

**MAGISTRATES' ASSOCIATION  
OF SERBIA**

# **SURVEY**

## **“THE ECONOMIC ASPECT OF MISDEMEANORS”**

**sanctioning of economic subjects in misdemeanor proceedings  
in the areas of economy and labor relations; final decisions of Misdemeanor Courts in  
Belgrade, Niš, and Novi Sad; years 2007 and 2008**

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## **THE ECONOMIC ASPECT OF MISDEMEANORS**

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„The Economic Aspect of Misdemeanors“ is the fourth project that was realized as a result of cooperation between the Association of Magistrates of the Republic of Serbia and ABA/CEELI, and it represents a continuation of the previous research conducted in 2007 under the same title. Its primary goal is not, like previously, to determine the role and importance of misdemeanor courts within the country's budget system, but to determine the status of economic subjects before such bodies and the level of exposure of companies and entrepreneurs to the repression of the state. The goal of the project was – depending, of course, on the results of the research – to determine the need for potential changes to the country's legislation, the need to correct the penal policy, as well as to find a way to approach these issues in a different manner. The purpose of the research, thus – along with certain additional objective circumstances – determined the area, the territory, and the time period to which it relates.

### **Research area:**

According to the unified (and already dated) classification of misdemeanors, there are ten areas that enable monitoring of these punishable acts. Violations of public peace and order fall under code 01, traffic violations under code 02, acts from the area of public safety under code 03, economic violations under code 04, finances under code 05, labor relations under code 06, and so on. Each of the codes has a string of sub-codes. Considering that the goal of the project, as stated

earlier, was to determine the status of economic subjects in relation to the legislative system (or – if viewed from another angle – how the state treats such subjects in cases of violation of regulations), research was directed exclusively at the two areas that are of key importance to this category of entities (even though they appear as perpetrators in almost all areas), as regulated by the classification: the economy, and – since the two are closely related – labor, labor relations, and protection in the workplace. Indicators were, thus, requested and obtained for codes 04 and 06, or, to be more correct, for appropriate regulations.

According to classification, the area of economy includes sub-codes 0401, 0402, 0403, 0404...etc., where each of them relates to a certain sphere of life, that is, labor. Sub-code 0401 is, thus, connected to the violation of regulations on the use of agricultural land, sub-code 0408 marks misdemeanors in the area of health protection of animals, sub-code 0426 represents acts related to placement of goods, etc., while sub-code 0499 includes all misdemeanors that do not fall under any of the already listed categories. The same applies to code 06. Since during the last 7-8 years, the Republic of Serbia, in order to harmonize its regulations with those of the European Union, adopted a number of laws that can not be placed in any of the concrete sub-codes (raising the question whether, in records of first instance courts, they are shown in the category of other misdemeanors, under sub-codes 0499 and 0699), research was conducted according to laws (or sub-statutory acts) the provisions of which were confirmed, while sub-codes represented only its starting framework. Classification was, in fact, adjusted to regulations, instead of the other way around, the way things should have been had the unified system of evidencing been harmonized with the legislature. For practical reasons, that is, due to mutual overlapping of certain provisions, or simply due to the similarity of matter, certain areas were merged; for example, internal and external commerce

with placement of goods and services, or the area of protection of copyrights, logos, patents, etc. In the report, under code 04, special attention was paid to violations of the Law on Tobacco, the Law on Wine and Brandy, of regulations in the area of construction and urban planning, regulations on roads and road traffic, regulations related to the placement of goods and services, the Law on Entrepreneurs, the Law on Consumer Protection, the Law on Advertising, regulations in the area of telecommunications and radio frequencies, regulations related to hospitality and tourism, to communal activities, standards, logos, patents, product quality, copyrights, the Law on Protection of Competition, as well as misdemeanors from all other areas of economy. In code 06, separately, research provided data related to the beginning and termination of employment, measures of technical protection and safety in the workplace, use of company name, salaries, absence and vacations of employees, working hours, etc., as well as data on all other misdemeanors that are not registered in any of the listed groups while being, nevertheless, the subject of every-day work.

### **Objects (Subjects) of research:**

The term "Legal Subject" means legal or physical entity which produces or sells goods, or provides a service for the purpose of acquiring financial gain. In other words, they are entrepreneurs who, as founders of various businesses, personally perform certain business activities; their responsibility is, thus, subjective – related to a person. The term also includes companies (the term once used was: enterprises), regardless of their legal form: partnership, stockholders, limited partnership, or a company with limited responsibility (in practice, and in this research, the latter form seems to be the most frequent one). Their responsibility as legal entities is different – objective. According to the Law on Misdemeanors, it stems from the (subjective) responsibility of persons who, in such companies, performing certain entrusted tasks, commit an

illegal activity or neglect to act in a situation where there existed an obligation to act. The same Law provided the framework for sanctions for all three categories - for entrepreneurs: from 5.000 to 500.000 dinars, for legal entities: from 10.000 to 1.000.000 dinars, and for responsible persons: from 500 to 50.000 dinars. Certain (separate) Laws define sanctions in more detail, within this range, with different minimum or maximum penalties, as well as foreseen or omitted protective measures. Research data was separately collected for each of these categories, according to the type and number of issued sanctions (warnings, fines – grouped in five categories, protective measures of confiscation of goods that represent the subject of misdemeanor, ban on certain business activities, confiscation of illegally acquired material gain), total number of sanctioned persons in certain areas, and average fines.

### **Period covered by this research:**

The project included cases completed by a final decision before first or second instance courts (bodies) in 2007 and 2008. This means that decisions could not be questioned by regular legal remedies (appeal). In said years, finality means that misdemeanors were committed during the two years and earlier, in 2006 or 2005, since statutory limitation is two years (in the area of economy and labor relations it is longer only according to the Law on Protection of Competition). The time period is quite important since by the end of 2005 several Laws relating to business activities of economic subjects had been passed, and – at the same time – sanctions had been changed, that is, the existing ones were increased. Research failed to determine whether the issued sanctions were collected, and whether economic subjects actually suffered consequences of their illegal activities. It was also never determined in how many cases proceedings against companies and entrepreneurs were discontinued for various reasons. Anyway, (this is mentioned as an explanation for potential discrepancies), the number of cases does

not correspond to the number of sanctioned persons, since initiating of proceedings against a company also represents the initiating of proceedings against the responsible person in the same company, that is, there are at least two entities per case. Additionally, the number of finally concluded cases is not the same when compared between categories, since the decision could have been final in relation to the company and not final in relation to the responsible person, and vice versa (a situation when one entity pays the fine, while the other has not even been served the decision – partial finality of the decision, or when proceedings against, for example, the responsible person were discontinued, while the legal entity was issued a sanction). Therefore, a case with finally sanctioned legal entity and responsible person does not represent two cases but one, and the research took such a case to represent the number obtained for legal entities (with the exception of Belgrade, to be mentioned later on). The indicator is insufficiently reliable, but also relatively unimportant to the research. It was requested primarily in order to obtain an approximate picture on the representation of cases from the area of economy and labor relations in the work of misdemeanor courts. The starting principle was that one sanctioned entity equals one sanction, even though the accused in the case could have been issued – and often was issued – multiple sanctions. The research showed the total number of sanctions, collective sanctions, as it has to be done in court decisions, after the court determines sanctions for individual misdemeanors (this is why sanctions sometimes exceed the maximum allowed by the Law on Misdemeanors).

#### The territory included in the research:

The territory in which this research was conducted consists of three first instance bodies – misdemeanor courts: in Belgrade, Niš, and Novi Sad. The reasons for such approach are of objective nature. Namely, the available period of time prevented its execution in the entire

territory of Serbia, or at least by regions as it was done in the past; it also required that the researched areas be narrowed down to the most important ones. Data were collected for the mentioned cities as centers with the unquestionably highest number of inhabitants (Belgrade) and consequently the greatest number of economic subjects with various types of activities conformed to the needs of citizens, and with the highest representation of punishable acts in accordance with the principle of relative proportionality. The choice was determined by the fact that Novi Sad is located in the more developed part of the Republic, while Niš is located in the less wealthy area; the courts, therefore, realistically present a representative example for “their” territories and, along with Belgrade, for the entire country, at least with regard to treatment of economic subjects.

#### Work technique:

Misdemeanor courts do not have a unified computer system of monitoring of cases so, technically, research was conducted through insight into manually kept records, through simultaneous monitoring of sub-codes and titles of Laws as they are kept in registers, and by looking at cases themselves, while a smaller amount of information was acquired through use of the existing programs.

## RESULTS OF THE RESEARCH IN THE COURTS

### Belgrade:

Under both codes, in 2007, 2177 cases were finalized (this is the only territory where the number of cases was obtained by adding the numbers of legal entities, responsible persons, and entrepreneurs, except that the higher available number was used for legal entities and responsible persons so that there would be no overlapping; according to this principle, the sum does not include legal entities under code 04 and responsible persons under code 06, 1605 of which (or 73,75%) are in the area of economy and 572 (or 26,25%) in the area of labor relations. The total amount of fines is 103.349.100 dinars - 32.600.100 (31,55%) within code 04 and 70.749.000 (68,45%) within code 06 (approximately one quarter of cases from the area of labor and labor relations represent the source of almost 70% of the total sum of fines).

During the year 2008, 1010 finalized cases were registered (the method of calculation applied for the year 2007 was used), fifty percent less than in 2007, closer to the number of decisions of the Misdemeanor Body in Niš. This fact was caused by extreme difficulties regarding the service of decisions marked particularly in Belgrade where, in comparison with other courts in Serbia, there exists an additional problem where home or business address changes are often not properly registered. This usually involves further inquiry through the Agency for Economic Registers and requires longer service proceedings (it is realistic to expect that decisions of the City Magistrate of the City of Belgrade brought in 2007 and 2008 will become final during the year 2009). Out of the mentioned number, 799 or 79,10% of cases are in the area of economy, while 211 or 20,90% fall within the code 06. The total fine amount is

only 39.317.000 dinars (another serious decrease, when compared to 2007 as well as when compared with other researched areas). Three fifths (59,58% - 23.425.000 dinars) of the amount are fines from the area of working relations, while the rest are fines from code 04 (15.892.000 dinars, or 40,42%).

*Structure of area participation in the number of cases in the total of sanctions:*



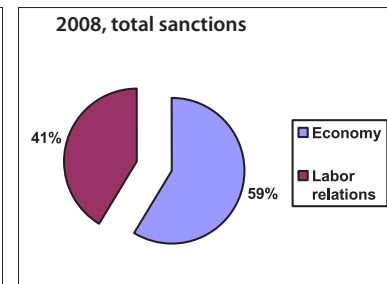
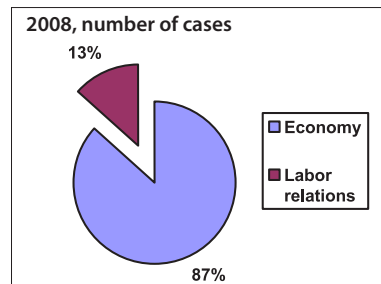
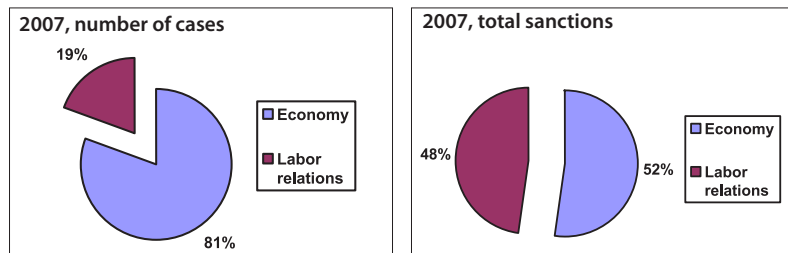
**Niš:**

In the year 2007, 571 cases were concluded before the Misdemeanor Court (Body) in Niš; 460 ( 80,56%) in the area of economy and 111 (19,44%) in the area of labor and labor relations. Sanctions were issued in the amount of 22.110.000 dinars: 11.560.000 dinars (or 52,28%) under code 04, and 10.550.000 dinars (47,72%) under code 06. This means that approximately one fifth of cases in the area of labor relations were responsible for somewhat less than half of the total amount of issued fines.

During the year 2008, 922 decisions became final before the same Court: 800 (86,76%) in the area of economy and 122 (13,23) within the code 06. The total amount of fines was 57.711.000 dinars: 33.826.000 dinars or 58,61% in the area of economy, and 23.885.000 dinars (41,39%) in the area of labor and labor relations. So, yet again, we have the situation where less than one eighth of the total number of cases produced the financial effect of somewhat more than two fifths of the total amount of fines.

When compared with 2007, all indicators show an increase in 2008; percentage-wise, a small decrease in cases was marked under code 06.

*Structure of area participation in the number of cases in the total of sanctions:*

**Novi Sad:**

In the year 2007, the Misdemeanor Court in Novi Sad had a total of 1186 final decisions: 1086 (91,57%) in the area of economy, and 100 (8,43%) within the code 06, with the total amount of fines of 51.692.000 dinars. Out of this amount, 52,59% or 27.184.000 dinars were in the area of economy, and 47,41% or 24.508.000 dinars in the area of labor. This means that less than one tenth of cases provided almost one half of the fines.

The year 2008 showed a physical increase in all indicators except for cases in the area of economy (and the percentage of participation of such cases in the total number). There were 1234 cases: 979 (79,34%) under code 04, and 255 (20,66%) under code 06. Collectively, the amount of fines was 111.295.000 dinars: 40.418.000 dinars or 36,32% in the area of economy, and 70.877.000 dinars, or 63,68%, in the area of working relations. Again, under code 06, one fifth of all included cases provided two thirds of the total amount of the fines.

Structure of area participation in the number of cases in the total of sanctions:



If we perform a mutual comparison of Misdemeanor Courts in which final decisions were researched, out of the total number of cases (7100), Belgrade had the highest number in both years (3187, but – as it was mentioned – with a significant participation of decisions from 2007 and a low percentage from 2008), then Novi Sad (2420), and finally Niš with 1493 cases. According to possible financial results (since final decisions do not have to be enforced), Novi Sad has the best „efficiency“- fines were issued in the total amount of 162.987.000 dinars or - if we take 1 EUR to be worth 90 dinars - 1.810.966 EUR. Belgrade is second, with

142.666.100 dinars – approximately 1.585.178 EUR, and Niš last with 79.821.000 dinars – app. 886.900 EUR. On the other hand, again for both years and viewed by areas within the cases, Belgrade had 2404 cases under code 04 (and fines in the amount of 48.492.100 dinars), followed by Novi Sad with 2065 decisions and 67.602.000 dinars in fines, and Niš with 1260 decisions and fines in the amount of 45.386.000 dinars. Under code 06, Belgrade is at the top of the list again (783 decisions, and the financial effect in the amount of 94.174.000 dinars), Novi Sad has 355 cases and 95.385.000 dinars in fines, while Niš has 233 decisions and a total of 34.435.000 dinars in fines. Shown indicators are not viewed as parameters for activities of authorized submitters of requests or the quality of work of courts included in the research, but they undoubtedly show a penal policy in these three bodies that is not unified, in the area of labor relations in particular. This is, more or less, present in other parts of the Republic as well (a review of average issued sanctions according to the unreliable “number of cases” parameter speaks in favor of this statement).

Area	Territory	Average sanction per case
Economy	Belgrade	20.171 dinars
Economy	Niš	36.020 dinars
Economy	Novi Sad	32.737 dinars
Labor relations	Belgrade	120.273 dinars
Labor relations	Niš	147.789 dinars
Labor relations	Novi Sad	268.690 dinars



Responsible persons, 2007 Belgrade	Number of issued sanctions: fines and warnings						Measures		Total number of cases	Total no of sanctionedp ersons	Total fines - Amount	Average fine
1	2	3	4	5	6	7	8	9	10	11	12	13
Economic regulations	warning	up to 10.000.	10.000- 50.000	50.000- 100.000	100.000- 500.000	over 500.000	Confiscation of goods	Confiscation of material gains				
Regulations on tobacco			1						1	1	20.000	20.000
Reg. on alcoholic and non-alcoholic beverages												
Reg. on construction and urbanism												
Reg. on roads and road traffic	1	1	43	14					59	59	615.000	10.243
Trade, external and internal	12	1	36	18	4		3	2	71	71	4.165.000	58.662
Reg. on business owners												
Reg. on consumer protection	8	1	6	15	9				39	39	3.414.000	87.538
Reg. on advertizing	2		1	3	6				12	12	1.750.000	145.833
Reg. on telecommunications and radio frequencies												
Reg. on hospitality and tourism	73	8	87	12					180	180	3.397.000	18.872
Communal activities	62	184	22	6	2				276	276	1.956.500	7.088
Logos, patents, copyrights												
Protection of competition												
Other economic regulations												
<b>TOTAL</b>	<b>158</b>	<b>195</b>	<b>196</b>	<b>68</b>	<b>21</b>		<b>3</b>	<b>2</b>	<b>638</b>	<b>638</b>	<b>15.317.500</b>	<b>24.008</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000- 50.000	50.000- 100.000	100.000- 500.000	over 500.000	Confiscation of goods	Confiscation of material gains	Total number of cases	Total no of sanctionedp ersons	Total fines - Amount	Average fine
Start and termination of employment	11		10	53	49	9			132	132	25.586.000	193.833
Protection in the workplace	7		7	44	48	8			114	114	27.850.000	244.298
Use of company name												
Salaries, vacations, absence, working hours					1				1	1	400.000	400.000
All other misdemeanors		19	33	1					53	53	1.425.000	26.886
<b>TOTAL</b>	<b>18</b>	<b>19</b>	<b>50</b>	<b>98</b>	<b>98</b>	<b>17</b>			<b>300</b>	<b>300</b>	<b>55.261.000</b>	<b>184.203</b>

Table 2

Responsible persons, 2007 Belgrade	Number of issued sanctions: fines and warnings						Measures		Total number of cases	Total no of sanctionedp ersons	Total fines - Amount	Average fine
1	2	3	4	5	6	7	8	9	10	11	12	13
Economic regulations	warning	up to 10.000.	10.000- 50.000	50.000- 100.000	100.000- 500.000	over 500.000	Confiscation of goods	Confiscation of material gains				
Regulations on tobacco		1							1	1	5.000	5.000
Reg. on alcoholic and non-alcoholic beverages												
Reg. on construction and urbanism												
Reg. on roads and road traffic	1	56	2						59	59	126.000	2.135
Trade, external and internal	14	15	37	7	1				74	74	1.055.000	14.526
Reg. on business owners												
Reg. on consumer protection	5	5	22	4	3				39	39	561.000	14.384
Reg. on advertizing	3	1	9	5	1				19	19	319.000	16.789
Reg. on telecommunications and radio frequencies												
Reg. on hospitality and tourism	76	151	59						286	286	904.000	3.160
Communal activities	47	400	39						486	486	1.215.300	2.500
Logos, patents, copyrights												
Protection of competition												
Other economic regulations												
<b>TOTAL</b>	<b>146</b>	<b>629</b>	<b>168</b>	<b>16</b>	<b>5</b>				<b>964</b>	<b>964</b>	<b>4.185.300</b>	<b>4.341</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000- 50.000	50.000- 100.000	100.000- 500.000	over 500.000	Confiscation of goods	Confiscation of material gains	Total number of cases	Total no of sanctionedp ersons	Total fines - Amount	Average fine
Start and termination of employment	11	11	108	2					132	132	2.412.000	18.272
Protection in the workplace	7	25	64	18					114	114	2.479.000	21.746
Use of company name												
Salaries, vacations, absence, working hours			1						1	1	20.000	20.000
All other misdemeanors		28	3						31	31	155.000	5.000
<b>TOTAL</b>	<b>18</b>	<b>64</b>	<b>176</b>	<b>20</b>					<b>278</b>	<b>278</b>	<b>5.066.000</b>	<b>18.223</b>

Table 3

<i>Entrepreneurs, 2007 Belgrade</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Measures</i>		<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	Confiscation of goods	Confiscation of material gains				
Regulations on tobacco			1						1	1	6.000	6.000
Reg. on alcoholic and non-alcoholic beverages		1	2	7	1				11	11	840.000	76.634
Reg. on construction and urbanism												
Reg. on roads and road traffic		5	22	3					30	30	486.500	16.216
Trade, external and internal	11	1	39	11	1		16		63	63	1.964.000	31.175
Reg. on business owners	6	44	77	1	2		9	1	130	130	2.188.500	16.834
Reg. on consumer protection	1	2	41	42	4				90	90	5.580.000	62.000
Reg. on advertizing	1		1	2					4	4	80.000	20.000
Reg. on telecommunications and radio frequencies			1				1		1	1	20.000	20.000
Reg. on hospitality and tourism	37	44	33						114	114	981.000	8.605
Communal activities	18	160	15						193	193	937.300	4.856
Logos, patents, copyrights												
Protection of competition												
Other economic regulations		6					2		6	6	14.000	2.333
<b>TOTAL</b>	<b>74</b>	<b>263</b>	<b>232</b>	<b>66</b>	<b>6</b>		<b>28</b>	<b>1</b>	<b>641</b>	<b>641</b>	<b>13.097.000</b>	<b>20.433</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	Confiscation of goods	Confiscation of material gains	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment	4	5	94	58	7				168	168	7.684.000	45.738
Protection in the workplace	1	9	29	11	3				53	53	2.292.000	43.245
Use of company name												
Salaries, vacations, absence, working hours												
All other misdemeanors		42	8	1					51	51	446.000	8.745
<b>TOTAL</b>	<b>5</b>	<b>56</b>	<b>131</b>	<b>70</b>	<b>10</b>				<b>272</b>	<b>272</b>	<b>10.422.000</b>	<b>38.316</b>

Table 4

Legal entities, 2008 Belgrade	Number of issued sanctions: fines and warnings						Measures		Total number of cases	Total no of sanctioned persons	Total fines - Amount	Average fine
1	2	3	4	5	6	7	8	9	10	11	12	13
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	Confiscation of goods	Confiscation of material gains				
Regulations on tobacco												
Reg. on alcoholic and non-alcoholic beverages			1						1	1	20.000	20.000
Reg. on construction and urbanism												
Reg. on roads and road traffic	1		1	2					4	4	125.000	31.250
Trade, external and internal	6		27	15	4		2		52	52	2.498.000	48.038
Reg. on business owners												
Reg. on consumer protection	4		1	10	2				17	17	1.185.000	69.705
Reg. on advertizing			1	7	3				11	11	1.040.000	91.818
Reg. on telecommunications and radio frequencies												
Reg. on hospitality and tourism	19	31	73	1					124	124	2.030.000	16.370
Communal activities	59	138	15	5					217	217	1.259.000	5.802
Logos, patents, copyrights												
Protection of competition												
Other economic regulations	1								1	1		
<b>TOTAL</b>	<b>90</b>	<b>169</b>	<b>119</b>	<b>40</b>	<b>9</b>		<b>2</b>		<b>427</b>	<b>427</b>	<b>8.151.000</b>	<b>19.089</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	Confiscation of goods	Confiscation of material gains	Total number of cases	Total no of sanctioned persons	Total fines - Amount	Average fine
Start and termination of employment	9		11	18	20	3			61	61	6.080.000	99.672
Protection in the workplace	6		5	21	16	3			51	51	11.550.000	226.470
Use of company name												
Salaries, vacations, absence, working hours												
All other misdemeanors	3	3	23						29	29	610.000	20.034
<b>TOTAL</b>	<b>18</b>	<b>3</b>	<b>39</b>	<b>39</b>	<b>36</b>	<b>6</b>			<b>141</b>	<b>141</b>	<b>18.240.000</b>	<b>129.362</b>

Table 5

<i>Responsible persons, 2008 Belgrade</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Measures</i>		<i>Total number of cases</i>	<i>Total no of sanctionedp ersons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>
Economic regulations	warning	up to 10.000.	10.000- 50.000	50.000- 100.000	100.000- 500.000	over 500.000	Confiscation of goods	Confiscation of material gains				
Regulations on tobacco												
Reg. on alcoholic and non-alcoholic beverages												
Reg. on construction and urbanism												
Reg. on roads and road traffic		3	1						4	4	21.000	5.250
Trade, external and internal	6	18	25	3					52	52	918.500	17.663
Reg. on business owners												
Reg. on consumer protection	5		7	3					15	15	278.000	18.533
Reg. on advertizing	2	1	9	3					15	15	360.000	24.000
Reg. on telecommunications and radio frequencies												
Reg. on hospitality and tourism	19	106	13						138	138	592.000	4.290
Communal activities	67	234	15	5					321	321	478.500	1.490
Logos, patents, copyrights												
Protection of competition												
Other economic regulations	1								1	1		
<b>TOTAL</b>	<b>100</b>	<b>362</b>	<b>70</b>	<b>14</b>					<b>546</b>	<b>546</b>	<b>2.648.000</b>	<b>4.849</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000- 50.000	50.000- 100.000	100.000- 500.000	over 500.000	Confiscation of goods	Confiscation of material gains	<i>Total number of cases</i>	<i>Total no of sanctionedp ersons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment	9	6	45	1					61	61	1.320.000	21.639
Protection in the workplace	7	4	40						51	51	1.110.000	21.764
Use of company name												
Salaries, vacations, absence, working hours												
All other misdemeanors	1	21	1						23	23	88.000	3.826
<b>TOTAL</b>	<b>17</b>	<b>31</b>	<b>86</b>	<b>1</b>					<b>135</b>	<b>135</b>	<b>2.518.000</b>	<b>18.651</b>

Table 6

<i>Entrepreneurs, 2008 Belgrade</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Measures</i>		<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	Confiscation of goods	Confiscation of material gains				
Regulations on tobacco												
Reg. on alcoholic and non-alcoholic beverages		1	2	3	1				7	7	480.000	68.571
Reg. on construction and urbanism												
Reg. on roads and road traffic		3	11						14	14	274.500	19.607
Trade, external and internal	5		14	3			4		22	22	627.000	28.500
Reg. on business owners	1	3	29	1				1	34	34	717.000	21.088
Reg. on consumer protection	2	9	13	3					27	27	1.565.000	57.963
Reg. on advertizing				3	1				4	4	360.000	90.000
Reg. on telecommunications and radio frequencies												
Reg. on hospitality and tourism	4	45	21						70	70	771.000	11.014
Communal activities	11	58	5						74	74	296.500	4.006
Logos, patents, copyrights												
Protection of competition												
Other economic regulations		1					1		1	1	2.000	2.000
<b>TOTAL</b>	<b>23</b>	<b>120</b>	<b>95</b>	<b>13</b>	<b>2</b>		<b>5</b>	<b>1</b>	<b>253</b>	<b>253</b>	<b>5.093.000</b>	<b>20.130</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	Confiscation of goods	Confiscation of material gains	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment		4	30	3	2				39	39	1.605.000	41.153
Protection in the workplace			10		1				11	11	885.000	80.454
Use of company name												
Salaries, vacations, absence, working hours												
All other misdemeanors		15	5						20	20	177.000	8.850
<b>TOTAL</b>		<b>19</b>	<b>45</b>	<b>3</b>	<b>3</b>				<b>70</b>	<b>70</b>	<b>2.667.000</b>	<b>38.100</b>

Table 7

<i>Legal entities 2007 Nis</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000				
Regulations on tobacco	1						1	1		
Reg. on alcoholic and non-alcoholic beverages										
Reg. on construction and urbanism	1						1	1		
Reg. on roads and road traffic	9	18	4	1	2		34	34	460.000	13.529
Trade, external and internal	5	2	8	2	3		20	20	660.000	33.000
Reg. on business owners										
Reg. on consumer protection										
Reg. on advertizing										
Reg. on telecommunications and radio frequencies										
Reg. on hospitality and tourism	2	13		3			18	18	285.000	15.833
Communal activities	11	3	55				69	69	1.250.000	18.116
Logos, patents, copyrights										
Protection of competition										
Other economic regulations		1	3	1	3		8	8	400.000	50.000
<b>TOTAL</b>	<b>29</b>	<b>37</b>	<b>70</b>	<b>7</b>	<b>8</b>		<b>151</b>	<b>151</b>	<b>3.055.000</b>	<b>20.232</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment	4	1				4	9	9	3.010.000	334.444
Protection in the workplace	5	3	4	1	5		18	18	1.120.000	62.222
Use of company name	2		1			2	5	5	1.020.000	204.000
Salaries, vacations, absence, working hours				1			1	1	80.000	80.000
All other misdemeanors	9	1	2	2	1		15	15	335.000	22.333
<b>TOTAL</b>	<b>20</b>	<b>5</b>	<b>7</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>48</b>	<b>48</b>	<b>5.565.000</b>	<b>115.937</b>

Table 8

<i>Responsible persons, 2007 Nis</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000				
Regulations on tobacco	1						1	1		
Reg. on alcoholic and non-alcoholic beverages										
Reg. on construction and urbanism	1						1	1		
Reg. on roads and road traffic	9	32	18				59	59	510.000	8.644
Trade, external and internal	5	7	7	1			20	20	235.000	11.750
Reg. on business owners										
Reg. on consumer protection										
Reg. on advertizing										
Reg. on telecommunications and radio frequencies										
Reg. on hospitality and tourism	1	14	3				18	18	130.000	7.222
Communal activities	8	12	49				69	69	536.000	7.768
Logos, patents, copyrights										
Protection of competition										
Other economic regulations		5	3				8	8	100.000	12.5
<b>TOTAL</b>	<b>25</b>	<b>70</b>	<b>80</b>	<b>1</b>			<b>176</b>	<b>176</b>	<b>1.511.000</b>	<b>8.585</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment	4	1	4				9	9	150.000	16.666
Protection in the workplace	4	3	6				13	13	180.000	13.846
Use of company name	2	1	2				5	5	35.000	7.000
Salaries, vacations, absence, working hours		1					1	1	10.000	10.000
All other misdemeanors	9	3	8				20	20	340.000	17.000
<b>TOTAL</b>	<b>19</b>	<b>9</b>	<b>20</b>				<b>48</b>	<b>48</b>	<b>715.000</b>	<b>14.896</b>



Table 9

<i>Entrepreneurs, 2007 iNs</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000				
Regulations on tobacco		5					5	5	40.000	8.000
Reg. on alcoholic and non-alcoholic beverages			3				3	3	100.000	33.333
Reg. on construction and urbanism		1					1	1	5.000	5.000
Reg. on roads and road traffic	1	22	8	2			33	33	544.000	16.485
Trade, external and internal		5	10	4	2		21	21	835.000	39.762
Reg. on business owners										
Reg. on consumer protection	1	4	4		3		12	12	700.000	58.333
Reg. on advertizing										
Reg. on telecommunications and radio frequencies										
Reg. on hospitality and tourism	3	20	14	1			38	38	330.000	8.684
Communal activities	14	16	60				90	90	980.000	10.888
Logos, patents, copyrights										
Protection of competition										
Other economic regulations	14	36	38	8	10		106	106	3.460.000	32.641
<b>TOTAL</b>	<b>33</b>	<b>109</b>	<b>137</b>	<b>15</b>	<b>15</b>		<b>309</b>	<b>309</b>	<b>6.994.000</b>	<b>22.634</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment		1		1	6		8	8	1.910.000	238.750
Protection in the workplace	2	3	1	1	1		8	8	410.000	51.250
Use of company name	2	2	6	3	2		15	15	660.000	44.000
Salaries, vacations, absence, workir	1		1		1		3	3	110.000	36.666
All other misdemeanors	4	8	5	5	7		29	29	1.180.000	40.690
<b>TOTAL</b>	<b>9</b>	<b>14</b>	<b>13</b>	<b>10</b>	<b>17</b>		<b>63</b>	<b>63</b>	<b>4.270.000</b>	<b>67.777</b>

Table 10

<i>Legal entities, 2008 Nis</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000				
Regulations on tobacco					1		1	1	400.000	400.000
Reg. on alcoholic and non-alcoholic beverages										
Reg. on construction and urbanism										
Reg. on roads and road traffic	13	1	12	21	28		75	75	7.315.000	97.535
Trade, external and internal	1	1	7	12	4		25	25	2.175.000	87.000
Reg. on business owners										
Reg. on consumer protection					1		1	1	400.000	400.000
Reg. on advertizing										
Reg. on telecommunications and radio frequencies										
Reg. on hospitality and tourism	3		7	7	2		19	19	760.000	40.000
Communal activities	7	3	60	26			96	96	2.030.000	21.146
Logos, patents, copyrights										
Protection of competition										
Other economic regulations	12		60	21	9		102	102	4.860.000	47.647
<b>TOTAL</b>	<b>36</b>	<b>5</b>	<b>146</b>	<b>87</b>	<b>45</b>		<b>319</b>	<b>319</b>	<b>17.940.000</b>	<b>21.146</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment	1				2	5	8	8	3.600.000	450.000
Protection in the workplace	2			3	4	8	17	17	6.610.000	388.823
Use of company name	1		3				4	4	90.000	22.500
Salaries, vacations, absence, working hours										
All other misdemeanors	3	1		2	22	2	30	30	6.145.000	204.833
<b>TOTAL</b>	<b>7</b>	<b>1</b>	<b>3</b>	<b>5</b>	<b>28</b>	<b>15</b>	<b>59</b>	<b>59</b>	<b>16.445.000</b>	<b>278.729</b>

Table 11

<i>Responsible persons, 2008 Nis</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000				
Regulations on tobacco										
Reg. on alcoholic and non-alcoholic beverages										
Reg. on construction and urbanism										
Reg. on roads and road traffic	13	51	13				77	77	515.000	6.688
Trade, external and internal	1	6	17	1			25	25	600.000	24.000
Reg. on business owners										
Reg. on consumer protection			1				1	1	30.000	30.000
Reg. on advertizing										
Reg. on telecommunications and radio frequencies										
Reg. on hospitality and tourism	3	12	5				20	20	136.000	6.800
Communal activities	7	66	2				75	75	370.000	4.933
Logos, patents, copyrights										
Protection of competition										
Other economic regulations	12	80	21				113	113	820.000	7.257
<b>TOTAL</b>	<b>36</b>	<b>215</b>	<b>59</b>	<b>1</b>			<b>311</b>	<b>311</b>	<b>2.471.000</b>	<b>7.945</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment	1		6		1		8	8	480.000	60.000
Protection in the workplace	2	3	11				16	16	235.000	14.687
Use of company name		2					2	2	10.000	5.000
Salaries, vacations, absence, working hours										
All other misdemeanors	3	3	24				30	30	735.000	24.500
<b>TOTAL</b>	<b>6</b>	<b>8</b>	<b>41</b>		<b>1</b>		<b>56</b>	<b>56</b>	<b>1.460.000</b>	<b>26.071</b>

Table 12

<i>Entrepreneurs, 2008 Nis</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000				
Regulations on tobacco										
Reg. on alcoholic and non-alcoholic beverages										
Reg. on construction and urbanism										
Reg. on roads and road traffic	10	10	4	5	3		32	32	1.380.000	43.125
Trade, external and internal			28	5	3		36	36	1.475.000	40.792
Reg. on business owners										
Reg. on consumer protection	1				1		2	2	300.000	150.000
Reg. on advertizing										
Reg. on telecommunications and radio frequencies										
Reg. on hospitality and tourism	3	9	30	3	1		46	46	1.055.000	22.935
Communal activities	8	38	139	2	3		190	190	3.690.000	19.421
Logos, patents, copyrights		3					3	3	15.000	5.000
Protection of competition										
Other economic regulations	7	40	95	20	10		172	172	5.500.000	31.976
<b>TOTAL</b>	<b>29</b>	<b>100</b>	<b>296</b>	<b>5</b>	<b>21</b>		<b>481</b>	<b>481</b>	<b>13.415.000</b>	<b>27.89</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment			6	3	1		10	10	790.000	79000
Protection in the workplace										
Use of company name	1	2	2	7	6		18	18	1.000.000	55.555
Salaries, vacations, absence, working hours										
All other misdemeanors	1	2	9		15	2	35	35	4.190.000	119.714
<b>TOTAL</b>	<b>2</b>	<b>4</b>	<b>17</b>	<b>16</b>	<b>22</b>	<b>2</b>	<b>63</b>	<b>63</b>	<b>5.980.000</b>	<b>94.921</b>

Table 13

<i>Legal entities, 2007 Novi Sad</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000				
Regulations on tobacco	3	3	1				7	7	45	6.428
Reg. on alcoholic and non-alcoholic beverages										
Reg. on construction and urbanism										
Reg. on roads and road traffic		1	1	1			3	3	118.000	39.333
Trade, external and internal	24	79	94	11	6		214	214	5.789.000	27.051
Reg. on business owners										
Reg. on consumer protection	3	3	1	6	1		14	14	876.000	62.571
Reg. on advertizing			1	1			2	2	120.000	60.000
Reg. on telecommunications and radio frequencies										
Reg. on hospitality and tourism	1	4	8				15	15	371	24.773
Communal activities		11		2			11	11	34.000	3.090
Logos, patents, copyrights		2	3				5	5	97.000	19.400
Protection of competition										
Other economic regulations	5	2	11	1	1		20	20	562.000	28.100
<b>TOTAL</b>	<b>36</b>	<b>105</b>	<b>120</b>	<b>22</b>	<b>8</b>		<b>291</b>	<b>291</b>	<b>8.012.000</b>	<b>27.533</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment				1	3	8	12	12	9.200.000	766.666
Protection in the workplace	1	4		1	1	1	8	8	2.539.000	317.375
Use of company name										
Salaries, vacations, absence, working conditions	1		2	4	4	5	16	16	7.180.000	448.75
All other misdemeanors		1					1	1	10.000	10.000
<b>TOTAL</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>8</b>	<b>14</b>	<b>37</b>	<b>37</b>	<b>18.929.000</b>	<b>511.594</b>

Table 14

<i>Responsible persons, 2007 Novi Sad</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000				
Regulations on tobacco	1	4					7	5	9.000	1.800
Reg. on alcoholic and non-alcoholic beverages										
Reg. on construction and urbanism										
Reg. on roads and road traffic		3					3	3	10.000	3.333
Trade, external and internal	23	115	70	3			214	211	2.425.000	11.492
Reg. on business owners										
Reg. on consumer protection	3	4	7				14	14	235.000	16.786
Reg. on advertizing			2				2	2	40.000	20.000
Reg. on telecommunications and radio frequencies										
Reg. on hospitality and tourism		13					15	13	55.000	4.231
Communal activities		3					11	3	16.000	5.333
Logos, patents, copyrights		6					5	6	18.000	3.000
Protection of competition										
Other economic regulations	4	15	2				20	21	118.000	5.619
<b>TOTAL</b>	<b>31</b>	<b>163</b>	<b>181</b>	<b>3</b>			<b>291</b>	<b>278</b>	<b>2.926.000</b>	<b>10.525</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment		1	6	4			12	11	469.000	42.636
Protection in the workplace	1	5	1	1			8	8	248.000	31.000
Use of company name										
Salaries, vacations, absence, working conditions	1	4	7	3			16	15	406.000	27.066
All other misdemeanors		1					1	1	8.000	8.000
<b>TOTAL</b>	<b>2</b>	<b>11</b>	<b>14</b>	<b>8</b>			<b>37</b>	<b>35</b>	<b>1.131.000</b>	<b>32.314</b>

Table 15

<i>Entrepreneurs, 2007 Novi Sad</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000				
Regulations on tobacco		11	3				14	14	110.000	7.857
Reg. on alcoholic and non-alcoholic beverages		2	1				3	3	35.000	11.666
Reg. on construction and urbanism										
Reg. on roads and road traffic	3	22	21				46	46	557.000	12.109
Trade, external and internal	25	156	134	18	6		339	339	8.244.000	24.318
Reg. on business owners	7	59	35	2	2		105	105	1.885.000	17.952
Reg. on consumer protection	3	15	33	3	6		60	60	2.372.000	39.533
Reg. on advertizing		1	1	1			3	3	158.000	52.666
Reg. on telecommunications and radio frequencies										
Reg. on hospitality and tourism	4	62	32	1			99	99	1.326.000	13.394
Communal activities		26	7	1			34	34	314.000	9.235
Logos, patents, copyrights	1	11		1			13	13	163.000	12.538
Protection of competition										
Other economic regulations	3	46	29		1		79	79	1.082.000	13.696
<b>TOTAL</b>	<b>46</b>	<b>411</b>	<b>296</b>	<b>27</b>	<b>15</b>		<b>795</b>	<b>795</b>	<b>16.246.000</b>	<b>20.435</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment		2	1	1	11		15	15	2.913.000	194.200
Protection in the workplace		29			1		30	30	530.000	17.666
Use of company name										
Salaries, vacations, absence, working conditions	3	1	6	1	3		14	14	970.000	69.286
All other misdemeanors	2	1	1				4	4	35.000	8.750
<b>TOTAL</b>	<b>5</b>	<b>33</b>	<b>8</b>	<b>2</b>	<b>15</b>		<b>63</b>	<b>63</b>	<b>4.448.000</b>	<b>70.603</b>

Table 16

<i>Legal entities, 2008 Novi Sad</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000				
Regulations on tobacco	1	5	1				7	7	62.000	8.857
Reg. on alcoholic and non-alcoholic beverages										
Reg. on construction and urbanism										
Reg. on roads and road traffic					2		2	2	400.000	200.000
Trade, external and internal	13	16	87	28	6		150	150	8.280.000	55.205
Reg. on business owners										
Reg. on consumer protection	3	2	10	7	4		26	26	2.050.000	78.846
Reg. on advertizing				1	1		2	2	400.000	200.000
Reg. on telecommunications and radio frequencies										
Reg. on hospitality and tourism		4	9	2			15	15	430.000	28.666
Communal activities		1		1			2	2	110.000	55.000
Logos, patents, copyrights										
Protection of competition										
Other economic regulations	1	6	25	5	2		39	39	1.528.000	39.179
<b>TOTAL</b>	<b>18</b>	<b>34</b>	<b>132</b>	<b>44</b>	<b>15</b>		<b>243</b>	<b>243</b>	<b>13.260.000</b>	<b>54.568</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment				1	14	21	36	36	15.970.000	443.611
Protection in the workplace			2	1	2	16	21	21	16.380.000	780.000
Use of company name										
Salaries, vacations, absence, working hours		1	2		7	2	12	12	3.107.000	258.916
All other misdemeanors		2	6	2	1	2	13	13	1.475.000	113.461
<b>TOTAL</b>		<b>3</b>	<b>10</b>	<b>4</b>	<b>24</b>	<b>41</b>	<b>82</b>	<b>82</b>	<b>36.932.000</b>	<b>450.390</b>



Table 17

<i>Responsible persons, 2008 Novi Sad</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000				
Regulations on tobacco		7					7	7	13.000	1.857
Reg. on alcoholic and non-alcoholic beverages										
Reg. on construction and urbanism										
Reg. on roads and road traffic		1	1				2	2	30.000	15.000
Trade, external and internal	12	39	75	12			150	138	3.435.000	24.891
Reg. on business owners										
Reg. on consumer protection	3	4	16	1			26	24	573.000	23.875
Reg. on advertizing			1	1			2	2	120.000	60.000
Reg. on telecommunications and radio frequencies										
Reg. on hospitality and tourism		12	3				15	15	105.000	35.000
Communal activities		2	1				2	3	18.000	6.000
Logos, patents, copyrights										
Protection of competition										
Other economic regulations	1	33	4				39	38	206.000	5.421
<b>TOTAL</b>	<b>16</b>	<b>98</b>	<b>101</b>	<b>14</b>			<b>243</b>	<b>229</b>	<b>4.500.000</b>	<b>1.965</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment	1	2	30	2	1		36	36	1.269.000	35.250
Protection in the workplace		2	17	3			21	22	910.000	41.363
Use of company name										
Salaries, vacations, absence, working hours		4	8				12	12	221.000	18.416
All other misdemeanors		10	2	1			13	13	184.000	14.154
<b>TOTAL</b>	<b>1</b>	<b>18</b>	<b>57</b>	<b>6</b>	<b>1</b>		<b>82</b>	<b>83</b>	<b>2.584.000</b>	<b>31.123</b>

Table 18

<i>Entrepreneurs 2008 Novi Sad</i>	<i>Number of issued sanctions: fines and warnings</i>						<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Economic regulations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000				
Regulations on tobacco	2	29	2				33	33	246	7.454
Reg. on alcoholic and non-alcoholic beverages			2				2	2	80.000	40.000
Reg. on construction and urbanism										
Reg. on roads and road traffic	4	20	15				39	39	591.000	15.154
Trade, external and internal	24	68	168	23	7		290	190	10.288.000	35.476
Reg. on business owners	7	48	39	3	5		102	102	2.335.000	22.892
Reg. on consumer protection	69	12	24	30	6		78	78	5.010.000	64.23
Reg. on advertizing		1	4	7			12	12	820.000	68.333
Reg. on telecommunications and radio frequencies										
Reg. on hospitality and tourism	3	64	62	1	1		131	131	2.101.000	16.038
Communal activities		18	8				26	26	345.000	13.269
Logos, patents, copyrights										
Protection of competition										
Other economic regulations	2	13	5	1	2		23	23	842.000	36.608
<b>TOTAL</b>	<b>48</b>	<b>273</b>	<b>329</b>	<b>65</b>	<b>21</b>		<b>736</b>	<b>736</b>	<b>22.658.000</b>	<b>30.785</b>
Labor regulations, labor relations	warning	up to 10.000.	10.000-50.000	50.000-100.000	100.000-500.000	over 500.000	<i>Total number of cases</i>	<i>Total no of sanctioned persons</i>	<i>Total fines - Amount</i>	<i>Average fine</i>
Start and termination of employment			1	7	41	3	52	52	16.730.000	321.730
Protection in the workplace		30	5	1	12	2	50	50	5.794.000	115.880
Use of company name										
Salaries, vacations, absence, working hours		1	6	7	19	1	34	34	6.520.000	191.765
All other misdemeanors		11	13	8	5		37	37	2.317.000	62.622
<b>TOTAL</b>		<b>42</b>	<b>25</b>	<b>23</b>	<b>77</b>	<b>6</b>	<b>173</b>	<b>173</b>	<b>31.361.000</b>	<b>181.277</b>

Table 19

City of Belgrade	Area04 - Economy						Area 06 - Labor and labor relations					
	Legal entities		Responsible persons		Entrepreneurs		Legal entities		Responsible persons		Entrepreneurs	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Case number	638	427	964	546	641	253	300	141	278	135	272	70
No of sanctioned person	638	427	964	546	641	253	300	141	278	135	272	70
Fine amount (total)	16.742.500	8.151.000	4.185.300	2.648.000	13.097.300	5.093.000	55.261.000	18.240.000	5.066.000	2.518.000	10.422.000	2.667.000.
Average fine	26.242	19.089	4.341	4.850	20.433	20.130,	184.203	129.362	18.223	18.652	38.316	38.100

NOTE: Number of cases was calculated without responsible persons in areas of economy and labor relations

Table 20

City of Nis	Area04 - Economy						Area 06 - Labor and labor relations					
	Legal entities		Responsible persons		Entrepreneurs		Legal entities		Responsible persons		Entrepreneurs	
Year	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Case number	151	319			309	481	48	59			63	63
No of sanctioned person	151	319	176	311	309	481	48	59	48	56	63	63
Fine amount (total)	3.055.000	17.940.000	1.511.000	2.471.000	6.994.000	13.415.000	5.565.000	16.445.000	715.000	1.460.000	4.270.000	5.980.000
Average fine	20.232	56.238	8.585	7.945	22.634	27.889	115.937	278.728	14.895	26.071	67.777	94.920

NOTE: The number of cases was obtained by adding legal entities and entrepreneurs in both areas

Table 21

City of Novi Sad	Area04 - Economy						Area 06 - Labor and labor relations					
	Legal entities		Responsible persons		Entrepreneurs		Legal entities		Responsible persons		Entrepreneurs	
Year	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Case number	291	243			795	736	37	82			63	173
No of sanctioned person	291	243	278	229	795	736	37	82	35	83	63	173
Fine amount (total)	8.012.000	13.260.000	2.926.000	4.500.000	16.246.000	22.658.000	18.929.000	36.932.000	1.131.000	2.584.000	4.448.000	31.361.000
Average fine	27.627	54.567	10.525	19.650	20.435	30.785	511.594	450.390	32.314	31.132	70.603	181.277

NOTE: Number of cases was obtained by adding the number of legal entities and entrepreneurs in both areas

Table 22

Territory	Year	Total fine amount	Total No of cases	Code	No of cases per code	% in rel. to the No of cases.	Fine amount per code	% in rel to fine amount
Belgrade	2007	103.349.100	2.177	04	1605	73,25	32.600.100	31,55
				06	572	26,25	70.749.000	68,45
	2008	39.317.000	1.010	04	799	79,10	15.892.000	40,42
				06	211	20,90	23.425.000	59,58
Nis	2007	22.110.000	571	04	460	80,56	11.560.000	52,28
				06	111	19,44	10.550.000	47,72
	2008	57.711.000	922	04	800	86,76	33.826.000	58,61
				06	122	13,23	23.885.000	41,39
Novi Sad	2007	51.692.000	1.186	04	1.086	91,57	27.184.000	52,59
				06	100	8,43	24.508.000	47,41
	2008	111.295.000	1.234	04	979	79,34	40.418.000	36,32
				06	255	20,66	70.877.000	63,68
TOTAL		385.474.100	7.100,	---	7.100,	---	385.474.100	---

**Table 23**

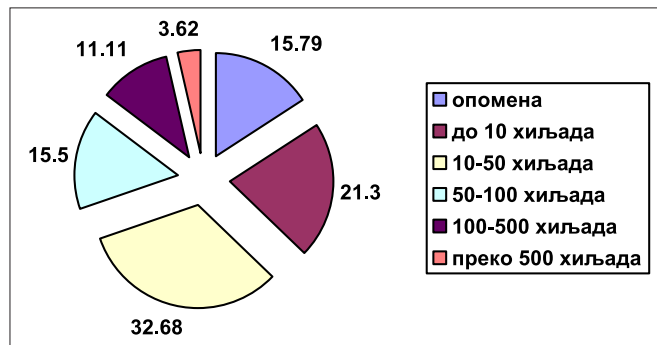
Table 25

Territory	Catrgory of the sanctioned	Area of Economy - Protective measures of confiscation of acquired material gains						
		2007			2008			TOTAL (2007 and 2008)
		Confiscation of goods	Ban on further activity	Confiscation of material gains	Confiscation of goods	Ban on further activity	Confiscation of material gains	
Belgrade	legal entities	3	-	2	2	-	-	7
	responsible persons	-	-	-	-	-	-	-
	entrepreneurs	28	-	1	5	-	1	35
Nis	legal entities	-	-	-	-	-	-	-
	responsible persons	-	-	-	-	-	-	-
	entrepreneurs	-	-	-	4	-	-	4
Novi Sad	legal entities	-	-	-	-	-	-	-
	responsible persons	-	-	-	-	-	-	-
	entrepreneurs	-	-	-	1	-	-	1
TOTAL		31	-	3	12	-	1	47

## RESULTS ACCORDING TO THE STATUS OF THE SANCTIONED

### Legal entities – companies

Practice shows that legal entities which appear in misdemeanor proceedings are mostly companies with limited responsibility, with a rare exception of companies with stockholders. This means that the area at hand is the private sector, as well as in the category of entrepreneurs, with a relatively small number of employees. During the two researched years, 2736 such entities were sanctioned, the sanctions amounting to a total of 217.107.500 dinars; the average issued fine was 79.352 dinars or approximately 882 EUR (at the exchange rate of 90 dinars per 1 EUR). In the area of economy, the number of sanctioned companies was 2069, in the area of labor relations 667. Belgrade had the greatest number of sanctioned entities (1506), which represents more than a half of the total number. The structure of sanctions was as follows:

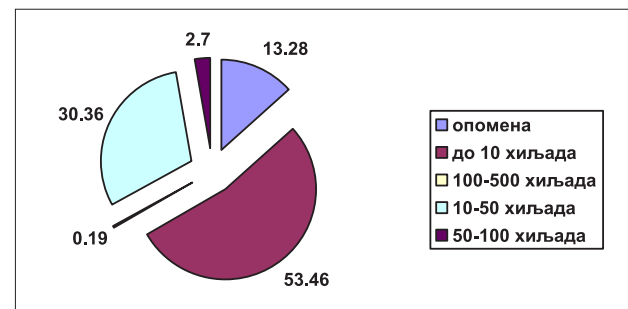


It can be noticed that the number of warnings is not small, particularly if we keep in mind the assumption that the economic power of companies is not insignificant (in the area of labor relations there were all of 65 such sanctions, and even more in 2007). 99 entities were issued

a fine in the amount higher than 500.000 dinars, all in the area of labor relations where a minimum fine is 600.000 dinars, that is, 800.000 dinars. Five protective measures of confiscation of goods that were the subject of proceedings were issued, as well as 2 measures of confiscation of illegally acquired material gain (all in the area of economy, at the territory of Belgrade). Protective measures banning certain business activities were not issued.

### Responsible persons

As it was mentioned earlier, proceedings against a legal entity means that the request of the authorized submitter identified the responsible person – the person entrusted with the performance of certain tasks within the economic subject. The number of finally sanctioned responsible persons acquired through this research (3139) is significantly higher than the number of sanctioned legal entities. The explanation lies in the earlier statement that in some cases there existed a partial finality due to the fact that the legal entity, for example, ceased to exist, or that the decision was never served because the responsible person paid the fine immediately (thus waiving the right to an appeal), or that the (incorrect) approach was applied where the finality of decision was determined separately in relation to each entity involved in the request. In any case, the total amount of issued fines was 31.715.300 dinars, making the average fine 10.104 dinars or approximately 112 EUR. Sanctions are represented in the following manner:

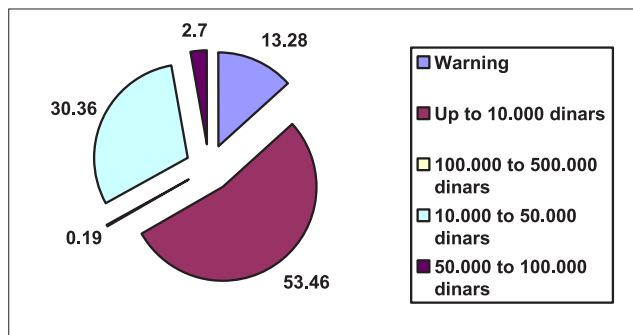




What needs to be explained is the fact that there are 91 entities that were issued fines higher than what is maximally allowed (50.000 dinars): this happens in situations when the responsible person commits several offenses in the same case; sanctions are then added up and showed as one (the same principle was applied to legal entities since information about the number of separate offenses committed by single entities was never requested and therefore never obtained. What was requested was the number of entities and types of issued sanctions). Generally speaking, the number of fines of up to 10.000 dinars is significantly high. The only applicable protective measure (ban on certain types of business activities) was not issued to anyone.

### Entrepreneurs

This category of the sanctioned is of particular interest to the goal of this research. During the researched period, 3919 entities were issued sanctions, in the total amount of 136.651.300 dinars, with the average amount being 34.869 dinars or approximately 387 EUR. In the area of labor relations 704 entrepreneurs were sanctioned, most of them in Belgrade. The remaining 3215 entities fall under code 04. The structure of sanctions is as follows:



It should be repeated that the number of entities that were issued fines above maximally allowed 500.000 dinars (8) appear in cases where cumulative sanctions for several offenses were issued as a single above-maximum sanction. This, later, appeared as a parameter in the research. There were 38 protective measures issued (confiscation of goods, 33 in the territory of Belgrade, 4 in Niš, and 1 in Novi Sad, all in the area of economy). There were two cases of confiscation of illegally acquired material gain, both under the same code.

*Average issued sanctions, by areas and researched territories, are as follows:*

### Economy:

Body-Court	Legal entities	Responsible persons	Entrepreneurs
Belgrade	22.035	4.525	20.347
Niš	44.670	8.176	25.834
Novi Sad	39.835	14.646	25.410

### Labor relations:

Body-Court	Legal entities	Responsible persons	Entrepreneurs
Belgrade	166.669	18.363	38.272
Niš	205.700	20.913	81.349
Novi Sad	469.420	31.483	151.733

Table 24

Territory	Year	area	Sanctions - Legal Entities								Total no of sanctioned persons	Fine amount (total)
			Warning	to 10.000	10.000-50.000	50.000-100.000	100.00-500.000	Over 500.000	Confiscation of goods	Confiscation of material gains		
Belgrade	2007	04	158	195	196	68	21	-	3	2	638	15.317.000
		06	18	19	50	98	98	17	-	-	300	55.261.000
	2008	04	90	171	119	40	7	-	2	-	427	8.151.000
		06	18	3	39	39	36	6	-	-	141	18.240.000
Nis	2007	04	29	37	70	7	8	-	-	-	151	3.055.000
		06	20	5	7	4	6	6	-	-	48	5.565.000
	2008	04	36	5	146	87	45	-	-	-	319	17.940.000
		06	7	1	3	5	28	15	-	-	59	16.445.000
Novi Sad	2007	04	36	105	120	22	8	-	-	-	291	8.012.000
		06	2	5	2	6	8	14	-	-	37	18.929.000
	2008	04	18	34	132	44	15	-	-	-	243	13.260.000
		06	-	3	10	4	24	41	-	-	82	36.932.000
TOTAL			432	583	894	424	304	99	5	2	2.736	217.107.500

Table 25

Territory	Year	area	Sanctions - Responsible Persons							Total no of sanctioned persons	Fine amount (total)
			Warning	to 10.000	10.000-50.000	50.000-100.000	100.00-500.000	Over 500.000	protective measure		
Belgrade	2007	04	146	629	168	16	5	-	-	964	4.185.300
		06	18	64	176	20	-	-	-	278	5.066.000
	2008	04	100	362	70	14	-	-	-	546	2.648.000
		06	17	31	86	1	-	-	-	135	2.518.000
Nis	2007	04	25	70	80	1	-	-	-	176	1.511.000
		06	19	9	20	-	-	-	-	48	715.000
	2008	04	36	215	59	1	-	-	-	311	2.471.000
		06	6	8	41	1	-	-	-	56	1.460.000
Novi Sad	2007	04	31	163	81	3	-	-	-	278	2.926.000
		06	2	11	14	8	-	-	-	35	1.131.000
	2008	04	16	98	101	14	-	-	-	229	4.500.000
		06	1	18	57	6	1	-	-	83	2.584.000
TOTAL			417	1.678	953	85	6	-	-	3.139	31.715.300

Table 26

Territory	Year	area	Sanctions - Entrepreneurs								Total no of sanctioned persons	Fine amount (total)
			Warning	to 10.000	10.000-50.000	50.000-100.000	100.00-500.000	Over 500.000	Confiscation of goods	Confiscation of material goods		
Belgrade	2007	04	74	263	232	66	6	-	28	1	641	13.097.300
		06	5	56	131	70	10	-	-	-	272	10.422.000
	2008	04	23	120	95	13	2	-	5	1	253	5.093.000
		06	-	19	45	3	3	-	-	-	70	2.667.000
Nis	2007	04	33	109	137	15	15	-	-	-	309	6.994.000
		06	9	14	13	10	17	-	-	-	63	4.270.000
	2008	04	29	100	296	35	21	-	4	-	481	13.415.000
		06	2	4	17	16	22	2	-	-	63	5.980.000
Novi Sad	2007	04	46	411	296	27	15	-	-	-	795	16.246.000
		06	5	33	8	2	5	-	-	-	63	4.448.000
	2008	04	48	273	329	65	21	-	1	-	736	22.658.000
		06	-	42	25	23	77	6	-	-	173	31.361.000
TOTAL			274	1.444	1.624	345	224	8	38	2	3,919	136.651,300

**Table 27**

Territory	Total number of sanctioned persons	No of sanctioned legal entities and responsible persons (econ. ent.)	% in relation to the total No of sanctioned persons	% in relation to the total No of econ. ent. (5875)	No of sanctioned entrepreneurs	% in relation to the total No of sanctioned persons	% in relation to the total No of entrepreneurs
Belgrade (both years)	4.665	3.429	73,5	58,37	1.236	26,5	31,54
Nis (both years)	2.084	1.168	56,05	19,88	916	43,95	23,37
Novi Sad (both years)	3.045	1.278	41,98	21,75	1.767	58,02	45,08
<b>TOTAL</b>	<b>9.794</b>	<b>5.875</b>	<b>-</b>	<b>-</b>	<b>3.919</b>	<b>-</b>	<b>-</b>

## **RESULTS BY AREAS**

### **Economy:**

(presentation of the number of sanctioned entities is given either by misdemeanors from individual – concrete – Laws, or by misdemeanors from both the Laws and the sub-statutory acts which regulate certain areas – most often decisions, less often executive orders).

#### **1.1. Law on Tobacco:**

This Law regulates conditions and means of production, processing, and placement of tobacco and tobacco related products. In practice, misdemeanors most often occur in relation to Article 90 (acts committed by retail vendors of tobacco products), for example, when the economic subject is not registered for the activity, or when a vendor's license has expired and not extended, or when tobacco products are sold at prices that are different from those determined by the producer or importer of tobacco products and, as such, reported to the Tobacco Board. The consequence of misdemeanor sanctioning in such cases is the suspension of vendor's retail license in administrative proceedings and prohibition of business activities for a period of one year following the day of the decision. From this research it may be concluded that, during both reviewed years, there was a relatively small number of such misdemeanors and/or sanctioned entities (92) and that violations were committed mostly by entrepreneurs: the majority of them in Novi Sad (47), Belgrade (8) and Niš (5), and that issued sanctions were fairly mild (minimum, or close to the minimum allowed). Therefore, it may be concluded that the area is well regulated and that the Law is complied with.

#### **1.2. Law on Wine and Brandy:**

The Law regulates production of wine and brandy, conditions for placement of wine, brandy, and other alcoholic beverages that are produced by distilling grapes, fruit, wine, and refined ethylene alcohol. The most frequent misdemeanors committed by entrepreneurs are sale of wine, brandy, or other alcoholic beverages in bulk, in non-original packaging and without declaration, sale of goods at improper locations – with fines ranging from 100.000 to 500.000 dinars. The most frequent misdemeanors committed by legal entities are sales of wine, brandy, or other alcoholic beverages in bulk at improper locations, (sanctioned by a fine ranging from 150.000 to 1.000.000 dinars), while sale of wine and brandy for immediate human consumption that is not in its original packaging, as well as sale or purchase of same products in bulk, represent economic violations. During the reviewed period a total of 27 sanctioned entities were registered in the mentioned area, which represents an almost negligible number: 19 at the territory of Belgrade, 17 of them entrepreneurs.

#### **1.3. Law on Construction and Urban Planning:**

This Law contains a negligible number of misdemeanors (most of illegal acts represent criminal offenses). During the reviewed period, only three sanctioned entities were registered, all of them in the territory of Niš. There were no occurrences in Belgrade and Novi Sad.

#### **1.4. Regulations on road transportation and roads:**

There are two Laws that relate to this area: the Law on Public Roads, and the Law on Road Traffic Transportation, except that at the city level they may be followed by appropriate decisions (for example in Belgrade: Decision on Taxi Services, Decision on Streets and Local and Uncategorized Roads). Practice showed that in the case of the Law on

Public Roads, misdemeanors most often occurred when vehicles were overloaded, and in cases of public transportation without a license. With regard to the Law on Road Transportation, for more serious violations of legal entities foreseen sanctions range from 50.000 to 200.000 dinars; for less serious offenses the range is lower; in cases that involve entrepreneurs sanctions foreseen for all acts range from 20.000 to 80.000 dinars; for responsible persons the maximum fine is 10.000 dinars, except that in the case of misdemeanor from Article 52 Paragraph 1 Item 4 (transportation without conditions listed in Articles 6 and 36 Paragraph 1 of the same Law) there is a mandatory protective measure of confiscation of the vehicle that was the subject of misdemeanor. Frequent misdemeanors are connected to unregistered transportation of persons and goods, transportation without proper written travel instructions and without a visible company logo, or without a sign stating that transportation is performed for own needs. In relation to city-level decisions (in Belgrade this is, for example, the Decision on Taxi Services; matter is similarly regulated in both other researched cities), misdemeanors occurred when taxi services were performed without fulfilled regulated conditions, when changes of taxi license information or information about the vehicle was not reported within a prescribed period of time, when the meter was not properly turned on, when the incorrect fare was collected, when technical inspection of the vehicle was not allowed, etc. At the territory of Belgrade, in relation to all mentioned regulations, 264 finally sanctioned entities were registered; in Niš all of 310, while in Novi Sad only 95 (out of this number, the majority were entrepreneurs – 85).

### **1.5. Law on Conditions Required for Placement of Goods, and Inspection; Law on Trade... (regulations related to placement of goods):**

These regulations regulate the area of placement of goods and services within the marketplace – commission services, agency services, stock market services, storage services, control of quantity and quality

of goods, insurance of goods, etc. Most frequently implemented is the Law on Conditions Required for Placement of Goods..., with the highest number of cases occurring in the area of incorrect book keeping, or no book keeping at all, placement of products without documents about their origin – proof of purchase (this includes an extremely high number of cases that involve the sale of goods by physical entities, the so-called grey economy; this matter, however, was not included in the research). Sanctions for legal entities range from 50.000 to 1.000.000 dinars, for entrepreneurs from 50.000 to 500.000 dinars, and for responsible persons from 30.000 to 50.000 dinars, with a mandatory measure of confiscation of goods and confiscation of illegally acquired material gain. According to information obtained for both years, there is an enormous disproportion between the misdemeanor courts' number of finally sanctioned entities: Niš had only 137, Novi Sad 1342, Belgrade 332. Disproportion between the number of legal entities and entrepreneurs is somewhat lesser. There were 533 sanctioned legal entities and 771 entrepreneurs (results impose a number of concrete questions: is entrepreneurship in Niš less developed, for example, or is it that inspection bodies from this territory perform controls less often, or maybe the reason for a lower number of cases lies in the greater compliance with the law; does perhaps, in Belgrade for example, the key problem lie with the service of decisions, and do entrepreneurs, on the other hand – in mutual comparison of economic subjects - find themselves in the most favorable position due to a less qualified employee structure, that is, bad internal organization resulting in irregularities, etc.).

### **1.6. Law on Entrepreneurs**

At the time of its adoption, this Law represented one of the first acts of the state that opened doors to private ownership and initiative; today, it is almost completely dated and relatively rarely implemented. In the meantime, a number of its provisions were "moved" to other

Laws: the Law on Companies, the Law on Consumer Protection, the Law on Conditions for Placement of Goods..., etc. It may be concluded that what is left of this Law is just its framework, that is, that the only part that is still implemented is the part that regulates conditions needed for the establishment of a business as well as business activities, with a small number of penal provisions. Misdemeanors, as the Law's title implies, are committed exclusively by entrepreneurs. Fines issued for most frequent misdemeanors are up to 100.000 dinars (the most serious sanction being 200.000 dinars); it is possible to issue a protective measure that prohibits a business activity, as well as a measure of confiscation of illegally acquired material gain. Violations most often encountered in practice are related to incompliance with the working hours, failure to properly show the company name, and failure to properly keep the books (which is not the same as the same type misdemeanor from the Law on Conditions for the Placement of Goods and Inspection). It is curious that in the territory of the Misdemeanor Court in Niš there were no sanctioned entities (the same question as in Placement of goods applies here); in Novi Sad there were 207, in Belgrade 164.

### 1.7. Law on Consumer Protection:

This Law thoroughly regulates the basic rights of consumers, how their rights can be realized, as well as the implementation of ethical principles. It solves issues that involve the protection of life, health, safety, and economic interests of consumers, their informing and education, as well as how they can collect damages. It also covers the established Committee for Consumer Protection and foresees the possibility for consumers to organize themselves into associations, movements, alliances, etc. Practice showed that companies and entrepreneurs most often committed misdemeanors from the mentioned area by selling defective or health-hazardous products with expired dates, by neglecting to issue receipts or to properly display prices and

information about price reductions, by refusing to consider consumers' reclamations, etc., and rarely by failing to respect deadlines for the delivery of goods or goods sold through catalogs. There are all of nine different inspectorates in charge of monitoring the implementation of this Law, and it is interesting to note that, apart from fines (for legal entities from 100.000 to 1.000.000 dinars; for entrepreneurs from 100.000 to 500.000 dinars; for responsible persons from 20.000 to 50.000 dinars), the possibility of issuing any protective measures, mandatory or facultative, does not exist. In the territory of Niš, during both years, there was a total of 16 finally sanctioned entities, in the territory of Novi Sad 216, in Belgrade 227. Again, we have a great disproportion, and we can safely conclude that, since the rights of consumers are approximately equally violated throughout the Republic, the city of Niš either has few entrepreneurs and companies, or inspectorates inadequately monitor the implementation of the Law (it is least plausible that regulations are being dutifully complied with).

### 1.9. Law on Advertising:

This is another one of the new Laws that regulate conditions and terms of advertising, rights and obligations of advertisers, producers, and transmitters of advertising messages, as well as rights of those who receive such messages. Frequent misdemeanors are committed through violations of principles of advertising, unauthorized use of someone else's (protected) logo, advertizing with pornographic content, false advertising regarding prices, sales, etc. Fines range from 100.000 to 1.000.000 dinars for legal entities, from 100.000 to 500.000 dinars for entrepreneurs, and from 20.000 to 50.000 dinars for responsible persons. It is possible to issue a protective measure that prohibits certain business activities (legal entities and entrepreneurs), and/or prohibits performance of certain tasks (responsible persons). Several inspectorates monitor the implementation of the Law: the market,



health, sanitary, and communal inspectorates, as well as the organization established in the area of radio frequencies. According to the number of cases, it can be concluded that the Law “came to life” primarily in the territory of Belgrade where, during the two years, all of 65 cases were finally concluded (only 8 of which involved entrepreneurs). In Novi Sad, there were 23 (15 of which were entrepreneurs), while in the territory of Niš there were no sanctioned entities.

### **1.9. Telecommunications and radio frequencies**

There are two Laws (the Law on Telecommunications and the Law on Radio Frequencies) that never appeared in practice before misdemeanor courts in the researched territories (through final decisions concluded by sanctioning), except for one case in Belgrade (entrepreneur, Law on Radio Frequencies, protective measure of confiscation of goods issued in accordance with the Law on Misdemeanors, since special laws do not foresee it). Issues mentioned in the existing requests for the initiation of proceedings were mostly the use of radio station without a previously obtained license or after the expiration of license, and/or broadcasting of program without the RATEL'S license. The effect of a number of provisions of the Law on Radio Frequencies went out of effect when the Law on Advertising was passed.

### **1.10. Tourism and hospitality**

In practice, companies appear as perpetrators of misdemeanors from the Law on Tourism, and from appropriate decisions of the City (for example, the Decision on Working Hours of Restaurants). The Law on Tourism contains only misdemeanor provisions, with fines ranging from 80.000 to 500.000 dinars for legal entities (more serious violations), or with a lower minimum and maximum allowed fine, and with fines for entrepreneurs ranging from 40.000 to 200.000 dinars or even less (by the

same principle as with companies). The widest range exists with fines for responsible persons, from 10.000 to 20.000 dinars. Frequent violations of regulations occur in cases of business activities conducted in food serving facilities, or spaces, that do not fulfill prescribed conditions, cases of failure to pay residence taxes to competent authorities, incompliance with the working hours, and so on. The highest number of misdemeanors was registered in the territory of Belgrade - 912, significantly higher than in Niš (159) and Novi sad (288 – entrepreneurs represent a significant portion of the number - 220).

### **1.11. Communal activities:**

This area is “covered” mostly by decisions which, depending on the city, have different titles even though they regulate similar issues of local importance. In the territory of Belgrade, for example, there is the Decision on Communal Inspection, the Decision on Peace and Order in Dwellings, the Decision on Maintenance of Cleanliness of Public Spaces, the Decision on Facilities of Temporary Nature Located in Public Areas, the decision on the General Organization of the City, etc. All these sub-statutory acts foresee sanctions for companies, legal entities, and responsible persons alike; fines, according to the Law on Misdemeanors, may not exceed half the amount of fines prescribed by Laws, which practically means that the maximum fine for legal entities is 500.000 dinars, and for entrepreneurs 250.000 dinars. It is perplexing to realize that, during the period of two years, all of 1569 entities were sanctioned in Belgrade, in Novi Sad 79 (approximately 20:1 ratio), while Niš was positioned somewhere in the middle - 589 entities. The question that imposes itself is extremely logical: is disproportion of this magnitude (taking into consideration the number of inhabitants) caused by the culture of living or are there other factors involved: the battle for survival is not the reason – since, even though a significant number of requests in the territory of Belgrade comes from the communal inspectorate

because of the invasion of public property during unauthorized sale of goods – these requests do not involve companies and entrepreneurs but physical entities (who were not included in the research).

### **1.12. Standards, logos, product quality, copyrights**

This area was partially regulated by the legislature of the former State Union of Serbia and Montenegro, along with final provisions in the Law on Seals, the Law on Patents, and the Law on Copyrights and related Laws stating that sanctions will, by precise misdemeanors, be determined by regulations of member Republics. This was not accomplished by the time of the creation of the research report, so it must be deemed that misdemeanors do not exist in Laws, rendering it impossible for them to exist in practice. This is why the finality of decisions regarding the 24 entities sanctioned by the Misdemeanor Court in Novi Sad in 2007 probably comes as a consequence of acts committed earlier, in 2005, under the Law on Standardization, the Law on Measurement Units and Standards, or under some other regulation.

### **1.13. Law on Protection of Competition:**

This law regulates the protection of competition in the market in order to provide for the equality of participants in the marketplace, with aim to accomplish economic efficiency and the realization of economic well-being of the society, consumers in particular. It is implemented on all entities participating in the placement of goods and services or to those that can violate the competition – except on enterprises, companies, and entrepreneurs who perform activities of general interest, and on entities that were, by an act of the state body, allowed fiscal monopoly under specific conditions. The law provides in detail what represents violation of competition (agreements that significantly prevent, limit, or violate competition; abuse of the dominant position

and concentration which significantly prevents, limits, or violates competition). The Commission for Protection of Competition was established as a separate legal entity. Provisions of the Law on General Administrative Proceedings are implemented in proceedings before the Commission; the final outcome (in case of violation of the Law) is a decision published in "The Official Gazette of the Republic of Serbia", and a request for the initiation of misdemeanor proceedings submitted against the offender. This practically means that the Commission, even though it unquestionably determined that the violation of competition had occurred, is not given the opportunity to issue sanctions. Instead, court proceedings ensue, with sanctions that range from 1-to 10% of the total previous year's annual income for legal entities, and 1 to 10% of the total annual income calculated in accordance with regulations that regulate citizens' income taxes for responsible persons, with mandatory protective measures of confiscation of goods that were the subject of misdemeanor, and prohibition of certain business activities (legal entity) and/or prohibition of performance of certain tasks (responsible person). This is one of the rare Laws where the statute of limitations period was extended. According to this research, neither Niš nor Novi Sad had cases that were finally concluded by sanctions based on the Law on Protection of Competition. In Belgrade, three proceedings were conducted (two for the abuse of dominant position, one for discrepancies regarding concentration) and all three were discontinued for process reasons (even when the abuse of position was unquestionable. The decision to discontinue proceedings was the only possible solution because the Law on Protection of Competition was not harmonized with the existing Law on Misdemeanors, even though these two Laws represent misdemeanor courts' basic tools). According to announcements, the mentioned Law will most probably be "returned" under the jurisdiction of the Commission for Protection of Competition in the near future.

### 1.14 Other misdemeanors in the area of economy

Due to their relatively rare occurrence or lesser importance, all other misdemeanors from the area of economy not registered in one of the previously mentioned sub-areas were collected under this title. These are acts from the Law on Water Regime, on agricultural land, seeds and planting materials, the Law on Prices, on hunting, on fishing, the Law on Forests, on health protection of animals, protection of plants, energy, internal water traffic, control of precious metals, and the like (according to classification, listed regulations belong under code 04, even though it is questionable whether or not they all belong in the area of economy. As it was explained, the only existing classification of misdemeanors was used as a starting point; the research was, then, conducted on the basis of an assessment of which Laws occur more often in practice and which ones are of crucial importance to the private sector).

## 2. Labor, labor relations, and protection in the workplace

This area is regulated by two key Laws: the Law on Labor and the Law on Safety and Health in the Workplace. In practice, they are “followed” by the Law on State Administration and the Law on Private Entrepreneurs. The Law on Labor regulates rights, obligations, and responsibilities in labor relations, in accordance with ratified international conventions. The highest prescribed fines range from 800.000 to 1.000.000 dinars for employers with the legal entity status, from 400.000 to 500.000 dinars for entrepreneurs, and from 40.000 to 50.000 dinars for responsible persons in companies (Article 273). If a misdemeanor caused an employee or another physical or legal entity material damage, it is possible to issue the employer the protective measure of prohibition of business activities. Frequent violations of this Law have to do with failure to forward a copy of the mandatory social security document, failure to sign an employment contract, failure to return a (properly filled out) labor identification book to the employee, failure to act upon a decision of the Labor Inspector,

etc. On the other hand, the Law on Safety and Health in the Workplace regulates the implementation and advancement of safety and health in the workplace of persons who participate in work processes and persons who happen to find themselves in the work environment, with aim to prevent work related injuries, as well as professional and profession related illnesses. The fine range is identical to that in the Law on Labor, except that there are no mandatory or facultative measures. Violations of regulations occurred most often through failure to apply measures to prevent access to the construction site of unauthorized persons and vehicles, failure to deny access to persons not equipped with proper equipment for personal protection in the workplace and in the working environment in which there is imminent danger of injury, failure to allow supervision, failure to act upon a decision of the Inspectorate, and the like (the latter misdemeanors are sanctioned through the Law on State Administration as well. In courts, they are registered under code 0699). It is interesting that, in the territory of Belgrade, the majority of sanctioned entities committed misdemeanors through failure to comply with provisions on beginning and termination of employment and failure to apply measures for technical protection in the workplace. Niš had a significant number of entities sanctioned due to irregularities connected to failure to properly put up a sign, while Novi Sad, apart from the equal representation of acts that are registered with the City Magistrate of the City of Belgrade as well, had a pronounced number of misdemeanors related to salaries, vacations, absences, and working hours. Noticeable is also the fact that in the territory of Belgrade the number of legal entities is 3-4 times higher than the number of entrepreneurs, while in Novi Sad the number of entrepreneurs is twice as high as the number of companies.

## 3. General notes

During the two year period, a total of 9794 legal entities, responsible persons, and entrepreneurs were finally sanctioned before the misdemeanor courts in Belgrade, Niš, and Novi Sad. The total amount

of sanctions was 385.474.100 dinars or approximately 4.283.044 EUR. In 2007, the number of sanctioned entities was 5387 and the total amount of sanctions 177.151.100 dinars (1.968.345EUR); in 2008 the number of sanctioned entities was 4407, and the total amount of sanctions 208.323.000 dinars - approximately 2.314.700 EUR. The average issued fine was 39.358 diars (437 EUR).

Participation of monitored courts in the total number of entities and sanctions is, collectively for both years, as well as by years, as follows:

Year	Territory	Number of entities	Sanction
2007.	Belgrade	3.093	103.349.100 dinars.
2008.	Belgrade	1.572	39.317.000 dinars
Collectively	Belgrade	4.665	142.666.100 dinars

Year	Territory	Number of entities	Sanction
2007.	Niš	795	22.110.000 dinars
2008.	Niš	1.289	57.711.000 dinars
Collectively	Niš	2.084	79.821.000 dinars

Year	Territory	Number of entities	Sanction
2007.	Novi Sad	1.499	51.692.000 dinars
2008.	Novi Sad	1.546	111.295.000 dinars
Collectively	Novi Sad	3.045	162.987.000 dinars

Decision to apply the approach where, in cases when one entity committed several misdemeanors within the same case, one entity equaling one (collective) sanction, resulted in the same number of sanctioned entities and sanctions. The number (9794) icludes:

<b>Warnings</b>	1.123	11.46%
<b>Fines up to 10.000 dinars</b>	3.705	37.83%
<b>Fines from 10.000 to 50.000 dinars</b>	3.471	35.44%
<b>Fines from 50.000 to 100.000 dinars</b>	854	8.72%
<b>Fines from 100.000 to 500.000 dinars</b>	534	5.45%
<b>Fines over 500.000 dinars</b>	107	1,10%

In relation to the number of finally sanctioned entities, the number of issued protective measures is negligible.

From statistical parameters acquired in this research stem certain facts or just simple observations, more or less reliable, depending on the facts that were not requested through parameters, which, therefore, could not have influenced them, even though they otherwise could have (data were collected in a negligible number of misdemeanor courts, in only two misdemeanor areas with a high number of economic subjects, without parameters for the number of accepted cases, the number of completed cases awaiting finalization, the number of discontinued proceedings, unpaid fines, etc.). The **facts** are as follows:

-In both reviewed years, the City Magistrate of the City of Belgrade had absolutely the highest number of sanctioned entities as well as, in relation to 2007, a significant decrease in the number of decisions that became final in 2008, a consequence of an extremely unsuccessful delivery of documents and a high fluctuation of citizens within the city and their failure to properly register their addresses, as it was mentioned earlier;

-Misdemeanor bodies in Niš and Novi Sad had an increase in all parameters in 2008 – the number of cases, the number of sanctioned entities (with the exception of Novi Sad, under code 04, which showed a mild decrease; at the same time, there was a significant increase in the

number of sanctioned entities in the area of labor relations), the total amount of fines, and the average fine;

-Penal policy is mild, particularly in relation to responsible persons. According to the obtained average, these entities' sanctions were (or would have been) slightly above the minimum of 10.000 dinars, even though it is clear that misdemeanors occurred due to their own acts or their failure to act, and not those of companies as legal fictions. In cases of other sanctioned entities as well, judges – more or less served (in a manner allowed by the Law on Misdemeanors) – as correctors of existing legal frameworks; a significant number of warnings, as well as the average sanction for both entrepreneurs and companies, is thus most often below the determined minimum of 100.000, rarely 50.000 dinars. Such actions wield, simultaneously, both commendation and criticism. On one hand, judges live in the same environment and under the same external circumstances, that is, under quite unfavorable economic conditions. On the other hand, it is clear that the state, protecting especially sensitive areas of life in particular – people's safety and health, normal flow of goods, safety in the workplace, etc., with aim to suppress illegal activities that could have more serious consequences – lifted the sanctions to a higher level and that, in this sense, this can be qualified as justified repression. Whether repression will actually occur depends really, and only, on entities that are participating in the economy – compliance with the law, requiring only knowledge about them and readiness to implement them, excludes intervention on the part of state bodies, at least in the area of misdemeanors. Additionally, the very existence of the "raised bar" of the minimum fine – as experience shows – renders a potentially repressive sanction preventive.

**Observations** from the research are based on final parameters but, with regard to reasons for such results, there are no grounds for

statements, only for assumptions. For example, the Misdemeanor Court in Novi Sad finally sanctioned 1767 entrepreneurs in two years; this represents 45%, of entrepreneurs sanctioned in all three cities and 58,02% of the total number of entities sanctioned in Novi Sad. Out of 228 entities sanctioned on the basis of regulations on tourism and hospitality 220 are entrepreneurs; out of 23 entities sanctioned on the basis of the Law on Advertising - 15, out of 95 cases that involved regulations on transportation and road traffic – 85, out of 166 entities sanctioned on the basis of the Law on Consumer Protection – 88, out of 73 entities sanctioned on the basis of the Law on Tobacco – 47, out of 152 entities sanctioned on the basis of regulations on the beginning and termination of employment – 67, as well as 205 entities sanctioned on the basis of the Law on Entrepreneurs. The percentage of sanctioned entrepreneurs is very high, in relation to both the companies in the territory of Novi Sad and to all the other economic subjects in Belgrade and Niš. Inversely, Belgrade – along with an enormous fall in the number of final decisions in 2008 – registers a significant number of companies: 1506, (along with responsible persons in them; this, with responsible persons in those subjects, represents 73,5% of all entities sanctioned by the City Magistrate). Out of 1236 entities the remainder are entrepreneurs, 26,5% of the sanctioned entities. In the territory of Niš the situation falls somewhere in between: entrepreneurs represent 43,95% of all entities sanctioned before this Court; companies (legal entities and their responsible persons) - 56,05%. At the same time, during the two researched years the misdemeanor body in Nis had no cases that were finally concluded on the basis of the Law on Advertizing and the Law on Entrepreneurs; only 16 cases were registered on the basis of the Law on Consumer Protection, 8 based on the Law on Tobacco, and 147 in the area of placement of goods. The number of sanctioned entities is relatively higher in the following areas: labor and labor relations, public roads and road transportation, and communal

activities. Opposingly, within the area of communal activities, only 79 entities were finally sanctioned by the Misdemeanor Court in Novi Sad during the two years, almost 20 times fewer than in Belgrade (1569) and approximately 7 times fewer than in Niš (589). We are now leaving the domain of observations and entering the area of assumptions: is entrepreneurship more represented in Novi Sad than other forms of doing business, or is this form just subjected to more frequent controls? Are individuals ignorant of regulations, that is, are company employees better organized and more competent, even if it is on a micro level?

Were there really no violations of regulations related to the marketplace, or Inspectorates were not sufficiently diligent in their work? Or is it that misdemeanor proceedings were not completed? (the answer might lie in insufficient engagement of submitters of requests); was there no one available to control the territory of Novi Sad in relation to communal activities, or is this a case of a commendable, civilized relationship with one's own environment, which includes compliance with regulations, etc...

Table 28

Year	2007				2008			
Territory	Belgrade	Nis	Novi Sad	TOTAL	Belgrade	Nis	Novi Sad	TOTAL
Code (area)	04 и 06	04 и 06	04 и 06		04 и 06	04 и 06	04 и 06	
Total No of cases	2.177	571	1.186	3.934	1.010	922	1.234	3.166
Total No of all sanctioned persons	3.093	795	1.499	5.387	1572	1.289	1.546	4.407
Total issued fine (amount)	103.349.100	22.110.000	51.692.000	177.151.100	39.317.000	57.711.000	111.295.000	208.323.000
Average fine	33.413	27.811	38.484	32.885	25.010,	44.772	71.989	47.413

TOTAL CASES: 7100

TOTAL SANCTIONED PERSONS: 9794

TOTAL FINES:385.474.100,00

AVERAGE ISSUED FINES: 39.358,00



## **CONCLUSION AND RECOMMENDATIONS**

The main reason for this research was the lack of knowledge about whether the level of exposure of economic subjects to the mechanisms of the state inhibits their development and smothers and destroys private initiative. In order to obtain complete and thus valid information, the project should have been conducted thoroughly, from the perspective of all state bodies that appear as repressive in relation to the economic subjects, as well as from the perspective of the private sector itself (amounts of economic subjects' duties, at the time of establishment and later on – taxes, mandatory benefits, employees' salaries, material expenses, as well as realized income). The Association of Magistrates of the Republic of Serbia, by its very definition, could – through a concrete report – offer only a review of information that was acquired in proceedings in which magistrates are in charge, and not in, for example, tax, customs, and foreign currency misdemeanors (that have yet to become a part of their jurisdiction), or economic misdemeanors and criminal offenses (that are under the jurisdictions of other courts). It was even harder for the Association to get involved with this important topic from the standpoint of economic subjects, since this would constitute improper, as well as distorted, gratuitous, and completely unreliable process (it is quite acceptable, though, for an independent association, agency, or the media, to partake of this issue). The project was thus conducted only in one relatively important segment and only from the perspective of misdemeanor proceedings, that is, the relationship of a portion of state bodies towards the private sector, and not the other way around. Not even this sole segment was reviewed in its entirety, but only partially. What was unknown at the beginning of this text was revealed only to a point; therefore, it may be concluded that the goal of the research, the way it was presented, that is, limited

in advance, was achieved but that the question whether the existing legislative system (in its entirety) encourages private initiative or pushes it backwards was not answered either reliably or thoroughly. In short, research provided a piece, a “slice”, of what may influence activities of economic subjects, and only when provisions of the positive legislature have already been violated.

The state's enforcement system used on perpetrators of misdemeanors rests on several links of the same chain – authorized request submitters, misdemeanor bodies and other courts, tax authorities, commissions for customs violations, as well as bodies in charge of the execution of sanctions. Each of them encounters objective difficulties, regardless of necessary competence, professionalism, and conscience, the so-called human factor. Irregularities in the work of any of the bodies automatically – considering the effect they have on the public – transform a prohibited act, an illegal act, into something that is “allowed”, since responsibility, or sanction, was evaded. It is an unquestionable fact that in two years in the territory of three important economic centers sanctions were finally issued in misdemeanor proceedings to the private sector proceedings in the amount of 385.474.100 dinars. This financial effect, though, does not mean that the money really reached the Budget of the Republic of Serbia, so until the sanctions are executed (fines collected), economic subjects do not suffer true expenses. The execution proceedings, however, last as long as the proceedings that preceded them (two years), and previous research under the same title shows that during only the first six months of 2007 in the territory of the City Magistrate of the City of Belgrade, in all areas (as is the case here with legal entities and sanctions over 15.000 dinars issued to responsible persons and entrepreneurs) all of 3008 cases, with fines in the amount of 108.753.20 dinars, awaited enforced collection. Considering that, according to concrete parameters, sanctions – except in the responsible persons'

category – exceed the amount of 15.000 dinars on average, the majority of final sanctions issued in 2007 and 2008 would have to be collected by force if the sanctioned failed to pay on their own free will, in the same manner that so far had not functioned very successfully. The meaning of this statement is that, in certain cases, sanctions stemming from final court decisions are not the true measure of financial expenses of the sanctioned entities, even though they should be since they represent sanctions for previously unquestionably determined prohibited act or failure to act. But even if we approach this from the opposing standpoint, that each of the sanctions is realized, and that sanctions greatly influence the future behavior of economic subjects, **sanctions are undoubtedly not high but mostly below the lower statutory level, or at its minimum. Viewed from the standpoint of misdemeanor proceedings, this is not even close to any kind of serious repression of the state of micro companies and entrepreneurs; therefore, the sector is not being smothered.** On the other hand, the state has the right, as it was mentioned earlier, to particularly protect areas of importance for the normal functioning of the system as well as people's lives and health; this is why minimum sanctions in cases of violations in the area of labor relations and protection in the workplace were drastically increased (we should not forget the number of persons who lost their lives due to neglectful behavior in this area just during this past year). This fact though, regarded as „repression in advance“, has a preventive effect and can always be corrected by judges themselves, through sanction individualization, which represents a dual justification of such a relationship – what is expected and what is realized.

„Entering“ of an economic subject into misdemeanor proceedings means that a statutory violation has probably already occurred, with or without intent. What needs to be done so that repression (the issue here are not obligations that regularly appear in the course of doing

business and that are clearly defined by the state), the way the private sector sees it, can decrease? The answer is the first **recommendation of this research: the private sector should be provided easy access to information about what is permitted and what is prohibited, and given the chance to conform their businesses to the law.** It is necessary to provide a framework so that companies, entrepreneurs in particular as a less enabled category, can obtain information about the content of the law; competent Ministries and other bodies could organize educational meetings for economic subjects, or they could simply show them how to obtain necessary information. On the other hand, the majority of Inspectorates has a statutory ability to practically force the private sector to obey the law – through prohibition of business activities until the removal of irregularities; in practice, this always yields results and represents key motivation for a quick return into the allowed framework (since it prevents creation of income). Still, practice shows that requests for the initiation of proceedings are frequent even then (since violations had, undoubtedly, been committed), creating in the accused a feeling of unfairness of the system as well as a feeling of being in jeopardy and subject to “psychic” repression. Considering the fact that both the current and the new Laws on Misdemeanor (the latter in more pronounced form) – in situations when the accused had fulfilled his responsibility, that is, remedied the illegal situation – allow judges to issue a warning or discontinue proceedings, results in the fact that it becomes more useful to end inspection monitoring with the issuance of decision and with a remedied situation, particularly where the violation of regulations was truly benign. Inspectors, as well as judges, often do not know that proceedings based on various charges are already under way against certain entities (preceded by various controls); therefore **2) a unified monitoring and evidencing system should be introduced for the entire territory of Serbia, conformed, of course, to specific needs of individual bodies,** so that complete information about the



following exists in one location: are proceedings against a certain entity already pending, what are the charges, was the entity issued a sanction, is the violation in question of a more or less serious nature, is it the case of a repeat offender, etc. Only then could the inspector have the right not to submit the request for the initiation of proceedings if an obligation – upon his/her orders – was fulfilled. **3) Access to information about the economic power of economic subjects in proceedings should be made easier** since information provided about this issue, as well as about the income of individuals, is almost always false; this renders court decisions meaningless and makes them lose their ethical point – fairness (sometimes entities of completely different financial statuses suffer equal consequences for similar offenses). **Harmonization of penal policy wherever it is possible - at the level of the region, first instance courts within certain territories, as well as within courts themselves, does not contradict the principle of fairness - to the contrary**, and represents the fourth recommendation of the research, along with **5) solution of the issue of enforced collection that has been bothering the misdemeanor area for decades. Organization of document delivery service in a different manner** remains an extremely important problem **(6)** due to an enormous number of decisions that never get served, even where proceedings are completed, resulting in statutory limitation. Finally, **legislative policy could, and should, be conducted differently only in case of determination, resulting from thorough research and valid assessments (from each of the perspectives, and in an objective manner), that it seriously impedes economic subjects' business activities; average parameters, however, fail to show that this is the case** (it should not be forgotten that, out of three monitored courts, the Misdemeanor Court in Novi Sad adhered to the legislative framework of sanctions the most, applying provisions on lessening of sanctions restrictively, while courts in the territory of Serbia without the Autonomous Province of Vojvodina applied the lessening

of sanctions on a regular basis. The „mild“ average, thus, comes as a consequence of actions of judges; if their approach was different, data might be significantly different too). **We recommend (7) a serious (prior) analysis of the state and status of the private sector, and only then potential changes to legislative framework, with a clear and strong criterium for judges about situations in which they are allowed to reach for the institution of lessening of sanctions.** The task of harmonization of penal policy is under the jurisdiction of courts themselves, while all other recommendations are directed at other state bodies within the appropriate Ministries.

### SUMMARY DESCRIPTION OF RESEARCH RESULTS

In two years (2007 and 2008), a total of 7.100 economy and labor relations cases involving economic subjects were finally concluded before the Misdemeanor Courts in Belgrade, Niš, and Novi Sad. The term „case“ includes situations when finality was partial; the number is, therefore, not reliable, nor is it of extreme importance to the conclusion of the research – it served only as a basis for a general picture on the frequency with which economic subjects and entrepreneurs are sanctioned in misdemeanor proceedings.

During the same period, 9794 entities (legal entities, responsible persons, and entrepreneurs) were finally sanctioned by mentioned bodies - 5387 in 2007 and 4407 in 2008. Out of this number, 2736 were companies, 3139 responsible persons, and 3919 entrepreneurs.

The number of finally sanctioned entities, by cities, is as follows: Belgrade - 4.665, Niš - 2.084 and Novi Sad - 3.045.

In the area of economy the total number of sanctioned entities is 7.788 (3.215 of them entrepreneurs). In the area of labor relations - 2.006 (704 of them entrepreneurs).

Various sanctions were issued: 1123 warnings, 8671 fines, and 47 measures, of which 43 protective measures of confiscation of goods and 4 measures of confiscation of material gain. No measures involving prohibition of certain business activities were issued (to legal entities and/or entrepreneurs), or prohibition of performing of certain tasks (to responsible persons).

The total amount of issued fines was 385.474.100 dinars, or according to the exchange rate of 90 dinars per 1 EUR - 4.283.045 EUR. Fines were issued as follows:

In 2007: 177.151.100 dinars or approximately 1.968.345 EUR,

In 2008: 208.323.000 dinars or approximately 2.314.700 EUR;

In the territory of Belgrade: 142.666.100 dinars or approximately 1.585.178 EUR,

In the territory of Niš: 79.821.000 dinars or approximately 886.900 EUR, and

In the territory of Novi Sad: 162.987.000 dinars or approximately 1.819.966 EUR;

To legal entities: 217.107.500 dinars or approximately 2.412.305 EUR,

To responsible persons: 31.715.300 dinars or approximately 352.392 EUR, and

To entrepreneurs: 136.651.300 dinars or approximately 1.518.347 EUR.

In the area of economy, the amount was 161.480.100 dinars or approximately 1.794.223 EUR,

In the area of labor relations: 223.994.000 dinars or approximately 2.488.822 EUR (one fifth of finally sanctioned entities is responsible for somewhat less than 60% or three fifths of the total sum of fines).

The average fine issued to economic subjects during the entire period, in both areas, and in all three courts was 39.358 dinars or approximately 437 EUR. This is valid when the total amount is divided by the total number of sanctioned entities, including entities that were issued a warning. If we exclude warnings, the average fine amount is 44.455 dinars or approximately 494 EUR.

The average fine by territory is: Belgrade - 30.582 dinars, Niš - 38.301 dinars, and Novi Sad - 53.526 dinars.

The average fine by area is: economy - 20.734 dinars, and working relations - 111.162 dinars.

The average sanction according to the economic subject category is: legal entities - 79.352 dinars, responsible persons - 10.103 dinars, and entrepreneurs - 34.869 dinars.

If we concur that sanctions issued to responsible persons in companies, as is often the case, do injure companies (according to research, there are 2736 of them), and if we add 3919 entrepreneurs to this number, there were 6655 sanctioned economic subjects, with the average fine of 57.922 dinars per subject. In case of entrepreneurs the fine remains 34.869 dinars, while for companies it is approximately 90.944 dinars (this, of course, is not a reliable conclusion).

Considering the range of sanctions issued on the basis of the Law on Misdemeanors and special laws, on one hand, and the parameters related to average fines issued to economic subjects, on the other,

misdemeanor courts have a mild penal policy: sanctions issued to legal entities and entrepreneurs were, on average, below the lowest statutory limit, while those issued to responsible persons were slightly above the allowed minimum. In other words, from the example of three key cities in the Republic it may be safely concluded that, even where the legislative system is repressive in advance towards the perpetrators – actions of judges themselves (allowed by the law) serve as a corrective. The answer to the question ‘Is the state smothering (through its bodies) the private sector and/or preventing private initiative?’ is negative, but viewed only from the perspective of Misdemeanor Courts. If viewed from another standpoint, the answer might be entirely different.

