AND OPERATIONAL CONCLUSIONS

EU-Bosnia and Herzegovina (BiH) 4th SAA Subcommittee

in the field of Internal Market and Competition

Sarajevo, 12 December 2019

1. COMPETITION

1. The Commission recommended that BiH proceeds without delay with the further alignment of its Competition Law and the State aid law with the *acquis*.
2. The Commission recommended that BiH removes from the laws on competition and State aid the requirement that decisions can only be taken if at least one member representing of each of the constituent people supports it („ethnic veto“).
3. The Commission asked BiH to ensure co-financing for the budget of the State Aid Council by Republika Srpska as provided for in the Law.
4. The Commission urged BiH to step up the advocacy activities with the aim to raise awareness among grantors of the need to notify *ex ante* new State aid measures and ensure compliance with the state aid law.
5. The Commission recommended that BiH strengthens the operational capacity of the State Aid Council.
6. The Commission requested the BiH Authorities to comply with Article 71(7) of the SAA by swiftly providing the regional statistics at NUTS II level and by drawing a regional aid map.
7. The Commission requested BiH to comply with its obligations under Article 71(6) of the SAA by making swift progress in the alignment of the existing aid schemes with the *acquis*.

2. PUBLIC PROCUREMENT

8. The Commission encouraged BiH to adopt the planned amendments to the public procurement law with a view to further aligning its legislation with the EU Directives.
9. In the area of concessions, the Commission urged the BiH authorities to continue the work on possible revision of highly complex and fragmented legal framework and accelerate the process of alignment with the 2014 Directives on public procurement and concessions.
10. The Commission recommended BiH to improve the filling of vacant positions and increase the staffing levels of the Public Procurement Agency and Public Procurement Review Body.

3. RIGHT OF ESTABLISHMENT, FREEDOM TO PROVIDE SERVICES AND RECOGNITION OF PROFESSIONAL QUALIFICATIONS OF FOREIGN NATIONALS

11. BiH is encouraged to adopt a single horizontal law aligned with the Services Directive and subsequently check existing legislation in order to identify the pieces of legislation that will have to be amended in order to be aligned with the Services Directive.
12. BiH is urged to further analyse the issue of double registration of companies and any additional registration requirements in the two entities and, where such requirement exists, to abolish them.
13. BiH is encouraged to step up efforts to open up the postal services market to competition and align the national legislation with EU postal acquis. In this respect, BiH is encouraged to adopt the new draft law on postal services and adopt a state-level strategy for development of postal services.
14. The Commission recommended BiH to compile a list of professions regulated in the country including the details of relevant regulations stressing the importance of this exercise both for domestic and accession purposes.

4. INTELLECTUAL PROPERTY

15. BiH is encouraged to step up its efforts to effectively enforce intellectual property rights through strengthening the capacity and coordination of enforcement institutions.

5. PUBLIC HEALTH AND CONSUMER PROTECTION

16. The Commission recommended that BiH further aligns its legislation with the consumer protection acquis.
17. The Commission recommended ensuring adequate and sustainable funding in the field of public health in order to facilitate health care reforms and provide for well-managed, good quality accessible public health care for all citizens including marginalised groups of the society.
18. The Commission urged BiH to accelerate the adoption of legislation prohibiting smoking in public places and the ratification of the protocol to eliminate illicit trade on tobacco.
19. The Commission recommended BiH setting up an oversight system at state level in the field of substances of human origin with a view to ensuring efficient coordination in the whole country.

20. The Commission invited BiH to fully participate in and benefit from the EU participation in the EU Health Programme and all other opportunities of active cooperation and participation.
21. The Commission urged BiH to solve the current deadlock in order to take part in the assessment of the European Centre for Disease Prevention and Control (ECDC) of surveillance and control of communicable diseases.

6. COMPANY LAW, ACCOUNTING AND AUDITING

22. The Commission called upon the BiH authorities to further harmonise company law at countrywide level.
23. On auditing, the Commission reminded BiH that in order to comply with the EU acquis it will need to establish one single supervisory body to take ultimate responsibility for the oversight of statutory auditors in the whole country.

7. BANKING, INSURANCE AND OTHER FINANCIAL SERVICES

24. BiH was urged to adopt amendments to the Law on Deposit Insurance to allow for the use of the deposit insurance fund for resolution purposes (ADOPTED).
25. The Commission encouraged BiH to continue efforts to strengthen oversight of banks by the Entity Banking Agencies.
26. The Commission reiterated the need to ensure that entity-level legislation fully incorporates the recommendations of the Insurance Agency of BiH before adoption, thus strengthening the agency's role in coordinating legal harmonisation and alignment with the EU acquis.