

# LAW ON TOURISM AND HOSPITALITY

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(Official Gazette of Montenegro, No 2/18 of 10 January 2018, corrigendum 04/18 of 26 January 2018, 13/18 of 28 February 2018, 25/19 of 30 April 2019, 67/19 of 11 December 2019, 76/2020 of 28 July 2020)

## I BASIC PROVISIONS

### **Subject Article 1**

This Law governs the conditions for the performance of tourism and hospitality economic activities and other matters of importance for tourism and hospitality.

### **Entities Article 2**

- (1) Tourism and hospitality economic activities may be performed by business undertakings, other legal persons and entrepreneurs that comply with the conditions set by this Law.
- (2) Natural persons who are not registered as entrepreneurs may provide tourism and hospitality services under the conditions stipulated by this Law.

### **Principles Article 3**

The performance of tourism and/or hospitality economic activities shall be based on the principles of:

- Planning and implementing tourism development policies;
- Sustainable development of tourism based on the compatibility of the interests of economic development and the need to protect the environment and its resources, with adaptation to climate change by applying the continuous mitigation of the negative consequences of climate change;
- Integrated development of tourism and related activities, as factors of overall economic and social development, which ensures the implementation of mutually aligned plans and programmes in accordance with the law;
- Increased efficiency and accountability in the fields of utilization, management, protection and improvement of the tourism region;
- Ensuring uniform standards for the provision of services in tourism;
- Protection of the users of tourism products and providers of tourism services;
- Partnership between the private and public sector and civil society in planning, shaping and placing tourism products on the market;

- Ensuring unique, public and electronic records of registered and recorded data in the field of tourism and hospitality and the electronic exchange of data in conducting business activities.

## Meaning of Terms

### Article 4

Certain expressions used in this Law shall have the following meanings:

- 1) **Ecotourism** means responsible travelling and visiting ecologically preserved and relatively preserved natural areas, by preserving the environment and maintaining the wellbeing of the local population;
- 2) **Hotel** means a business facility performing hospitality economic activity of providing accommodation services, services of preparation and serving of food, drinks and beverages, with a reception, lobby, restaurant with a kitchen and accommodation units;
- 3) **Hotel operator (operator)** is a legal person under whose brand a hospitality facility operates;
- 4) **Excursion** means a combination of a minimum of two individual services consisting of transport and tourism/hospitality services that lasts less than 24 hours without an overnight stay, and is offered for sale and sold by a travel agency at a predetermined price;
- 5) **Excursionist** means a natural person who stays in another place which is not his place of residence for less than 24 hours, not including an overnight stay or accommodation;
- 6) **Excursion group** means an organised group of tourists/excursionists for which excursion is organized based on an itinerary prepared by travel agency in advance;
- 7) **Integrated hotel (combined)** means a type of a hospitality facility composed of a number of buildings, or parts thereof, which are combined and offered on the market as a single tourist product;
- 8) **Single functional unit** means developed and equipped premises that comply with the conditions for providing hospitality services specified in accordance with this Law;
- 9) **Simple hospitality service** means the delivery of simple meals, non-alcoholic drinks and beverages which can be rendered outside of the hospitality facility as well;
- 10) **Camp** means a hospitality facility with a minimum of 10 accommodation units in which guests are offered the services of: camping (accommodation in a developed outdoor area – in a camping site and/or camping parcel); accommodation in camping lodges, bungalows, other tourism consumption-related services; the possibility to take part in sports, or other forms of outdoor recreation in the camp;
- 11) **Classic hotel unit** means an accommodation unit in a hotel, and in a hotel operating based on the combined model of operation which complies with the minimum technical requirements in respect of equipment and space set out in this Law and which may not be subject to sale;
- 12) **Tourism service user** means a natural person, tourist, traveller or a consumer who directly uses tourism or hospitality services;

- 13) **House for rent** to tourists means an architecturally and functionally detached building with its own garden, which is rented solely as a unit to an individual or to a group of tourists for a specific period of time;
- 14) **Quality of services** means an appropriate level of meeting the demands of tourists, or compatibility between the provision of services and tourists' demands;
- 15) **Volume limiter** means an electronic regulator that is installed on a device playing music/musical show so as to limit the volume within/originating from a hospitality facility to a prescribed limit value;
- 16) **Healing factors** means thermal or mineral water, air, gas, and medicinal mud, whose healing properties have been scientifically examined and proven;
- 17) **Tourist resort** means a type of hospitality facility which represents a unit of a functional and business character and in which the hospitality economic activity is performed in an area ranging from 5 to 150 ha, with a minimum of one hotel of at least four-star category with a capacity of minimum 60 accommodation units in the northern and central regions, except for the Capital City, or a capacity of a minimum of 120 accommodation units of at least five-star category in the coastal region and in the Capital City, and with tourist villas, with a diverse structure of amenities which comprises of: wellness centres, restaurants, golf courses, marinas, sports fields, skiing trails and/or other amenities managed by one or more business undertakings or other legal persons and marketed as an integrated and unique high quality tourism product which must operate 12 months in a year;
- 18) **National restaurant** means a type of restaurant which predominantly (a minimum of 70% of the overall offer) prepares and serves traditional dishes and whose interior reflects the national culture and historical heritage of Montenegro;
- 19) **Sustainable development of tourism** means:
  - Optimal use of natural resources by implementing policies and measures to mitigate the effects of climate change, to facilitate a reduction in greenhouse gas emissions and a transition to a low-carbon economy, as well as to reduce the vulnerability of natural and human systems to the current and expected effects of climate change;
  - Respect for the socio-cultural authenticity of the community, conservation of cultural heritage and traditional values;
  - Ensuring sustainable, long-term economic operation aimed at the socio-economic benefit of all citizens;
- 20) **Rehabilitation centres** mean regions (places or parts thereof) with climate and landscape specificities which primarily serve for leisure, recreational and rehabilitation purposes and have a unique local character;
- 21) **Package [travel] arrangement** means a predefined combination of at least two different types of services which include transport, accommodation or other tourism services not related either to transport or to accommodation and constitute a significant share of the travel arrangement price, rendered over a period longer than 24 hours, or include at least one overnight stay and are sold or offered for sale at the total predetermined price, whereby the separate presentation of different components of the same travel arrangement does not release the organiser or distributor from the obligations stipulated by this Law;

- 22) **Special-purpose beach** means a developed bathing beach intended for a particular group of persons/individuals;
- 23) **Business facility** means a facility or a part thereof in which tourism and/or hospitality economic activities are performed;
- 24) **Natural rehabilitation centres** mean areas (places, or parts thereof) which have special natural potentials or natural healing properties originating from the soil, sea or climate, or advantages for administering physical therapy for the purpose of treatment, mitigation or prevention of diseases of people through the professional use of the available resources;
- 25) **Overbooking** means exceeding the number of confirmed bookings for the same accommodation services by hospitality operators or tourist agencies, resulting in a failure to provide a service or a failure to provide a service as contracted;
- 26) **Traveller** means a person who buys a package travel – arrangement or another tourism service, as well as a person for whom or on behalf of whom a package travel - arrangement or another tourism service is purchased, or to whom the right to use the package travel - arrangement or other tourism service is transferred;
- 27) **Tourist villa** means a facility that can be privately owned in accordance with the Law on State Property, which is situated in and constitutes part of a tourist resort and uses the amenities of a tourist resort managed by one operator;
- 28) **Accommodation unit** means a room, apartment, bungalow, holiday home, camping trailer/lodge and any other facility used to provide accommodation to guests, and which complies with the minimum technical requirements stipulated by this Law;
- 29) **Room for renting to tourists** means a part of a residential/business facility or a part of a family residential/business facility (house) in which accommodation services are provided to tourists;
- 30) **Flat for renting to tourists** means a part of a constructed building unit which is occasionally used for renting to tourists;
- 31) **Standard** means a set of conditions and benchmarks for setting up and equipping a facility, the quality of the provision of services and the conditions regarding maintenance of the facility;
- 32) **Tourist attraction** means a particularly attractive landmark of a tourist destination, of a natural or social character within a tourism region;
- 33) **Tourism infrastructure** means bathing areas, beaches, skiing trails, Alpine or Nordic ski slopes or slopes for alternative activities, cable cars, theme and amusement parks, tourist information centres, reception centres for tourists and visitors, rest areas and viewpoints next to roads, golf courses, tennis courts, artificial reservoirs for bathing areas, swimming pools, wellness establishments, entertainment or recreational trails and roads (fitness trails, viewpoints, panoramic roads, cycling, hiking and snowmobile trails), developed riverbanks and lake shores, structures for observing natural rarities, or structures for adventure activities;
- 34) **Tourism development zone** means an area representing a functional and sustainable unit with tourism infrastructure and suprastructure, which ensures an efficient use of resources and an improvement in tourism development;
- 35) **Tourist signposting** means adequate symbols and signs of tourist and traffic signposting, which mark a tourist attraction and the contents of a tourist offer;

- 36) **Tourism suprastructure** means hospitality facilities, galleries, exhibition and congress facilities, nautical tourism facilities, outdoor and indoor sports and entertainment recreational facilities, as well as any other facilities which are closely linked with hospitality facilities and sports and recreational facilities, or which constitute a single complex therewith;
- 37) **Tourist apartment** means a hospitality facility intended to provide accommodation services to tourists, which includes a living room, one or more bedrooms, a kitchen and a bathroom;
- 38) **Tourism product** means a set of interdependent elements which are organized in practice as a special-value chain that includes material products and services, natural values and cultural resources, tourist attractions, tourism infrastructure, and tourism suprastructure;
- 39) **Tourist destination** means a populated area that contains natural, cultural, historical, and other landmarks of importance for tourism, the municipal utility, transport and tourism infrastructure, as well as facilities and other amenities for the accommodation and stay of tourists;
- 40) **Tourism region** means a spatial and functional unit, designated by spatial planning documents, where an integrated tourism offer can be formed;
- 41) **Hospitality facility** means a functionally connected, specially developed and equipped space, which complies with the prescribed minimum technical conditions for providing hospitality services, or for performing hospitality economic activities;
- 42) **Manager (management company)** means a business undertaking or other legal person which performs overall management and maintenance of hotels and other primary hospitality facilities;
- 43) **High-end tourism** means tourism in hospitality facilities of four stars and more;
- 44) **Common parts of a hospitality facility whose accommodation units may be subject to individual sale** means any area, except the net surface of accommodation units and related parking places per accommodation/residential unit;
- 45) **QR code** (abbreviation for Quick Response) means a matrix barcode which stores addresses and other information;
- 46) **Special circumstances** means events or certain conditions that could have not been envisaged and that could have not been impacted (natural disasters, emergency situations, epidemic or pandemic of contagious diseases), and which are endangering the life and health of citizens, property of higher value, have negative impact on the environment, endangering the economic activity, or cause a sizeable economic damage.

### Use of Gender-Sensitive Language

#### Article 5

Expressions in this Law used for natural persons in the masculine gender shall include the same expressions in the feminine gender.

## **II TOURISM ACTIVITY**

### **Definition**

#### **Article 6**

- (1) Tourism activity shall mean the provision of services by: tourist agencies, tourist guides, tourist escorts, event organizers and representatives in cultural, nautical, rural/country, health, religious, congress, sport, youth, hunting and fishing, sports, recreational, and adventure tourism, ecotourism, and other forms of tourism, in bathing areas, on ski slopes, as well as the provision of other services in accordance with this Law.
- (2) A tourist shall mean a natural person who spends at least 24 hours or makes at least one overnight stay, but no longer than one year without interruption, in a place outside of his place of residence for the purpose of holiday, leisure, entertainment, sports and recreation, culture, religion, ecology, engagement in business communication, participation in sports competitions, cultural and art events, as well as for the purpose of travelling by ship, or by some other watercraft.

### **Obligations of Entities**

#### **Article 7**

- (1) While performing tourism activities, business undertakings, other legal persons, entrepreneurs and natural persons shall be obliged to:
  - Visibly display the conditions, contents and individual price for every service and provide services in accordance with the displayed conditions, contents and prices;
  - For every service provided issue to the user an invoice and/or other adequate document in electronic or written form in accordance with the law;
  - Keep a book of complaints, as prescribed, in the facility in which the services are provided and respond to complaints within three days following the day the complaint was filed;
  - Provide tourism services in accordance with the principles and practices of the sustainable development of tourism, while preserving the natural and cultural heritage and minimizing the negative effects of tourism activities on the environment.
- (2) The state administration authority responsible for tourism (hereinafter referred to as the Ministry) shall stipulate the form and manner in which the book of complaints is kept.

### **Advertising and Promotion of Tourism and/or Hospitality Economic Activities**

#### **Article 8**

- (1) Advertising and/or promotion of tourism and/or hospitality economic activities may be done only for tourism and hospitality facilities which hold a licence or

permit for the performance of economic activities, or a decision on entry into the Central Tourism Register.

- (2) The advertising and/or promotion referred to in paragraph 1 of this Article may be performed in electronic and printed media outlets, on digital platforms (booking.com, Tripadvisor, Airbnb, and other), via social media and by displaying advertisements and promotions in the windows of business premises and in other means of communication.
- (3) Tourism and/or hospitality economic activities may be advertised only if the advertisement provided to the persons referred to in paragraph 2 of this Article is accompanied by the following data:
  - The name and registered office, or the name and address of the business undertaking, other legal persons, entrepreneur and natural person performing the tourism or hospitality economic activity;
  - The type of tourism or hospitality economic activity;
  - The address of the tourism or hospitality facility and/or premises;
  - The number and date of issue of the licence; and
  - The permit to perform the economic activity, or a decision on entry into the Central Tourism Register.
- (4) A QR code must be included when advertising and promoting the tourism and/or hospitality economic activity in accordance with separate regulations.

### **III TOURIST AGENCY, TOURIST GUIDE, TOURIST ESCORT, EVENT ORGANIZER AND REPRESENTATIVE**

#### **Tourist Agency Article 9**

- (1) A tourist agency shall mean a business undertaking, other legal persons, or entrepreneur that provides services for organizing travel or acts as an agent in the selling and implementing of services for the travel and stay of tourists, and which holds a licence to perform such economic activity.
- (2) The tourist agency referred to in paragraph 1 of this Article, must have an office, and may have a branch office as well.
- (3) A natural person may not perform activities of a travel agency.

#### **Services of a Tourist Agency Article 10**

- (1) A tourist agency may provide the following services in its office or branch office:
  - 1) Organizing, selling and implementing package travel – arrangements in the country and abroad;

- 2) Organizing tourist sightseeing, entertainment programmes, meetings, congresses, fairs, events, sports events, and similar;
  - 3) Organizing and acting as an agent in the selling and implementation of excursions;
  - 4) Acting as an agent in the selling and implementation of packages - arrangements;
  - 5) Providing and acting as an agent in the provision of the services of tourist guides, tourist escorts, and event organizers;
  - 6) Organizing the receiving and transferring of travellers in vehicles or through carriers that are compliant with the conditions set out in the act governing road traffic transport;
  - 7) Selling and acting as an agent in the selling of tickets or the booking of seats for all means of transport, as well as acting as an agent in obtaining visas;
  - 8) Booking and selling tourism and hospitality services and other services relating to the travel and stay of travellers;
  - 9) Representing local and foreign tourist agencies in travel destinations;
  - 10) Acting as an agent in the renting of accommodation units;
  - 11) Receiving and dispatching watercrafts in nautical tourism in the country and abroad;
  - 12) Acting as an agent in the obtaining of documents required to organize and provide services in different forms of tourism;
  - 13) Organizing and acting as an agent in the selling of services of nautical, cultural, religious, rural, health, congress, sports, youth, and other forms of tourism;
  - 14) Providing car rental services;
  - 15) Booking, procuring and selling tickets for all types of events, sports and entertainment shows, events, as well as for museums, fairs, and similar;
  - 16) Renting and/or acting as an agent in the renting of means of transport/vehicles;
  - 17) Acting as an agent in the provision of watercraft navigating services by sailors (skippers);
  - 18) Providing tourist information and promotional material;
  - 19) Acting as an agent in the conclusion of travel and luggage insurance contracts; and
  - 20) Other services in accordance with this Law.
- (2) The services referred to in paragraph 1 item 14 of this Article may be provided by a tourist agency only if meets the conditions referred to in Article 59 paragraph 2 indent 3 of this Law.

## **Types of Tourist Agencies**

### **Article 11**

- (1) According to the type of services provided, a tourist agency may be:
- 1) A tourist agency - travel organiser (tour operator) which organizes package travels - arrangements and sells them directly, and implements or offers them for sale via an agent, organizes excursions, and offers other services that are usual in tourism economic activity; and



- 2) A tourist agency - agent (subagent) which sells package travels- arrangements designed by the travel organizer and/or which offers other agency services in accordance with the law.
- (2) A tourist agency may offer for sale or sell services to travellers via the internet in accordance with the law regulating electronic trade and electronic operations and if meets the conditions set out in this Law.

### **Scope of Services of Tourist Agencies**

#### **Article 12**

- (1) A tourist agency - travel organizer may provide the services referred to in Article 10 paragraph 1 of this Law.
- (2) A tourist agency - agent may provide the services referred to in Article 10 paragraph 1 items 3 to 20 of this Law.
- (3) A tourist agency that offers and sells a package travel - arrangements designed by a travel organizer which does not have a registered office in Montenegro shall be considered as a travel organizer and must comply with the conditions set out in this Law.

### **Obligations of a Tourist Agency**

#### **Article 13**

- (1) A tourist agency shall be obliged to:
  - 1) Display visibly at the entrance to the office or branch office the company name and registered office, or the name and address of the tourist agency;
  - 2) Display the working hours at the entrance to the office and branch office and abide by them;
  - 3) Display in a visible place in the office, or in the branch office, the licence to perform the economic activities of a tourist agency;
  - 4) Notify the service user about the capacity in which it acts, and the scope of its powers if it represents another tourist agency;
  - 5) Publish the conditions, contents and price of every individual service it provides, and provide services in accordance with such conditions, contents and prices;
  - 6) If it organizes a package travel - arrangement, prepare a travel itinerary and travel conditions for every package travel - arrangement;
  - 7) Conclude a contract on tourist travel with the traveller;
  - 8) Issue a travel confirmation, or ticket or other appropriate document in electronic or written form to confirm receipt of payment;
  - 9) Provide the services defined by the contract to the traveller, in accordance with the travel itinerary and travel contract;
  - 10) If it organizes an excursion, prepare the excursion itinerary which, when advertised or sold, must clearly contain data on the excursion price, type, category and the characteristics of the means of transport, tour itinerary for the locations, duration of the excursion, and similar;

- 11) Keep a book of complaints on the premises in which it provides services, in accordance with Article 7 of this Law;
  - 12) If it entrusts the provision of services from the travel itinerary or excursion itinerary to third parties, conclude contracts with such persons and keep records of concluded contracts with supporting documents;
  - 13) Clearly indicate the name and registered office of the tourist agency, or the name and address of the entrepreneur, the licence number, as well as QR code, in all marketing and promotional materials, as well as in all business documents;
  - 14) Keep as a business secret all information about the traveller and not disclose the traveller's identity, address, place and time of travel, stay, excursion and the price paid, as well as the identity of his companions, without the traveller's consent, except in cases stipulated by the law;
  - 15) Inform with and offer to the traveller travel cancellation insurance, insurance that covers the costs of assistance and the repatriation of the traveller to the place of departure in case of an accident, illness, injuries, death and damage/loss of luggage during his travel and stay, as well as about the need for health insurance during his travel and stay in the country and abroad;
  - 16) Inform the traveller with the contents of the applicable contract on bond/surety-related to package arrangements, or excursions;
  - 17) Keep records of concluded travel contracts, or records of organized excursions in the country and abroad, on a daily basis, in an orderly and accurate manner.
- (2) The Ministry shall stipulate the form, content and manner of keeping of the records referred to in paragraph 1 item 17 of this Article.

### **Acting as an Agent in the Provision of Services in Hospitality Facilities**

#### **Article 14**

A tourist agency that organizes package travel - arrangements or acts as an agent in the provision of accommodation, food and/or beverage shall be obliged to provide accommodation, food and/or beverage in a hospitality facility that complies with the conditions to perform the economic activities stipulated by this Law.

### **Conditions for Issuing a Licence to a Tourist Agency**

#### **Article 15**

- (1) The licence to perform tourism economic activities (hereinafter referred to as the licence) shall be issued to the tourist agency if it:
- Is entered into the Central Register of Business Entities (hereinafter referred to as the CRPS) for pursuing predominantly the economic activity of provision of services of a tourist agency travel organizer or a tourist agency agent;
  - Owns or rents an office or branch office which complies with the minimum technical conditions referred to in Article 18 of this Law;
  - Has appropriate staff referred to in Article 19 of this Law;
  - Has provided a bond/surety referred to in Article 17 of this Law.
- (2) The licence shall be issued on the basis of the filed application.

- (3) The application referred to in paragraph 2 of this Article shall be accompanied by the following documents:
- Evidence of ownership or rental of an office or a branch office, or of a residential space intended for a tourist agency that provides services solely online;
  - Evidence of employed staff (employment contract and evidence of insurance registration – copy of the registration of the taxpayer);
  - Evidence of bond/surety referred to in Article 17 of this Law;
  - Evidence of total revenue generated by the agency in the previous year;
  - A completed form for entry into the Central Tourism Register.
- (4) Compliance with the conditions referred to in paragraph 1 of this Article shall be determined by the decision of the Ministry.
- (5) The Ministry shall issue the licence on the basis of the decision referred to in paragraph 4 of this Article.
- (6) The licence shall be issued separately for every office and branch office of the tourist agency.
- (7) The tourist agency to which the licence has been issued shall be entered into the Central Tourism Register.
- (8) The Ministry shall obtain the evidence of entry into the CRPS ex officio.
- (9) The licence shall be issued on the template prescribed by the Ministry.

#### **Change of Data**

##### **Article 16**

- (1) A tourist agency shall be obliged to notify the Ministry of any change of the data on the basis of which the licence was issued in writing, within three days following the occurrence of such change.
- (2) Changes to the data referred to in paragraph 1 of this Article shall be entered into the Central Tourism Register on the basis of the decision.

#### **Bond/Surety**

##### **Article 17**

- (1) A tourist agency shall be obliged to provide bond/surety in the form of an irrevocable bank performance guarantee payable on first demand and unconditionally, or an insurance policy or monetary deposit in the designated account with a commercial bank.
- (2) The bond/surety referred to in paragraph 1 of this Article shall provide for:
- Compensation of damage caused to a traveller by the failure to fulfil, partially fulfil or disorderly fulfil obligations designated by the travel contract, travel itinerary or excursion itinerary;

- Compensation of damages caused due to the inability of the tourist agency to settle the costs of necessary accommodation, food and repatriation of travellers from a trip to the place of departure in the country and abroad.
- (3) The bond/surety referred to in paragraph 1 of this Article shall be provided for every office and branch office and shall amount:
- At least 15,000 euro for a tourist agency - travel organizer; and
  - At least 7,000 euro for a tourist agency - agent.
- (4) The amount of the bond/surety referred to in paragraph 3 of this Article, after the expiry of the previous bond/surety, shall be calculated as the percentage of total revenue stated in the official balance sheet and income statement for the previous year.
- (5) The tourist agency shall provide the bond/surety referred to in paragraphs 3 and 4 of this Article continuously for the entire duration of the licence.
- (6) The Ministry shall stipulate the manner of activating the bond/surety and manner of calculating the amount of the bond/surety referred to in paragraph 4 of this Article.

#### **Minimum Technical Conditions for Business Premises** **Article 18**

- (1) The office or branch office of a tourist agency must comply with the minimum technical conditions in terms of equipment and space organization.
- (2) In addition to the conditions referred to in paragraph 1 of this Article, the office or branch office must also comply with other conditions governed by separate regulations in order to perform the economic activity.
- (3) The competent inspectors shall perform monitoring of compliance with the conditions referred to in paragraph 2 of this Article.
- (4) The minimum technical conditions shall not apply to a tourist agency providing services exclusively online.
- (5) The Ministry shall stipulate the minimum technical conditions referred to in paragraph 1 of this Article, depending of the type and manner of provision of services.

#### **Conditions concerning Staff** **Article 19**

- (1) A tourist agency must have at least one employee – a full-time manager in every office or branch office who:
- 1) Has at least:
- Completed level four of qualifications, sublevel IV1 of the National Qualifications Framework; and

- Three years of work experience in the tourism economic activity for a tourist agency - travel organizer or one year for a tourist agency-agent;
  - 2) Knows at least one foreign language at a minimum of level B1 on the CEF scale.
- (2) Other persons employed in the office who are in direct contact with clients must have completed level four of qualifications, sublevel IV1 of the National Qualifications Framework and must know at least one foreign language.
- (3) The provisions of paragraphs 1 and 2 of this Article shall also apply to the tourist agency that provides services exclusively via the internet.

### **Office**

#### **Article 20**

- (1) A tourist agency must have an office to provide the services referred to in Article 10 of this Law.
- (2) Premises intended for residence, business premises where another economic activity is performed or other premises outside of the office or branch office shall not be considered to be an office.
- (3) Notwithstanding paragraph 2 of this Article, a tourist agency that provides services exclusively via the internet may provide services at the residential premises of the registered residence of the manager.

### **Designation**

#### **Article 21**

- (1) The designation "tourist agency" must be used in the name of a tourist agency as the narrower designation of the economic activity.

### **Revocation of Licence**

#### **Article 22**

The licence shall be revoked from the tourist agency if:

- ceases to comply with the conditions for the issuing of the licence stipulated by this Law;
- fails to provide the services in the office/branch office at the registered address for which the licence was obtained;
- A measure has been imposed on it involving prohibition to provide services in accordance with this Law;
- a licence was issued on the basis of false data or forged documents;
- 30 days before expiry of bond/surety validity fails to provide to the Ministry a new bond/surety, fails to provide the amount of bond/surety in accordance with this Law, or fails to provide a new bond/surety after the payment of funds on the basis of the previously issued bond/surety on the day of the payment of funds;
- offers or sells trips: package travel - arrangements or excursions without a contract or contrary to the contract concluded with third parties entrusted with the provision of services specified in the travel itinerary (transport, number of

- beds in a particular facility, and other), cancels the travel and fails to reimburse to the travellers the funds paid within the legally defined period;
- fails to provide accommodation for travellers during the contracted travel;
  - fails to ensure repatriation of travellers or keeps travellers on a travel longer than envisaged in the itinerary without a justified reason.
  - severe consequences for the life and health of travellers occur as a result of an omission in the operation of the tourist agency.

### **Decision on Revocation of the Licence** **Article 23**

- (1) The licence shall be revoked by the decision of the Ministry.
- (2) A tourist agency whose licence is revoked shall be obliged to reimburse the funds paid for previously agreed travels within seven days following the day of the revocation of the licence.
- (3) The decision referred to in paragraph 1 of this Article shall be entered into the Central Tourism Register.

### **Expiry of the Licence** **Article 24**

- (1) The licence shall cease to be valid:
  - At the request of the licence holder;
  - By deletion of the tourist agency from the CRPS.
- (2) The tourist agency shall be deleted from the Central Tourism Register by way of a decision, on the day of expiry of the licence.

### **Organization of Travels for Own Needs** **Article 25**

- (1) Associations of senior citizens and social and child protection institutions, exclusively for their members or beneficiaries, may organize travels: package travels - arrangements or excursions on a non-commercial basis.
- (2) The package travels - arrangements or excursions referred to in paragraph 1 of this Article may be promoted and presented only in internal information media.
- (3) The entities referred to in paragraph 1 of this Article may use exclusively the services of carriers and transportation means for which the users of tourism services and luggage are insured.
- (4) The entities referred to in paragraph 1 of this Article shall be obliged to report the travel and submit the travel itinerary with the list of travellers to the administration authority competent for inspection matters no later than five working days prior to the beginning of the travel.

### **Provision of Tourist Escorts**

#### **Article 26**

A tourist agency that organizes a package travel -arrangement or an excursion for 15 or more travellers shall be obliged to hire for such a travel at least one tourist escort.

### **Provision of Transport**

#### **Article 27**

- (1) A tourist agency that organizes a package travel - arrangement or excursion, or provides transportation service to travellers shall be obliged to use means of transport which have their own insurance policy covering the consequences of an accident, loss of or damage to luggage.
- (2) A tourist agency may provide transport for travellers by using its own means of transportation or the means of transportation of other carriers, that comply with the conditions stipulated by the law.

### **Rights and Obligations of Tourist Agency - Travel Organizer**

#### **Article 28**

- (1) A tourist agency - travel organizer shall be obliged to prepare the travel itinerary in writing (either in electronic or in printed form).
- (2) The tourist agency shall be obliged to provide the itinerary referred to in paragraph 1 of this Article to the traveller in person or electronically, simultaneously with the signing of the travel contract and issuing of the travel confirmation.
- (3) The traveller shall be obliged to confirm receipt of the travel contract, travel itinerary and travel confirmation by signature, either in person or electronically.
- (4) The tourist agency referred to in paragraph 1 of this Article shall be obliged to conclude a contract on the organization of a school excursion with the educational institution on behalf of which such an excursion is being organized.
- (5) A tourist agency - travel organizer, which organizes school excursions and other travels for children and young people, shall be obliged to make the travel itinerary available to the pupils' parents and to the school management.
- (6) The list of pupils shall also constitute an integral part of the contract referred to in paragraph 4 of this Article.

### **Rights and Obligations of Tourist Agency - Agent**

#### **Article 29**

- (1) A tourist agency - agent that is offering for sale or is selling the package travel - arrangement of a travel organizer shall be obliged to indicate in the travel itinerary and in the travel confirmation the capacity in which it is acting, the

licence number of the travel organizer, QR code, and to give the travel itinerary to the traveller either in person or electronically, simultaneously with the issuing of the travel confirmation.

- (2) The tourist agency - agent may offer for sale or sell only packages - arrangements of the tourist agency-travel organizer with which it has signed an agency contract.
- (3) The tourist agency - agent shall be obliged to draw up a travel/excursion itinerary in writing (either in electronic or in printed form).
- (4) The tourist agency-agent shall be obliged to give to the traveller the itinerary referred to in paragraph 3 of this Article either in person or electronically, simultaneously with signing the travel/excursion agreement and issuing the confirmation of travel/excursion.
- (5) The traveller shall be obliged to confirm receipt of the travel/excursion contract, the travel/excursion itinerary, or travel/excursion confirmation with a signature, either in person or electronically.

### **Information before the Start of the Travel**

#### **Article 30**

Prior to concluding a contract, a tourist agency shall be obliged to provide the traveller, in writing or in some other appropriate form, basic information about:

- The required travel documents and conditions for obtaining visas and the time needed to obtain them;
- The conditions for health protection and stay at the travel destination;
- The time and location of stopovers, transportation connections at the destination;
- The booked place of accommodation of the travellers in all means of transport;
- The location, address and telephone number of a representative of the tourist agency or the tourist agency - travel organizer or - agent, for assistance in the event of an emergency;
- The possibility of establishing contact with a child or with the person responsible for the child at the place where the child is residing in the event of minors travelling or staying abroad; and
- Bond/surety in case of a potential termination of the travel by the traveller or the costs of the assistance provided, including the necessary costs of transport of the travellers (repatriation) in case of an accident or illness.

### **Agreement on a Package Travel – Arrangement**

#### **Article 31**

- (1) Prior to the signing a contract on package travel-arrangement, a tourist agency shall be obliged to provide the traveller with a copy of the contract so that he is able to familiarize himself with the contents thereof.
- (2) The contract on the package travel-arrangement shall be concluded in writing or in electronic form and must include:



- The destination and the period of the stay at the destination;
  - The date, time and place of departure and return;
  - The types, characteristics and categories of transportation means that will be used;
  - The locations, types and categories of accommodation facilities that will be used, the number of permits for such facilities and the number of daily meals;
  - The company name and registered office, or name and address of the tourist agency - travel organizer;
  - The name of the bank that provides the bond/surety for the package - arrangement/excursion;
  - The excursions, tours and other services included in the package - arrangement, which are included in the price;
  - The manner of price changes in accordance with this Law, the amount of the fee for specific services which are not included in the price of the package – arrangement (tourist fees, boarding and disembarkation fees in airports and other ports);
  - The method and time of payment of the price of the package - arrangement;
  - Special requests made by travellers at the time of booking the travel, which are accepted by the organizer;
  - The minimum number of travellers needed to organize a package – arrangement and the deadline for informing travellers in case of cancellation of the arrangement;
  - The period within which the traveller is obliged to file a complaint in case of failure to execute, or partial and incomplete execution of the contract.
- (3) The travel organizer shall be obliged to issue to the traveller a confirmation either in writing or in electronic form to confirm that the package travel – arrangement contract has been concluded.
- (4) If the package travel–arrangement is implemented by the tourist agency-agent, it must include the company name and registered office, or the name and address of the tourist agency-agent, with a note stating that the package travel–arrangement is being implemented with its intermediation.
- (5) The provisions of this Law applicable to the tourist agency-travel organizer shall apply with respect to the rights and obligations of the tourist agency-agent.
- (6) The provisions referred to in paragraphs 1 and 2 of this Article shall not exclude the possibility of making a subsequent booking or entry into contract at the last minute.

### **Changes to the Contents of Contract before the Start of the Travel**

#### **Article 32**

- (1) If the tourist agency is forced to change substantial elements of the contract before the start of the travel, the agency shall be obliged to notify the traveller thereof without delay and give the traveller the opportunity to:
- Withdraw from the contract without paying penalties; or

- Accept the changes to the contract.
- (2) The traveller shall be obliged to notify the tourist agency-travel organizer of his decision within two business days following the day of receipt of the proposed changes to the contract.
- (3) If the traveller does not agree with the changes referred to in paragraph 1 of this Article or if the tourist agency cancels the package arrangement prior to the agreed date of departure for any reason, the traveller may:
- Accept a substitute for the arrangement of an equivalent or a higher quality without supplementary payment, if the tourist agency can offer such an arrangement, and if the offered arrangement is of a lower quality, the tourist agency shall be obliged to refund the difference in price; or
  - Request that the tourist agency refund the amount paid within eight days.
- (4) In the cases referred to in paragraphs 1, 2 and 3 of this Article, the tourist agency shall be obliged to pay damage compensation to the traveller due to its failure to fulfil its contractual obligations in accordance with separate regulation.

**Package Tourist Arrangements Contracts Not Performed due to Special  
Circumstances Caused by the New Corona Virus (COVID-19)  
Article 32a**

- (1) Tourist agency-travel organiser for not performed package travel arrangement contracts that should have been performed after 1 March 2020, shall be obliged to issue a voucher to travellers, based on which the traveller shall be entitled to a substitute travel until 31 December 2021.
- (2) If the traveller fails to utilise the voucher within the deadline referred to in paragraph 1 of this Article, he shall be entitled to a contract termination and refund of paid funds.
- (3) If the traveller decides to terminate the contract, the tourist agency-travel organiser shall be obliged to make refund of paid funds within 14 days following the day of the contract termination.
- (4) The voucher issued for not performed package travel arrangement contract must be secured with a bond/surety in accordance with Article 17 paragraph 2 of this Law until the end of the period for which the voucher has been issued.
- (5) The Ministry shall stipulate the manner of use and content of the voucher referred to in paragraph 1 of this Article.

**Application of Regulations  
Article 33**

Provisions of the law governing obligations shall apply to the matters concerning advertising and informative material, changes to the contracted price, the traveller's

right to withdraw from the contract, replacement of the traveller with another person, damage compensation, changes to the travel itinerary, responsibility for travel organization, guarantee for package arrangements, and damage compensation to the traveller, whereas provisions of the law governing consumer protection shall apply to the traveller's complaints.

### **Tourist Guide Article 34**

- (1) A tourist guide shall be a natural person who provides tourists, according to the predefined itinerary, services that include guidance, presentation and professional descriptions of: natural sceneries and rarities, cultural and historical monuments, works of art, ethnographical and other landmarks, historical events and legends about these events and personalities, economic and political events and happenings, as well as specific places and regions.
- (2) The person referred to in paragraph 1 of this Article may provide services of a tourist guide if he is registered at the CRPS as an entrepreneur, employed at the travel agency or is hired by the association of tourist guides or travel agency which holds license in accordance with this Law
- (3) Only a tourist guide holding the tourist guide identification card (hereinafter referred to as the Identification Card) may perform the activities referred to in paragraph 1 of this Article).
- (4) The services of a tourist guide may also be provided by a foreign natural person who complies with the conditions stipulated by this Law.
- (5) A professional person who presents, describes or provides information at his place of employment (museum, gallery, national park or similar), an employee of the tourist agency who accompanies a group of tourists from one place to another, a mountain, cave or similar guide, hunting and fishing guide, as well as a leader or tourist escort during an excursion and/or sightseeing tour shall not be considered a tourist guide.
- (6) A foreign citizen accompanying the organized group travel of a foreign organizer, which starts in a foreign country and ends with the return to a foreign country, shall not be considered a tourist guide if he does not hold the tourist guide identification card in accordance with this Law.

### **Obligation to Hire Tourist Guides Article 35**

- (1) A special work regime shall apply to organized groups of tourists/excursionists at certain tourist sites, which entails the mandatory provision of the services of a tourist guide while visiting them.
- (2) The Ministry shall prescribe the tourist sites referred to in paragraph 1 of this Article.

### **Conditions for Acquiring Identification Card**

#### **Article 36**

- (1) An Identification Card shall be issued to a natural person who meets with the following conditions:
  - He has an active knowledge of at least one foreign language, or the language in which he is providing the guide services;
  - He speaks Montenegrin language to an extent which enables basic communication for a foreign natural person;
  - He holds a certificate of acquired national professional qualification for a tourist guide in accordance with the law.
- (2) The association of tourist guides may, for and on behalf of its members, act as an intermediary in the provision of the services of a tourist guide with the obligation to issue invoice to service users in accordance with the law.
- (3) A tourist guide shall be obliged to issue an invoice for the service provided to the service user if the service provision is not organized by a tourist agency, or if an invoice is not issued by the association of tourist guides of which he is a member.

### **Procedure for Issuing Identification Card**

#### **Article 37**

- (1) An Identification Card shall be issued on the basis of an application filed with the Ministry.
- (2) The application referred to in paragraph 1 of this Article shall be accompanied by the following evidence:
  - A certificate of acquired national professional qualification for a tourist guide in accordance with the law;
  - Knowledge of the language in which the services will be provided;
  - Knowledge of Montenegrin language which enables basic communication for a foreign natural person;
  - A completed form for entry into the Central Tourism Register.
- (3) Fulfilment of the conditions referred to in Article 36 of this Law shall be established by way of the Ministry's decision.
- (4) The Identification Card shall be issued by the Ministry on the basis of the decision referred to in paragraph 3 of this Article.
- (5) The data on issued Identification Cards shall be entered into the Central Tourism Register.
- (6) While providing services, a tourist guide must wear in a visible place the tourist guide Identification Card verifying his capacity.
- (7) The Ministry shall prescribe the form and manner of using the Identification Card .

### **Obligations of Tourist Guides and Tourist Agency**

#### **Article 38**

- (1) A tourist guide shall be obliged to provide tourist guide services conscientiously and professionally, in accordance with business practices in tourism and to provide accurate data to tourists when guiding, presenting and giving professional explanation of: natural sceneries and rarities, cultural and historical monuments, works of art, ethnographical and other landmarks, historical events and legends about such events and personalities, economic and political events and developments, as well as certain sites and areas.
- (2) A tourist agency shall be obliged to keep records of hired tourist guides.
- (3) The records of hired tourist guides shall contain data on:
  - The name and address, and number of the identity card or travel document indicating the validity period and the name of the authority that issued the document;
  - The number and date of issue of the tourist guide's identification card;
  - The language in which the services are provided;
  - The time or period of hiring; and
  - The name of the tourist site for which the tourist guide is being hired.
- (4) The tourist guide shall be obliged to respond to an invitation for regular testing of his knowledge in respect of cultural-historic monuments, artworks, ethnographic and other landmarks, historic events and legends regarding such events and personalities, business and political events and happenings, as well as in respect of certain places and areas, before the commission set up by the Ministry.

### **Revocation of Identification Card**

#### **Article 39**

- (1) The identification card shall be revoked based on a decision if:
  - is issued on the basis of false data or forged documents;
  - The tourist guide fails to provide services in accordance with Article 38 paragraph 1 of this Law;
  - The commission referred to in Article 38 paragraph 4 of this Law establishes that the tourist guide does not have the appropriate knowledge for the performance of the activities of a tourist guide;
  - The tourist guide fails to appear at the testing referred to in Article 38 paragraph 4 of this Law;
  - the tourist guide no longer meets requirements for obtaining identification card *ex officio*..
- (2) The data on the revocation of the identification card shall be entered into the Central Tourism Register.

### **Tourist Escort Article 40**

- (1) A tourist escort shall be a natural person accompanying a tourist group and performing operational and technical duties from the start of the travel to the destination and back.
- (2) A tourist escort may only be a person holding a tourist escort identification card.
- (3) A tourist agency shall issue the identification card referred to in paragraph 2 of this Article to a person who has completed at least level four of qualifications, sublevel IV1 of the National Qualifications Framework.
- (4) A tourist escort shall also be considered to be a foreign citizen who accompanies an organised group of a foreign organizer, for travel that starts in a foreign country and that ends upon returning to the foreign country.
- (5) While providing services, a tourist escort must wear in a visible place the tourist escort identification card that confirms his capacity.
- (6) The Ministry shall stipulate the form and manner of use of the identification card referred to in paragraph 2 of this Article.

### **Tourist Event Organizer Article 41**

- (1) A tourist event organizer shall be a natural person who plans and implements entertainment, cultural, sports, recreational, and other programmes to organize tourists' free time.
- (2) The duties referred to in paragraph 1 of this Article may be performed only by a tourist event organizer holding a tourist event organizer identification card.
- (3) A tourist event organizer shall also be considered to be a foreign citizen who complies with the conditions stipulated by this Law.

### **Conditions for Acquiring an Identification Card Article 42**

- (1) A tourist event organizer identification card shall be issued to a natural person who complies with the following conditions:
  - Possesses a certificate of the acquired national professional qualification for a tourist event organizer in accordance with the law;
  - Has active knowledge of at least one foreign language, or the language in which he provides the services of a tourist event organizer;
  - Has knowledge of Montenegrin language to an extent which enables basic communication for a foreign natural person.

- (2) A tourist event organizer shall be obliged to issue an invoice to the service user for the service provided, if the provision of the service is not organized by a tourist agency, or if an invoice is not issued by the association of tourist event organizers of which he is a member.
- (3) A tourist agency may hire a person holding a tourist event organizer identification card only to act as a tourist event organizer.

### **Procedure for Issuing of an Identification Card**

#### **Article 43**

- (1) A tourist event organizer identification card shall be issued on the basis of the application submitted to the Ministry.
- (2) The application referred to in paragraph 1 of this Article shall also be accompanied by the following evidence:
  - The certificate of acquired national qualification for a tourist event organizer in accordance with the law;
  - Knowledge of the language in which services will be provided;
  - Knowledge of Montenegrin language which enables basic communication for a foreign natural person;
  - A completed form for entry into the Central Tourism Register.
- (3) Fulfilment of the conditions referred to in Article 42 of this Law shall be established by the Ministry's decision.
- (4) A tourist event organizer identification card shall be issued by the Ministry on the basis of the decision referred to in paragraph 3 of this Article within 15 days following the day of filing the complete application.
- (5) The data on issued identification cards shall be entered into the Central Tourism Register.
- (6) While providing services, a tourist event organizer must wear in a visible place the tourist event organizer identification card that confirms his capacity.
- (7) The Ministry shall stipulate the form of the identification card referred to in paragraph 1 of this Article and the manner of use thereof.

### **Tourist Representative**

#### **Article 44**

- (1) A tourist representative shall be a tourist agency representing a local or foreign tourist agency at travel destinations.
- (2) A tourist representative shall perform representation duties on the basis of a concluded contract.

- (3) The tourist agency shall be obliged to notify the traveller about a tourist representative and his authorizations.
- (4) A tourist representative shall be obliged to provide the Ministry with his representation contract within eight days following the day of concluding the representation contract.
- (5) The contract referred to in paragraph 2 of this Article shall also be accompanied by a completed form for entry into the Central Tourism Register.

#### **Authorizations of a Tourist Representative Article 45**

A tourist representative shall:

- 1) Protect the interests and rights of travellers and of the tourist agency before the service provider;
- 2) Provide information about performance of the travel itinerary and additional services;
- 3) Order additional services on behalf of the tourist agency that he represents, within the scope of his authorizations;
- 4) Act as an agent in providing additional services for travellers (excursions, cultural and sports events); and
- 5) Perform other duties of importance to travellers and the tourist agency which he is representing, in accordance with the contract.

### **IV. TOURISM SERVICES IN BATHING AREAS**

#### **Bathing Areas and the Manner of Provision of Tourism Services Article 46**

- (1) Developed bathing areas shall be indoor and outdoor swimming pools and beaches located alongside sea coasts, lake shores, and riverbanks, which have equipment and amenities, as well as accompanying facilities.
- (2) Tourism services in bathing areas shall be considered to be the services of renting beach furniture (sunshades, sun chaise lounge), water scooters, recreational kayaks, paddle boats, sailing boats, boats, sailboards, water skiing equipment, diving and fishing equipment, and training for water skiing, diving, sailing in accordance with the law.
- (3) Tourism services in bathing areas may be provided by business undertakings, other legal persons, and entrepreneurs on the basis of a permit to provide tourism services in the developed bathing areas (hereinafter referred to as: the permit).
- (4) An invoice shall be issued in accordance with the law for the services referred to in paragraph 2 of this Article.



- (5) Bathing areas in the sea, rivers and on lakes where tourism services are provided must comply with the conditions concerning development and equipment, in accordance with the law.
- (6) The Ministry shall stipulate more detailed conditions concerning development and equipment, types and conditions for using the bathing areas referred to in paragraph 5 of this Article.

### **Conditions for Issuing Permits**

#### **Article 47**

- (1) A permit shall be issued to business undertaking, other legal persons and entrepreneurs if:
  - are entered into the CRPS for the provision of tourism services in bathing areas;
  - have proof of the rental of, or the right to use, a bathing area;
  - have an insurance policy in case of an accident in a bathing area.
- (2) The competent local government authority shall issue the permit within seven days following the day of submitting the complete application.
- (3) The data contained in the permit shall be entered into the CRPS.

### **Procedure for Issuing the Permit**

#### **Article 48**

- (1) A permit shall be issued on the basis of a filed application.
- (2) The application referred to in paragraph 1 of this Article shall contain:
  - The company name and registered office, or the name and address of the applicant;
  - The type and place of the provision of services;
  - The period of the provision of services.
- (3) The application referred to in paragraph 2 of this Article shall be accompanied by the following evidence:
  - A rental contract, or the right to use a bathing area;
  - A photocopy of the insurance policy in case of an accident in a bathing area;
  - A completed form for entry into the Central Tourism Register.
- (4) The competent local government authority shall obtain the evidence of entry into the CRPS *ex officio*.

### **Prohibitions**

#### **Article 49**

- (1) The following shall be prohibited on beaches situated alongside the sea coast, lake shores, and river banks:
  - 1) Charging an entrance fee;

- 2) Forcing the mandatory use of beach furniture;
  - 3) Renting scooters and other engine-propelled watercrafts, other than in places specifically designated for such a purpose;
  - 4) Keeping scooters and other engine-propelled watercrafts on the beach;
  - 5) The movement of engine-propelled and mechanically-propelled watercrafts within the waters belonging to bathing areas;
  - 6) The presence of domestic animals and pets, other than in places specifically designated for such a purpose;
  - 7) The movement and parking of vehicles;
  - 8) Restriction of access.
- (2) Notwithstanding paragraph 1 item 8 of this Article, access to special-purpose beaches may be restricted in accordance with a special regulation of the Ministry.

## **V. TOURIST SERVICES IN NAUTICAL TOURISM**

### **Provision of Tourism Services in Nautical Tourism**

#### **Article 50**

- (1) Nautical tourism shall include the sailing and stay of nautical tourists on waterborne crafts, as well as their stay in nautical tourism ports or marinas and in other harbour facilities for the purpose of holiday and recreation.
- (2) Tourism services in nautical tourism shall be:
- 1) The renting of waterborne crafts with or without a crew, with or without the provision of accommodation services;
  - 2) The services of supplying nautical tourists (with water, fuel, food supplies, spare parts and equipment);
  - 3) Navigation services for the waterborne crafts of nautical tourists;
  - 4) The provision of various types of information to nautical tourists;
  - 5) Transportation of tourists in public transport by means of waterborne crafts which are registered to perform passenger transport activity; and
  - 6) Other services required for nautical tourism in accordance with the law.
- (3) The selling and booking of the services referred to in paragraph 2 of this Article may be performed directly on the waterborne crafts or via a tourist agency.

### **Application to Commence the Economic Activity**

#### **Article 51**

- (1) Tourism services in nautical tourism may be provided by a business undertaking, other legal person or entrepreneur that is entered into the Central Tourism Register.
- (2) Entry into the Central Tourism Register shall be performed on the basis of an application filed with the competent local government authority at least eight days

before the commencement of the provision of tourism services in nautical tourism.

- (3) The application referred to in paragraph 2 of this Article shall be accompanied by:
  - Evidence of the right to use a port, a part of the port, operational quay, a part of the sea coast which serves the purpose of using sea for maritime transport or any other reception facility and/or waterborne craft if it provides services referred to in Article 50 paragraph 2 items 1, 2 and 5 of this Law;
  - Evidence of the right to perform public transport activity in accordance with a separate regulation.
  - A photocopy of an accident liability insurance policy;
  - A completed form for entry into the Central Tourism Register.
- (4) The application referred to in paragraph 2 of this Article shall be filed in two copies, of which one copy shall be kept by the competent authority, and one copy shall be sent back to the applicant without delay, along with a registration stamp containing the date and number of the receipt of the application.
- (5) Entry into the Central Tourism Register shall be performed on the basis of a decision by the competent local government authority.
- (6) One copy of the decision referred to in paragraph 5 of this Article shall be submitted to the tourist inspection or other competent inspection body, and to the local tourism organization.
- (7) The tourist services referred to in paragraph 1 of this Article may be performed from the day of entry into the Central Tourism Register.
- (8) The competent local government authority shall obtain the evidence of entry into the CRPS *ex officio*.

### **Contents of Application to Commence the Economic Activity**

#### **Article 52**

The application to commence nautical tourism economic activities shall contain:

- 1) The name of the authority to which the application is being filed;
- 2) Data about the applicant (company name, registered office, unique registration number, or the name, address, number of an identity card or of a travel document, indicating the validity period and the name of the authority that issued it);
- 3) The number and date of the decision on entry into the CRPS and the economic activity code;
- 4) The place and address of the premises on which the service is provided;
- 5) The type of service;
- 6) The place and date of filing of the application; and
- 7) The signature and stamp of the applicant.

### **Obligations of Tourist Services Providers**

#### **Article 53**

A tourist service provider in nautical tourism shall be obliged to:

- 1) Display the price of the services it provides and to provide the services at the displayed prices;
- 2) Issue an invoice for every service provided in accordance with the law;
- 3) Display in a visible place the information about the company name, registered office and working hours;
- 4) Keep records on tourist turnover on a form which it submits to the administrative authority competent for statistics and to the local tourism organization, in accordance with the law;
- 5) Keep on the premises the decision on entry into the Central Tourism Register.

## **VI. TOURISM SERVICES INCLUDING SPORTS, RECREATIONAL AND ADVENTURE ACTIVITIES**

### **Sports, Recreational and Adventure Activities**

#### **Article 54**

- (1) Tourism services that include sports, recreational and adventure activities shall be: mountain climbing, kayaking, canoeing and the paddling of other similar watercrafts, diving, sailing, horseback riding, parachuting, riding in cable cars, canyoning, windsurfing, kite-surfing, bungee jumping, riding a zip-line, sports fishing, jeeping off-road vehicles, speleological activities and other activities performed by professionally trained persons (guides, rescuers, instructors, trainers and other persons trained to provide certain services) who hold a national or international licence/certificate for the provision of such services issued by a relevant associations.
- (2) The Government of Montenegro (hereinafter referred to as the Government) shall stipulate the minimum technical conditions and the manner of providing certain services referred to in paragraph 1 of this Article.

### **Obligations of Tourism Service Providers**

#### **Article 55**

- (1) The tourism services referred to in Article 54 paragraph 1 of this Law may be provided by business undertakings, other legal persons and entrepreneurs that are entered into the Central Tourism Register.
- (2) Entry into the Register referred to in paragraph 1 of this Article shall be performed on the basis of an application filed with the competent local government authority at least eight days prior to the commencement of pursuing the economic activity.
- (3) The application referred to in paragraph 2 of this Article shall be accompanied by:

- A photocopy of an accident liability insurance policy;
  - The number and date of the decision on entry into the CRPS and the economic activity code;
  - A completed form for entry into the Central Tourism Register.
- (4) Entry into the register referred to in paragraph 1 of this Article shall be performed by the local government authority by way of a decision.
- (5) The tourism service provider referred to in paragraph 1 of this Article shall be obliged to:
- Prior to the beginning of provision of services, display in a visible place a written notification and warn the user verbally about the types of risks of the services;
  - For certain activities, obtain written consent from the user regarding acceptance of the risks at own peril;
  - Prohibit persons younger than 18 years of age to engage in adventure activities without the consent of parents/guardians;
  - Hire a professionally trained person who holds a licence/certificate for the performance of certain forms of sports, recreational and adventure activities;
  - Have an accident insurance policy, which provides insurance for the service user in accordance with the law.
- (6) One copy each of the decision referred to in paragraph 4 of this Article shall be submitted to the competent inspection and tourism organization.
- (7) The competent local government authority shall obtain the evidence of entry into the CRPS *ex officio*.

## **VII. TOURISM SERVICES IN HEALTH TOURISM**

### **Natural Rehabilitation Centres**

#### **Article 56**

Health tourism shall be the provision of health services in natural rehabilitation centres where a stay is organized for the users of such services, for the purpose of illness prevention, treatment and rehabilitation.

### **Minimum Technical Conditions**

#### **Article 57**

- (1) A rehabilitation centre may provide the health services referred to in Article 56 of this Law if it complies with the conditions concerning:
- 1) Staff;
  - 2) Facilities and devices for using natural medicinal factors;
  - 3) Facilities for the accommodation and stay of service users, particularly patients with physical impairments.

- (2) Compliance with the conditions referred to in paragraph 1 of this Article shall be established by the state administration authority competent for healthcare matters, which shall issue a permit to provide healthcare services in rehabilitation centres.
- (3) The state administration authority competent for healthcare matters shall be obliged to provide the Ministry with the completed form for entry into the Central Tourism Register on the day of issuing the permit referred to in paragraph 2 of this Article.
- (4) The state administration authority competent for healthcare matters shall stipulate more detailed conditions for providing the services referred to in paragraph 1 of this Article.

## **VIII. OTHER TOURISM SERVICES**

### **Vehicle Rental Services**

#### **Article 58**

- (1) Vehicle rental services (hereinafter referred to as the car rental") shall be considered as the renting of passenger vehicles without a driver, on the basis of a car rental contract.
- (2) For passenger vehicles which are rented with a driver, the driver must have passed the driving exam for the corresponding category and have a minimum of five years of experience as a driver in accordance with the law.
- (3) A car rental user shall not use the rented car for the purpose of generating a profit (taxi transport, performing public transport of passengers, participation in sports events and in other cases in which profit is generated).
- (4) Rental cars may be driven only by the persons indicated in the contract referred to in paragraph 1 of this Article.
- (5) The contract referred to in paragraph 1 of this Article must be kept in the rented car during the period of its rental.

### **Entities**

#### **Article 59**

- (1) Car rental services may be provided by a business undertaking, other legal person, or entrepreneur only if it holds a permit to provide car rental services.
- (2) The permit referred to in paragraph 1 of this Article shall be issued by the competent local government authority according to the place of performance of the economic activity, to the business undertaking, other legal person or entrepreneur that:

- Is registered with the CRPS to provide car rental services;
  - Owns or leases an office;
  - Owns or rents/leases a minimum of five passenger vehicles for rental registered in Montenegro, which comply with the conditions stipulated by the law governing road traffic safety and the law governing passenger transport in road traffic.
- (3) The permit for performance of the car rental economic activity shall be issued within 15 days following the day of filing complete application.
- (4) The entities referred to in paragraph 1 of this Article shall be obliged to notify the competent local government authority in writing about any change in the performance of car rental economic activity which affect compliance with the conditions for issuing a permit for providing car rental services, within three days following the day of occurrence of the changes.
- (5) The data contained in the permit referred to in paragraph 1 of this Article shall be entered into the Central Tourism Register.

#### **Application for Issuing a Permit** **Article 60**

- (1) A permit for pursuing an economic activity of providing car rental services shall be issued on the basis of a submitted application which contains the following data:
- The company name and registered office, or the name, address and unique identification number of the applicant;
  - The name and address of the branch office providing car rental services;
  - The types, model (make) and registration plates of the vehicles;
  - The vehicle registration number and validity date for all vehicles;
  - The number and date of issuing of the compulsory insurance policy, with the name and registered office of the insurance company.
- (2) The application referred to in paragraph 1 of this Article shall be accompanied with the evidence of:
- Ownership or rental of business premises (branch office);
  - Ownership or the right to use the vehicles which are being rented, which comply with the conditions set out in the law governing the road traffic safety;
  - Traffic accident liability insurance policy; and
  - Completed form for entry into the Central Tourism Register.
- (3) The competent local government authority shall obtain the evidence of entry into the CRPS *ex officio*.

#### **Office** **Article 61**

A person pursuing the economic activity of providing car rental services must have an office which complies with the conditions referred to in Article 18 of this Law.

### **Types of Other Tourism Services**

#### **Article 62**

- (1) Other tourism services may also be provided for congress, cultural, rural/village, wellness, sports, golf, hunting, fishing, religious, and other forms of tourism.
- (2) The provision of tourism services referred to in paragraph 1 of this Article may be provided by business undertakings, other legal persons, entrepreneurs, and natural persons that hold a permit to perform such economic activity.
- (3) The permit to provide the tourism services referred to in paragraph 1 of this Article shall be issued by the competent local government authority, according to the place of provision of the services, to business undertakings, other legal persons, entrepreneurs, and natural persons that comply with the prescribed minimum technical conditions.
- (4) The permit for performance of the tourism service referred to in paragraph 1 of this Article shall be issued within 15 days following the day of filing complete application.
- (5) The minimum technical conditions to provide certain tourism services referred to in paragraph 1 of this Article shall be prescribed by the Ministry.
- (6) The competent local government authority shall obtain the evidence of entry into the CRPS *ex officio*.
- (7) Data contained in the permit referred to in paragraph 3 of this Article shall be entered into the Central Tourism Register.

### **Rental of Other Transportation Means/Vehicles**

#### **Article 63**

- (1) The rental of means of transport/vehicles, other than the means of transport referred to in Article 58, may be performed by business undertakings, other legal persons, and entrepreneurs that have a permit to perform such an economic activity.
- (2) The permit referred to in paragraph 1 of this Article shall be issued by the competent local government authority, according to the place of pursuing the economic activity, on the basis of the submitted application.

### **Application for Issuing of a Permit to Perform the Economic Activity**

#### **Article 64**

- (1) A permit for pursuing an economic activity of providing the services of renting the transportation means/vehicles referred to in Article 63 of this Law shall be issued on the basis of a submitted application which contains the data on: the company name and registered office, and the unique identification number of the applicant.



- (2) The application referred to in paragraph 1 of this Article shall be accompanied by evidence of:
  - The location of the performance of the economic activity, determined by the competent local government authority;
  - Roadworthiness, registration of means of transport or other evidence stipulated by the law for the means of transport used to provide the services;
  - A compulsory traffic accident insurance policy for the service user; and
  - A completed form for entry into the Central Tourism Register.
- (3) The competent local government authority shall obtain the evidence of entry into the CRPS *ex officio*.

## **IX. HOSPITALITY ECONOMIC ACTIVITY**

### **Definition of Hospitality Economic Activity**

#### **Article 65**

- (1) A hospitality economic activity means the provision of services of accommodation, preparation and serving of food, drinks and beverages inside and/or outside a hospitality facility.
- (2) A hospitality economic activity shall also mean the preparation and delivery of food, drinks and beverages to users in another location, with or without serving (catering).

### **Performance of Hospitality Economic Activity**

#### **Article 66**

- (1) Hospitality economic activity may be pursued by business undertakings, other legal persons and entrepreneurs (hereinafter referred to as the hospitality operators) that are registered for pursuing the hospitality economic activity and comply with the conditions for referred such economic activity, stipulated by this Law.
- (2) Certain hospitality services may be also provided by natural persons under the conditions stipulated by this Law.
- (3) Hospitality economic activity may be also provided by:
  - Business undertakings or other legal persons that manage protected natural resources;
  - Education institutions, pupils' boarding houses and students' halls of residence in their facilities;
  - Religious and humanitarian organizations;
  - Organizations and associations of senior citizens solely for their members;
  - Mountaineering associations and members of mountaineering associations for their members and the members of international mountaineering associations/organizations in their facilities;

- Hunting organizations for their members and other hunters in their facilities;
- Fishing associations for their members and other registered fishermen in their facilities;
- Associations of members of national minorities for their members and other members in their facilities;
- Institutions pursuing the theatre economic activity for their visitors in their facilities;
- Institutions pursuing the museum and gallery economic activity for their visitors in their facilities;
- Amateur sports organisation for their needs in their facilities;
- Local tourism organizations in a developed part of their premises for the tasting and selling of the homemade products of individual producers for the purpose of presentation to tourists/visitors.

### **Hospitality Facility Article 67**

- (1) Hospitality economic activity shall be performed in a hospitality facility.
- (2) Hospitality economic activity may also be pursued on business premises as well, in a room or area used predominantly for the performance of other activities, if the conditions stipulated by this Law for the performance of hospitality economic activity are met.
- (3) Hospitality economic activity may also be performed in residential facilities which constitute a separate building unit, as well as in non-residential parts of residential facilities which serve the purpose of performing operations by the hospitality facility in accordance with the requirements stipulated by this Law.
- (4) Notwithstanding paragraphs 1 and 2 of this Article, legal/natural person may pursue the hospitality economic activity – provision of hospitality services in the household and in rural household in accordance with Articles 100 and 103 of this Law.

### **Temporary Hospitality Facilities Article 68**

Hospitality economic activity may be performed in temporary hospitality facility or other facility in accordance with the law.

### **Types of Hospitality Facilities Article 69**

- (1) According to the types of hospitality services which are provided in the facility, hospitality facilities may be used for:
  - 1) Accommodation and preparation and serving of food, drinks and beverages;
  - 2) Accommodation;
  - 3) Preparation and serving of food, drinks and beverages;
  - 4) Catering.

- (2) According to the types of users of hospitality services, hospitality facilities may be:
  - 1) Closed, wherein hospitality services are provided only to the persons employed in the institutions, or to the members of sports, youth, humanitarian or other organizations or employees in business undertakings or state authorities, as well as to senior citizens, at non-commercial prices (resort, food canteens);
  - 2) Open, wherein hospitality services are provided on a commercial basis.
- (3) Foreign business undertakings, legal persons and entrepreneurs may provide hospitality services if they are registered in the CRPS as a part of a foreign company and if they comply with the conditions stipulated by this Law.
- (4) Hospitality facilities may be of a club type, wherein hospitality services are provided only to a certain group of guests – the members of the club.
- (5) The facilities referred to in paragraph 4 of this Article must have, in addition to an indication of the type of the hospitality facility, the designation "club", which is used in the advertising and promotion of services, and in the presentation of messages in commercial business operations.
- (6) Hospitality services may be provided in an area of protected cultural or natural resources and the protected surroundings thereof, in accordance with the conditions established by the competent authority for the protection of cultural or natural resources.
- (7) Food, drinks and beverages may be prepared and served by the persons referred to in Article 66 paragraphs 1 and 2 of this Law at the hospitality facilities, only if such hospitality facilities meet requirements stipulated by this Law and the law governing the food safety.
- (8) A hospitality facility of a "restaurant" type may provide catering services.
- (9) A hospitality facility may provide catering services on the basis of a long-term contract and so: for the purpose of providing food for employees, children in preschool, school or on an extended stay, for organized gatherings (weddings, receptions, banquets or birthdays), as well as for the purpose of services on aeroplanes and waterborne crafts.

### **Provision of Hospitality Services outside Hospitality Facilities**

#### **Article 70**

- (1) Hospitality operators may also provide simple hospitality services outside a hospitality facility, in areas designated by the competent local government authority.
- (2) The services referred to in paragraph 1 of this Article shall be the delivery of meals in protected packaging, non-alcoholic drinks, beverages and sweets, which comply with food safety conditions, in accordance with the law.

- (3) The areas referred to in paragraph 1 of this Article for providing simple hospitality services must comply with the minimum technical conditions.
- (4) Compliance with the conditions referred to in paragraph 3 of this Article shall be established by the competent local government authority.
- (5) The Ministry shall stipulate the minimum technical conditions referred to in paragraph 3 of this Article.

### **Hospitality Services in a Mobile Facility** **Article 71**

- (1) Particular hospitality services may also be provided in a mobile and/or improvised facility, which complies with the prescribed minimum technical conditions.
- (2) The facility referred to in paragraph 1 of this Article shall be a facility which can be moved from one place to another under its own power or by being towed.
- (3) Compliance with the minimum technical conditions for mobile and/or improvised facilities shall be verified by the competent local government authority which shall determine the locations in which the services may be provided.
- (4) The Ministry shall stipulate the minimum technical conditions which must be met by the facilities referred to in paragraph 1 of this Article, the type and manner of the provision of hospitality services in such facilities.

### **Types of Hospitality Facilities for Accommodation, Preparation of Food, Drinks and Beverages** **Article 72**

- (1) The hospitality facilities referred to in Article 69 paragraph 1 of this Law shall be classified as:
  - 1) Primary hospitality facilities for the provision of services of accommodation and preparation of food, drinks and beverages:
    - Hotels and similar facilities (tourist settlement, motel, boarding house, eco lodge and wild-beauty resort);
    - Integrated (combined) hotels;
    - Tourist resorts;
    - Camps (with 16+ accommodation units);
  - 2) Complementary hospitality facilities for the provision of services of accommodation and preparation of food, drinks and beverages:
    - Room;
    - Tourist apartment;
    - Tourist apartment block (ten and more tourist apartments within the same building);
    - House and flat;
    - Camp (with a maximum of 15 accommodation units);

- Guest house, hostel, ethno village, resort, mountain homes;
  - Rural household;
  - 3) Hospitality facilities for the provision of services of preparation and serving of food, drinks and beverages:
    - Restaurant (national, classic, specialised and other);
    - Bar, pizzeria, tavern, fast-food facilities;
    - Pastry shops, barbecue stalls, bakeries;
  - 4) Catering facilities.
- (2) The accommodation units in the hospitality facilities referred to in paragraph 1 item 1 indents 1 and 4 of this Article may not be disposed of.
- (3) Notwithstanding paragraph 2 of this Article, accommodation units (or special parts thereof) in hospitality facilities operating based on the condo or mixed-use model may be disposed of in accordance with Articles 95, 96, and 97 of this Law.
- (4) The owners of the hospitality facility which includes the accommodation units referred to in paragraph 3 of this Article shall be obliged to ensure the maintenance and use of the accommodation units of all parts of the hospitality facility and of the land on which the facility is built, so as to comply with the conditions for performing hospitality economic activity in accordance with the permit and the awarded category.
- (5) The Ministry shall stipulate more detailed types of the hospitality facilities referred to in paragraph 1 of this Article, the minimum services that can be provided in them.

### **Permit and Application to Perform the Hospitality Economic Activity**

#### **Article 73**

- (1) Hospitality operator may not start to perform a hospitality economic activity, or change conditions for the performance of the economic activity or expand the scope of the operations without a permit for performance of the hospitality economic activity or without a decision on entry into the Central Tourism Register.
- (2) Hospitality operator, as a natural person who provides certain hospitality services, may not start to perform a hospitality economic activity without a permit for the performance of the hospitality economic activity or without a decision on entry into the Central Tourism Register.
- (3) A permit to perform the hospitality economic activity shall be issued by the Ministry for the facilities referred to in Article 72 paragraph 1 item 1, item 2 indents 3, 6 and 7 (for a hostel, ethno village and rural household) and item 3 indent 1 of this Law (for a national restaurant).
- (4) A permit to perform hospitality economic activity shall be issued by the competent local government authority for the hospitality facilities referred to in Article 72 paragraph 1 item 2 indent 6 (for a guesthouse, resort or

mountaineering home), item 3 indent 1 (for classic, specialized or other restaurant) and indents 2 and 3 of this Law.

- (5) Notwithstanding paragraphs 3 and 4 of this Article, the competent authority may issue a temporary permit for the performance of hospitality economic activity, for a one year period, with the possibility of extension of the permit until finalization of the procedure for legalizing illegally built facility, or until finalization of the procedure for converting residential facility and non-residential parts of the residential facility into business facility, in accordance with this Law.
- (6) A decision on entry into the Central Tourism Registry shall be issued by the competent local government authority for the facilities referred to in Article 72, paragraph 1 item 2 indents 1, 2, 4 and 5 of this Law on the basis of a filing the application for the pursuit of a hospitality economic activity.
- (7) The data contained in the permit and decision referred to in paragraphs 3 to 6 of this Article shall be entered into the Central Tourism Register.

#### **Conditions for Issuing Permits to Perform Hospitality Economic Activity**

##### **Article 74**

- (1) A permit to perform a hospitality economic activity shall be issued to a hospitality operator if:
  - is registered in the CRPS to perform hospitality economic activity;
  - owns or rents a hospitality facility and complies with the conditions referred to in Article 79 of this Law;
  - employs a manager who complies with the conditions referred to in Article 83 of this Law.
- (2) The permit referred to in paragraph 1 of this Article shall be issued on the basis of the submitted application.
- (3) The application referred to in paragraph 2 shall also be accompanied by:
  - Evidence of ownership or lease of a hospitality facility;
  - A concluded employment contract and evidence of completed level four of qualifications, sublevel IV1 of the National Qualifications Framework for the manager;
  - A completed form for entry into the Central Tourism Register.
- (4) The Ministry or the competent local government authority shall obtain the evidence of entry into the CRPS *ex officio*.

#### **Contents of Permit to Perform Hospitality Economic Activity**

##### **Article 75**

- (1) A permit to perform hospitality economic activity shall contain including but not limited to the following data:
  - The company name and registered office, unique registration number, or the name, address and unique identification number of the hospitality operator or

- the number of a travel document indicating the validity period and name of the authority that issued it;
- The type, name, category (if the monitoring of compliance with the conditions and categorization are being performed in the same procedure) and address of the hospitality facility;
  - Description of the service (subject of operation);
  - Model of operating in the event that the economic activity is performed based on a condo or mixed-use model;
  - Code of the economic activity to which the type of the facility belongs, or the type of service for which the permit to perform the economic activity/service is issued in accordance with the law governing the classification of economic activities;
  - The total number and structure of accommodation units (for accommodation hospitality facilities), including the number of beds;
  - The designation "club" for a club type of hospitality facilities.
- (2) The hospitality operator to whom the permit to perform hospitality economic activity has been issued shall be obliged to notify the Ministry or competent local government authority of any change to the data referred to in paragraph 1 of this Article within eight days following the day of occurrence of such a change.
- (3) The Ministry or competent local government authority shall pass a decision on the change to the data referred to in paragraph 2 of this Article within eight days following the day of delivery of notification about each change made to the data.
- (4) The change of data referred to in paragraphs 2 and 3 of this Article shall be registered in the Central Tourism Register.

#### **Lapse of the Deadline**

##### **Article 76**

- (1) If the Ministry or competent local government authority fails to decide on the application for issuing a permit to perform hospitality economic activity within 20 days following the day of the submission of the duly compiled application, the hospitality operator may begin to perform hospitality economic activity.
- (2) The hospitality operator shall be obliged notify the Ministry or competent local government authority in writing about the beginning of the performance of the economic activity in accordance with paragraph 1 of this Article.
- (3) If the Ministry or competent local government authority establishes that the conditions set out in this Law for the performance of hospitality economic activity have not been met, the hospitality operator that began to operate shall be prohibited from performing such economic activity.

#### **Filing Applications to Perform Hospitality Economic Activity**

##### **Article 77**

- (1) An application to perform a hospitality economic activity shall be filed to the competent local government authority by a hospitality operator for the hospitality facilities referred to in Article 72 paragraph 1 item 2 indents 1, 2, 4 and 5 of this Law, eight days prior to the beginning of pursuing the economic activity.
- (2) The application referred to in paragraph 1 of this Article shall include:
  - 1) Data about the applicant (company name, registered office and unique registration number, or the name, address, and number of an identity card or travel document indicating the validity period and name of the authority that issued it);
  - 2) The number and date of the decision on entry into the CRPS and the economic activity code;
  - 3) The place and address of the facility in which the service is provided;
  - 4) The type of hospitality service, the requested category and structure of the accommodation capacities with the total number of beds;
  - 5) The place and date of filing the application; and
  - 6) The signature and stamp of the applicant.
- (3) The application referred to in paragraph 1 of this Article shall be accompanied by:
  - Evidence of ownership or lease or the right to use the hospitality facility or the land for a camp;
  - A photocopy of the identity card or a travel document for a foreigner, if the applicant is a natural person;
  - A statement of compliance with the minimum technical conditions with regards to the space, equipment and resources for performing the hospitality economic activity in accordance with Article 79 of this Law;
  - A completed checklist form for the requested category;
  - A completed form for entry into the Central Tourism Register.
- (4) Notwithstanding paragraph 1 of this Article, if the applicant is a natural person the application shall contain:
  - 1) Data on the applicant (unique identification number, or name and address, identity card number or number of a travel document indicating the validity period and the name of the authority that issued it);
  - 2) The place and address of the facility in which service is provided;
  - 3) The type of hospitality service, category and structure of accommodation capacities with the total number of beds;
  - 4) The place and date of filing the application; and
  - 5) The signature of the applicant.
- (5) The application referred to in paragraph 1 of this Article shall be submitted in two copies, one of which shall be kept by the competent authority, and the other shall be returned to the applicant with the registration stamp containing the date and receipt number of the application.
- (6) The competent local government authority shall obtain the evidence of entry into the CRPS *ex officio*.



- (7) Monitoring of compliance with the minimum technical conditions and the categorization conditions shall be performed by competent inspectors within 15 days following the day of issuing the decision on entry into the Central Tourism Register.

### **Decision on Entry into the Central Tourism Register**

#### **Article 78**

- (1) A decision on entry into the Central Tourism Register shall be issued by the competent local government authority on the basis of the application referred to in Article 77 of this Law, within eight days following the day of filing the application.
- (2) The decision referred to in paragraph 1 of this Article shall include:
- 1) The company name, registered office, unique registration number, or the name, address and unique identification number of the applicant or the number of a travel document indicating the validity date and name of the authority that issued it;
  - 2) The location and address of the facility in which services are provided;
  - 3) The name and type of the facility or the hospitality service, with a description of the service – economic activity and the code of the economic activity in accordance with the law governing the classification of economic activities;
  - 4) The structure of the accommodation units with the total number of beds;
  - 5) The date of commencement of the economic activity;
  - 6) The number and date of the decision.
- (3) Entry into the Central Tourism Register shall be performed by the competent local government authority on the basis of the decision referred to in paragraph 1 of this Article.
- (4) If changes are made to the data entered into the Central Tourism Register, the hospitality operator shall be obliged to notify in writing the competent authority thereof within eight days following the day of occurrence of such changes.
- (5) A copy each of the decision referred to in paragraph 1 of this Article shall be provided to the tourism inspection or competent inspection authority and to the local tourism organization.

### **Minimum Technical Conditions for Performing Hospitality Economic Activity**

#### **Article 79**

- (1) The hospitality facilities referred to in Article 72 paragraph 1 of this Law in which hospitality economic activity is performed must comply with the minimum technical conditions in respect of space, devices and equipment.
- (2) Compliance with the minimum technical conditions for the facilities referred to in Article 73 paragraph 3 of this Law shall be established by the Ministry.

- (3) Compliance with the minimum technical conditions for the facilities referred to in Article 73 paragraphs 4 and 5 of this Law shall be established by the competent local government authority.
- (4) In addition to the conditions referred to in paragraph 1 of this Article, hospitality facilities for pursuit of the hospitality economic activity must also comply with the other conditions set out in separate regulations governing food safety, construction of facilities, occupational safety, fire protection, and protection against noise.
- (5) Competent inspectors shall perform monitoring of compliance with the conditions referred to in paragraph 4 of this Article.
- (6) The Ministry shall stipulate the minimum technical conditions referred to in paragraph 1 of this Article.

### **Protection against Noise generated by Electro-Acoustic and/or Acoustic Devices**

#### **Article 80**

- (1) A hospitality facility in which music is played or an entertainment show performed, or electro-acoustic and acoustic devices are used, must comply with the conditions for protection against noise so that:
  - has sound insulation that ensures that the level of noise outside the establishment does not exceed the set noise limit of 65 dB (A) LAeq;
  - The use of electro-acoustic and/or acoustic devices does not produce noise inside the facility which exceeds noise-limit value;
  - A volume limiter is installed on the device used to play music;
  - Electro-acoustic devices used to play music must display data about the sound power and must comply with the technical standards.
- (2) If a hospitality facility organizes a live music performance with the use of electro-acoustic equipment (instruments, amplifiers and loudspeakers), such equipment must have volume limiters installed in accordance with this Law.
- (3) The use of electro-acoustic equipment with inbuilt sound amplifiers, which is not suitable for the installation of volume limiters, shall be prohibited in hospitality facilities.
- (4) Compliance with the conditions regarding volume limiters in accordance with this Law shall be monitored by a legal person accredited to measure noise, which shall prepare a report on compliance with the conditions concerning volume limiters in accordance with this Law.
- (5) The monitoring and measuring of the noise level in/from hospitality facilities (inside and outside the facilities) shall be performed by the municipal police, using a noise-measuring device.
- (6) Measurement of the level of noise outdoors originating from hospitality facilities (outside the facility) shall be performed at a distance of no less than two metres

and no more than three metres from the most exposed facade, whereby the measured value shall be corrected by  $\pm 3$  dB(A) LAeq due to sound reflection.

- (7) The Ministry shall stipulate the noise-limit values for all types of hospitality facilities, the manner of measuring the noise inside and outside the hospitality facilities, the manner of use and the conditions that must be met by volume limiters and mains-supply volume limiters.

### **Periods for the Use of Electro-Acoustic and Acoustic Equipment**

#### **Article 81**

- (1) The use of electro-acoustic and acoustic devices outdoors and inside hospitality facilities shall be permitted between 09:00 and 01:00, provided that it does not exceed the prescribed noise limit values.
- (2) Acoustic devices which do not use electrical sound-amplifying devices may be used until 03:00 with the consent of the competent local government authority.
- (3) Notwithstanding paragraphs 1 and 2 of this Article, the competent local government authority may approve the use of electro-acoustic and acoustic devices outdoors, inside and outside a hospitality facility without time limitation if it assesses that a particular hospitality facility, by its characteristics and location, cannot exceed the prescribed noise limit values.
- (4) For public gatherings, entertainment and sports events and other outdoor activities, which may lead to the exceeding of the noise-limit values, the local self-government unit shall designate streets, sections of streets and settlements and other locations intended for such purposes, as well as the time when the event taking place.

### **Conditions for Persons with Disabilities**

#### **Article 82**

- (1) A hospitality operator shall be obliged to ensure the provision of services to persons with disabilities in a hospitality facility by applying the principle of universal design in accordance with the law governing the prohibition of discrimination against persons with disabilities.
- (2) Hospitality facilities must comply with the conditions concerning ease of access, movement and the stay of persons with disabilities, in accordance with the law.

### **Manager**

#### **Article 83**

- (1) The hospitality facilities referred to in Article 72 paragraph 1 of this Law must have a full-time employee who is responsible for operating the hospitality facility – a manager (director, principal) who has completed a minimum of level four of qualifications, sublevel IV1 of the National Qualifications Framework.

- (2) The conditions referred to in paragraph 1 of this Article must be also met by a hospitality operator who independently manages the operations of a hospitality facility.

### **Categorization of Hospitality Facilities**

#### **Article 84**

- (1) The hospitality facilities referred to in Article 72 paragraph 1 items 1, 2, 3 and 4 of this Law, with the exception of eco-lodge, integrated hotel, tourist resort, flat for renting to tourists, hostel, ethno village, katun, resort, mountaineering home, bar, pizzeria, tavern, fast-food facility, cake shop, barbecue stall, bakery and catering facility shall be subject to categorization.
- (2) Notwithstanding paragraph 1 of this Article, hospitality facilities which form part of an integrated hotel and tourist resort, except for tourist villa, shall be subject to categorization based on their type, individually in accordance with this Law.
- (3) Hospitality facilities shall be categorized depending on the arrangement, equipment and maintenance of the facility, the type and quality of services and other criteria for categorization.
- (4) The categorization of the hospitality facilities referred to in paragraph 1 of this Article shall be performed by assigning stars.
- (5) Hospitality facilities may be assigned a maximum of five stars.
- (6) Hospitality facilities with three or more stars, which have special amenities and equipment, may be assigned a specialization.
- (7) The category of hospitality facilities referred to in Article 72 paragraph 1 item 1, item 2 indents 3 and 7 (for tourist apartment block and rural household), item 3 indent 1 of this Law (for national restaurant) of this Law shall be determined by the Ministry's decision, at the request of the hospitality operator.
- (8) The request referred to in paragraph 7 of this Article shall be submitted to the Ministry no later than five days following the day of obtaining a permit for the performance of hospitality economic activity.
- (9) The category of hospitality facilities referred to in Article 72 paragraph 1 item 2 indents 1, 2, 4 (for house), 5 and 6 (for guesthouse), item 3 indent 1 of this Law (with the exception of national restaurant) shall be determined by the decision of the competent local government authority, at the request of the hospitality operator.
- (10) The request referred to in paragraph 9 of this Article shall be submitted to the competent local government authority no later than five days following the day of obtaining the permit or a decision on entry into the Central Tourism Register.

- (11) Decisions referred to in paragraphs 7 and 9 of this Article shall be passed within 15 days following the day of submitting duly compiled request.
- (12) The decision referred to in paragraphs 7 and 9 of this Article shall be issued for the hospitality operator who complies with the conditions referred to in Article 85 of this Law for a period of three years.
- (13) The data contained in the decision referred to in paragraphs 7 and 9 of this Article shall be entered into the Central Tourism Register.

#### **Change of Category and Conditions for the Categorization of a Hospitality Facility** **Article 85**

- (1) A change of the category of a hospitality facility shall be made in the manner and under the procedure prescribed for determining the category of hospitality facility.
- (2) A hospitality facility that ceases to comply with the prescribed conditions for a particular type and category of facility may not operate under the designation of that type and category of hospitality facility.
- (3) Compliance with the conditions for issuing the decision referred to in Article 84 paragraphs 7 and 9 of this Law shall be established by a commission formed by the Minister or the head of the competent local government authority.
- (4) The commission referred to in paragraph 3 of this Article shall be composed of representatives of the Ministry or local government authority, while experts in individual areas may also be engaged as members of the commission.
- (5) If the inspection supervision establishes that a hospitality facility does not comply with the conditions for the assigned category and specialization, the hospitality operator shall be obliged to file an application for re-categorization and re-specialization to the Ministry or to the competent local government authority, within eight days following the day of preparation of the inspector's report.
- (6) The Ministry shall stipulate more precise conditions for the categorization and specialization of hospitality facilities (general, mandatory and qualitative ones) with regards to the arrangement, equipment and maintenance of the facility, the level of the quality of services by type of hospitality facility and the manner of categorization of hospitality facilities.

#### **Re-categorization Procedure** **Article 86**

- (1) Upon expiry of the validity period of the decision referred to in Article 84 paragraphs 7 and 9 of this Law, the Ministry or competent local government authority shall carry out the repeated categorisation (hereinafter referred to as the re-categorization) of the hospitality facility, at the request of the hospitality operator.

- (2) For hospitality facilities with up to and including three stars, the hospitality operator shall submit a report on compliance with the conditions for a particular category (self-categorization), in addition to the application for re-categorization, to the Ministry or competent local government authority for the purpose of issuing the decision on re-categorization of the hospitality facility.
- (3) A copy of the decision referred to in paragraph 2 of this Article shall be submitted to the competent inspector for the purpose of verifying compliance with the conditions for the category determined by the decision.
- (4) The deadline for submitting the application for re-categorization shall be at least 15 days prior to the expiry of the period of validity of the decision on the categorization of the facility.
- (5) Re-categorization of hospitality facilities shall be performed in the manner prescribed for the categorization of hospitality facilities.
- (6) The data contained in the decision on re-categorization shall be entered into the Central Tourism Register.

#### **Panels for Indicating Categories** **Article 87**

- (1) Categories and special standards of hospitality facilities shall be indicated by a panel.
- (2) Categories of facilities shall be indicated by the corresponding number of stars – from one to five stars.
- (3) The type of hospitality facility shall be indicated below the stars.
- (4) The Ministry shall stipulate the shape, appearance, manner of manufacture and display of the panels referred to in paragraph 1 of this.

#### **Special Standards of Hospitality Facilities** **Article 88**

- (1) Special standards of quality may be prescribed for individual hospitality facilities, as well as for individual types of services (bed & bike standards, wild-beauty standards).
- (2) At the request of the hospitality operator, a special standard shall be determined by the decision of the Ministry or competent local government authority, depending on the type of hospitality facility.
- (3) The data contained in the decision referred to in paragraph 2 of this Article shall be entered into the Central Tourism Register.

- (4) The competent inspector shall carry out the control of compliance with the conditions for the special standard referred to in paragraph 1 of this Article.
- (5) Notwithstanding paragraph 4 of this Article, the control of compliance with the conditions for a special standard of quality may also be performed by a mystery guest.
- (6) If a hospitality facility ceases to comply with the conditions for a special standard, the decision on the granting of the special standard shall be revoked.
- (7) The Ministry shall stipulate the types of hospitality facilities referred to in paragraph 1 of this Article for which a special standard may be granted, the types of special standards, conditions and elements which must be met for individual standard, the manner of granting of special standards, the layout of the panel and the manner of designation of the special standard.

### **Mystery Guest Article 89**

- (1) A mystery guest shall be one or more natural persons or a legal person designated by the Ministry to control compliance with the conditions for the assigned category of four-star and five-star levels, the conditions for the special standard of quality, that shall evaluate the quality of the service by staying in a hospitality facility unannounced for a minimum of 24 hours.
- (2) A mystery guest must not reveal the purpose of the visit prior to, during or after the stay in the hospitality facility.
- (3) Upon completion of the stay in a hospitality facility, the mystery guest shall prepare a report with an evaluation and professional opinion on compliance with the conditions, which shall submit to the Ministry.
- (4) If deviations are identified concerning the level of assigned category and standard of quality on the basis of the report referred to in paragraph 3 of this Article, the report shall be submitted to the competent inspection for the purpose of verifying the allegations presented in the report and taking measures.

### **Obligations of Hospitality Operator Article 90**

- (1) Hospitality operator shall be obliged to:
  - 1) Display visibly at the entrance to a hospitality facility the type, name, designation and category of the hospitality facility, in accordance with the permit to perform hospitality economic activity, or in accordance with the decision on entry into the Central Tourism Register and decision on the category awarded;
  - 2) Display visibly at the entrance to a hospitality facility the information about working hours in accordance with the regulation of the competent authority of the local self-government unit;

- 3) Establish the house rules in the hospitality facility for accommodation and display them at the reception, and display an excerpt from the house rules in all rooms and apartments;
- 4) Establish norms for the food, drinks and beverages they serve and, at the service user's request, allow access to such norms, and serve food, drinks and beverages in the volumes/quantities defined by such norms;
- 5) Display visibly the prices of services offered, in a way which is accessible to guests and provide the services at the displayed prices, and indicate the sojourn fee and insurance amounts in the pricelist for accommodation services;
- 6) Put pricelists indicating the weight/volume of food, drinks and beverages at the guests' disposal in a sufficient number of copies and provide menus at the guest's request;
- 7) Issue an invoice to the guest in accordance with the law, for every hospitality service rendered, with an indication of the type, quantity and price of the services rendered, and in case of providing the accommodation services, the invoice should also include the amounts of sojourn fee and insurance that were charged;
- 8) Keep as prescribed a record of guests, daily, accurately, completely and in a timely manner, in electronic or in written form in all types of accommodation hospitality facilities;
- 9) Display visibly notification about the manner of filing complaints regarding the services rendered, allow guests to file written complaints in person in the facility or otherwise, and keep a book of complaints in every hospitality facility;
- 10) Provide services to all users under equal conditions;
- 11) Meet requirements set forth by the law governing the food safety;
- 12) Charge for the services rendered in cash, by card or bank transfer;
- 13) Provide services in a quality manner in accordance with the contract, without exceeding reservations or overbooking;
- 14) Keep in a hospitality facility the permit to perform hospitality economic activity, or the decision on entry into the Central Tourism Register, the decision on category assignment, the record of guests, the book of complaints;
- 15) Display visibly at the entrance to the hospitality facility the panel with the category designation;
- 16) In advertising and the promotion of services, use the indication of the type and category of the hospitality facility, or the standard determined by the decision of the competent authority;
- 17) Insure guests against the consequences of accidents in the accommodation hospitality facilities;
- 18) Keep rooms, devices and equipment functioning and clean;
- 19) Provide devices and equipment for eliminating smoke, steam and unpleasant odours, so as to prevent their spreading into the surrounding areas in accordance with the law;
- 20) Install volume limiters on devices used to play music, so as to limit the noise level;
- 21) Not condition the provision of hospitality services with the provision of other services;



22)Furnish data on the available accommodation capacities, number of tourists and overnight stays to the local government authority or local tourism organization and to the administrative authority competent for the statistical affairs, no later than by the 10<sup>th</sup> of the current month for the previous month;

- (2) The Ministry shall stipulate the manner of keeping and content of the guest book and the book of complaints.

### **Prohibition on the Serving of Alcoholic Drinks** **Article 91**

- (1) Serving alcoholic drinks, other drinks and/or beverages containing alcohol to persons younger than 18 years of age in a hospitality facility shall be prohibited.
- (2) In a hospitality facility in which alcoholic drinks, other drinks and/or beverages containing alcohol are served, information regarding the prohibition to serve these to persons younger than 18 years of age must be displayed in a visible place.

### **Names of the Types of Hospitality Facilities** **Article 92**

- (1) A hospitality facility may have the name of one type of hospitality facility, depending on the type of services that are predominantly provided in this facility.
- (2) Notwithstanding paragraph 1 of this Article, a hospitality facility may have the name of two types of hospitality facilities if the conditions set out in this Law are met for each type of hospitality facility.
- (3) The name of one type of hospitality facility may be changed to the name of another type if the prescribed conditions are met for providing services in this type of hospitality facility.
- (4) A hospitality operator who provides services to naturists shall be obliged to display, in addition to the name of the type of facility, a designation indicating that this facility provides services to naturists.

### **Period of Performance of Economic Activity** **Article 93**

- (1) Hospitality operators may perform the hospitality economic activity all-year-round or seasonally.
- (2) Hospitality operators may also perform the economic activity occasionally (during events, fairs and occasional performances) with the approval of the competent local government authority.
- (3) Hospitality operators shall be obliged to define the period of operation referred to in paragraphs 1 and 2 of this Article for every hospitality facility, and shall be obliged to notify the Ministry or competent local government authority thereof.

- (4) A hospitality operator shall be obliged to notify the Ministry or competent local government authority that issued the permit to perform the hospitality economic activity or the decision on entry into the Central Tourism Register about the temporary or permanent cessation of pursuit of the hospitality economic activity no later than three days prior to, and at the latest on the day of the temporary or permanent cessation of pursuit of the hospitality economic activity or prior to recommencement of pursuit of the hospitality economic activity.
- (5) In case of the permanent cessation of pursuit of the economic activity, the Ministry or competent local government authority shall cancel the permit to perform the hospitality economic activity or the decision on entry into the Central Tourism Register.
- (6) The data about the temporary and permanent cessation of pursuit of the hospitality economic activity shall be entered into the Central Tourism Register.

### **Exemption from Application**

#### **Article 94**

- (1) This Law shall not apply to the provision of accommodation or food services in social welfare, healthcare, upbringing or education institutions, the Red Cross facilities and other similar institutions, and the preparation and serving of hot and cold beverages, non-alcoholic drinks and simple meals, provided by the state authorities, business undertakings and other legal and natural persons to their employees on their premises during the process of work.
- (2) The services in the facilities referred to in paragraph 1 of this Article may be provided only by employees in such facilities.
- (3) The facilities or premises in which the services referred to in paragraph 1 of this Article are provided must comply with the conditions concerning the food safety.

### **Condo Model of Operation**

#### **Article 95**

- (1) The condo model of operation may be operated at a hotel of a minimum five-star category in the coastal region and in the Capital City and a minimum four-star category in the northern and central regions, except for the Capital City, and which is operational for 12 months of the year.
- (2) Accommodation units at the hotel referred to in paragraph 1 of this Article shall be subject to individual sale and must operate commercially for at least ten months during the year.
- (3) Ownership rights may be acquired exclusively in the net floor area of the accommodation unit with its accompanying parking space.

- (4) Common parts of the hotel referred to in paragraph 1 of this Article may not be subject to sale.
- (5) The units referred to in paragraph 2 of this Article shall be registered individually in the immovable property cadastre with the encumbrance that the unit is managed by the manager in accordance with this Law.
- (6) Pursuant to the contract on sale and purchase of the units referred to in paragraph 2 of this Article, the annotation of the sale and purchase contract shall be registered in accordance with the law.
- (7) Registration of the ownership rights of the accommodation units in the immovable property cadastre shall be carried out after obtaining a permit for the performance of the hospitality economic activity and the assignment of hotel category.
- (8) The units referred to in paragraph 2 of this Article must be constituent parts of the hospitality facility which represents a single complex in terms of operations, management and maintenance and is offered on the market as the single tourism product exclusively through the manager or hotel operator managing the hotel.
- (9) The manager may, by means of a contract, delegate management of the hotel referred to in paragraph 1 of this Article to the hotel operator.
- (10) The sale of units referred to in paragraph 2 of this Article must not change the purpose and the economic activity of the hospitality facility/hotel as a business facility.
- (11) In addition to the evidence of issuing of permits for the performance of the hospitality economic activity referred to in Article 74 of this Law, the concluded contract referred to in Article 97 of this Law shall also be submitted for the condo model of operation.

### **Mixed-Use Model of Operation**

#### **Article 96**

- (1) The mixed-use model of operation may be operated at a hotel of a minimum five-star category and a minimum capacity of 120 accommodation units in the coastal region and in the Capital City and a minimum four-star category and a minimum capacity of 60 accommodation units in the central and northern regions, except for the Capital City, which is operational for 12 months of the year.
- (2) The accommodation units at the hotel referred to in paragraph 1 of this Article may be subject to individual sale with the possibility of optional rental on a voluntary basis.
- (3) The units referred to in paragraph 2 of this Article shall be rented exclusively through the manager or hotel operator who manages hotel as a whole.

- (4) Ownership rights of the accommodation unit may be acquired exclusively for the net floor area of the unit with accompanying parking space.
- (5) Common parts of the hotel referred to in paragraph 1 of this Article may not be subject to sale.
- (6) The percentage of accommodation units of the hotel referred to in paragraph 1 of this Article intended for sale may not exceed 50% of the total accommodation capacities of the hotel.
- (7) Notwithstanding paragraph 6 of this Article, at a hotel of a minimum five-star category with a minimum capacity of 240 accommodation units in the coastal region and in the Capital City, and a minimum four-star category with a minimum capacity of 120 accommodation units in the central and northern regions, except for the Capital City, the percentage of accommodation units intended for sale may not exceed 60% of total accommodation units.
- (8) The units referred to in paragraph 2 of this Article shall be recorded individually into the immovable property cadastre with an encumbrance that the residential unit is managed by the manager in accordance with this Law.
- (9) Pursuant to the contract on purchase and sale of the unit referred to in paragraph 2 of this Article, the annotation of the sale and purchase contract shall be registered in accordance with the law.
- (10) Registration of the rights of ownership of accommodation units in the immovable property cadastre shall be performed after obtaining a permit for the performance of the hospitality economic activity and assignment of a category to the hotel.
- (11) The units referred to in paragraph 2 of this Article must be constituent parts of a hospitality facility which constitutes a single complex in terms of operations, management and maintenance.
- (12) The manager may, by means of a contract, delegate management of the hotel referred to in paragraph 1 of this Article to the hotel operator.
- (13) Sale of the units referred to in paragraph 2 of this Article must not change the purpose and the economic activity of the hospitality facility/hotel as a business facility.
- (14) In addition to the evidence for the issuing of permit for the performance of the hospitality economic activity referred to in Article 74 of this Law, the concluded contracts referred to in Article 97 of this Law shall also be submitted for the mixed-use model of operation.

**Management and Maintenance of the Hotel based on Condo and Mixed-use Model  
of Operation  
Article 96a**

Management and maintenance of the hotel based on condo and mixed-use model of operation shall be performed based on:

- 1) contract on purchase and sale of the accommodation unit;
- 2) contract on management and maintenance;
- 3) rental contract.

The contract on purchase and sale of the accommodation unit may contain:

- 1) only purchase and sale of the net floor area of the accommodation unit with the associated parking space, without the right to purchase and sell common premises and complementary amenities;
- 2) purchase and sale price;
- 3) right to use common premises and complementary amenities.

The contract referred to in paragraph 1 of this Article cannot acquire right of ownership of the common premises and complementary amenities, except for accommodation units with the associated parking space.

### **Manner of Managing, Maintaining and Renting Accommodation Units**

#### **Article 97**

- (1) In the hotels based on condo and mixed-use model of operation, the management and maintenance shall be regulated by the contract on management and maintenance of accommodation units which is signed simultaneously with the contract on purchase and sale of the accommodation unit.
- (2) The contract on management and maintenance referred to in paragraph 1 of this Article shall govern the following:
  - 1) mutual rights and obligations of the owner of the accommodation unit and operator in respect of:
    - building design, furnishing, opening and plans of operations;
    - validity period of operational work, the extension, cessation and termination;
    - manner of operation and management of the hotel;
    - operating permit and category awarded to the hospitality facility;
    - fee for management, maintenance, use of brand and other fees;
    - insurance and compensation of damages;
    - failure to perform activities;
    - prohibition to conclude contracts on purchase and sale and to use accommodation unit in the event of revocation of the permit for the performance of the economic activity or revocation of the category;
    - rights and obligations of the manager in respect of management and maintenance of functionality of the hotel;
    - current and investment maintenance at the hotel;
    - liability for damage incurred and repairs;
    - type and form of guarantees and security instruments;
    - hotel's "house rules";
    - communications, reporting and informing owner and manager;

- failure to comply with contractual obligations and legal protection (bankruptcy, insolvency, receivership or appointment of bankruptcy administrator);
  - 2) rights and obligations of the owner of the accommodation unit in respect of common premises and other amenities;
  - 3) manager's obligations in respect of functionality, management, maintenance and furnishing for the purpose of meeting requirements for the awarded category during validity period of the contract, and particularly obligation to provide services under equal terms and conditions to all users.
- (3) The manager may delegate management of the hotel operating based on condo and mixed-use model and the tourist resort to a renowned hotel operator.
- (4) Accommodation units operating based on condo and mixed-use model shall be rented in accordance with rental contract concluded between owner of the accommodation unit and the manager, which shall contain including but not limited to the following:
- brand name of the hotel, manner of using trademark and intellectual property of the operator;
  - manner of using and renting accommodation unit;
  - manner of providing services of international marketing, advertising, promotional and other services by the operator;
  - obligations involving management and promotion of the hotel;
  - manner of keeping records on economic-financial operations and informing about the percentage of the average rental fee for the accommodation unit and other results;
  - manner of compiling annual and, where necessary, seasonal reports with overview of operations of the accommodation unit;
  - manner of assigning and transfer of rights and obligations;
  - manner of paying taxes, contributions, charges and other fees;
  - manner of conducting current and investment maintenance;
  - validity period of the contract, of the extension and of the termination of the contract;
  - house rules at the hotel;
  - cases of failure to comply with contractual obligations and legal protection (bankruptcy, insolvency, receivership or appointment of bankruptcy administrator).
- (5) Contract on management and maintenance at the hotels operating based on condo and mixed-use model shall, in addition to the data referred to in paragraph 2 of this Article, also contain the following:
- 1) right of the owner of accommodation unit to a remuneration determined based on percentage of the average rental fee and average occupancy of the same type of accommodation units operating at the level of the entire hotel in the period during which its accommodation unit performs commercial function and which may not be lower than 10% of that amount;
  - 2) validity period of the contract, while specifying the period of minimum ten months during which the unit performs commercial function subject to the

- requirement that it is allowed not to perform commercial function for maximum 15 days continuously or ten days a month;
- 3) obligation to conclude a contract between the owner of accommodation unit and manager no later than by 31 January for the current year.
- (6) Contract on purchase and sale of accommodation units, contract on management and maintenance and contract on renting accommodation units at the hotels operating based on condo and mixed-use model which are concluded in contravention of the provisions of this Law shall be null and void.

### **Tourist Resort Article 98**

- (1) A tourist resort shall be a type of hospitality facility which is built on land covering between a minimum of 5ha and a maximum of 150ha and which represents a functional and business complex.
- (2) A tourist resort must contain at least one five-star hotel with a minimum capacity of 120 accommodation units in the coastal region and in the Capital City, or one four-star hotel in the central and northern regions with a minimum capacity of 60 accommodation units and diverse structure of amenities in the offer consisting of: wellness centres, restaurants, golf courses, marinas, sports fields, ski slopes and/or other amenities of tourism infrastructure and suprastructure, which are managed by one or more business undertakings or other legal persons, and are marketed as an integral and unique high-end tourism product and must be operational for 12 months of the year.
- (3) Accommodation facilities in a tourist resort may be built in stages, while the construction of a hotel as a single functional-technological unit in the first phase shall be mandatory.
- (4) A tourist resort may have tourist villas managed by the same manager who also manages the tourist resort as a whole and these also use the amenities of the tourist resort.
- (5) The amenities of a tourist resort shall be determined according to the size of the location and in accordance with the spatial planning documents.
- (6) Provisions of Articles 96, 96a and 97 of this Law shall apply to management and maintenance of tourist resort and rental of accommodation units within the tourist resort.

### **Changes to the Operation Model Article 99**

Hotels that hold a permit for the performance of hospitality economic activity may change their mode of operation to a condo or mixed-use model of operation only in the event of the reconstruction of the existing one-star and two-star hotel for the purpose of

upgrading the category to a minimum four stars in northern and central regions, except for the Capital City, and minimum five stars in the coastal region and in the Capital City.

## **X. HOSPITALITY SERVICES IN A HOUSEHOLD AND RURAL HOUSEHOLD**

### **Hospitality Services in a Household Article 100**

- (1) Hospitality services in a household shall be considered to be services of:
  - Accommodation in rooms for renting to tourists, tourist apartments, flats for renting to tourists and houses for rental to tourists, with a maximum of 10 rooms or 20 beds, to natural persons only;
  - The organizing of a camp on one's own land for a maximum of 15 accommodation units or 30 persons at the same time, for natural persons only.
- (2) Hospitality services in a household may be provided by business undertakings, other legal persons, entrepreneurs or a natural person (local or foreign) who is the owner/co-owner of the accommodation capacities or of the land referred to in paragraph 1 indent 2 of this Article, under the conditions and in the manner stipulated by this Law (hereinafter referred to as the lessor).
- (3) Lessor may also provide bed & breakfast services to the guests to whom they provide accommodation services, between 07:00 and 10:00.
- (4) The accommodation services in the facilities referred to in paragraph 1 of this Article with more than 10 rooms and/or more than 20 beds, or for organizing a camp on own land with more than 15 accommodation units and/or more than 30 persons at the same time, may be performed by hospitality operators.
- (5) Hospitality facilities for accommodation in a household (room, tourist apartment, house, flat for renting to tourists, camp with a maximum of 15 camp units) must comply with the minimum technical conditions and the categorization conditions referred to in Articles 79 and 84 of this Law.
- (6) Hospitality services in the household referred to in paragraph 1 of this Article may be provided on the basis of the decision on entry into the Central Tourism Register in accordance with Articles 77 and 78 of this Law.

### **Obligations of the Lessor Article 101**

- (1) The lessor shall be obliged to:
  - 1) Display in a visible place at the entrance to the facility the indication of the type and category of the facility;
  - 2) Display in a visible place the prices of service that he offers and the amount of sojourn fee, and to provide the services in accordance with the displayed prices;



- 3) Issue an invoice to the guest in accordance with the law, with the type, quantity and price indicated for every service rendered, and the amount of sojourn fee and insurance charged;
  - 4) Keep on a daily basis, accurately and in a timely manner a guest book and keep a book of complaints in the hospitality facility in a visible place;
  - 5) Provide data on available accommodation capacities, the number of tourists and overnight stays to the local government authority and local tourism organization, and to the administrative authority competent for statistics, no later than by the 10<sup>th</sup> of the current month for the previous month;
  - 6) Insure guests against the consequences of accidents;
  - 7) Keep the decision on entry into the Central Tourism Register in the facility.
- (2) When advertising and marketing the services, and placing messages in promotional materials, the lessor shall be obliged to use the designation of the type and category of the facility in accordance with this Law.

### **Prohibition Article 102**

- (1) The lessor or another person must not, directly or via other persons who are not registered to act as agents in selling accommodation services, offer and sell accommodation services, or solicit the custom of travellers or tourists outside the facility in which such services are provided, except in the area, under the conditions and in the manner established by the regulation of the competent authority of the local self-government unit.
- (2) The soliciting referred to in paragraph 1 of this Article shall imply: waiting for, intercepting, taking and carrying suitcases, luggage and other items without the consent of the traveller and/or tourist, offering accommodation services on advertising boards, panels, information material, imposing one's own or someone else's accommodation services, offering prices, and conditions, and other actions which harm the reputation of a tourist site.

### **Hospitality Services in Rural Household Article 103**

- (1) A rural household which performs agricultural activity and is located in a rural area may provide hospitality services.
- (2) Hospitality services in a rural household may be provided by a business undertaking, other legal person, entrepreneur or a natural person registered with the register of agricultural holdings in accordance with the law.
- (3) Hospitality services in a rural household shall include:
- 1) The preparation and serving of hot and cold meals, drinks or beverages predominantly from own production;
  - 2) The serving and tasting of wine and other alcoholic or non-alcoholic drinks, as well as local products predominantly from own production in a developed part of a residential or business facility, indoors, in a covered area or outdoors;

- 3) Services of accommodation in rooms for renting to tourists, tourist apartments and katuns, or at the camp with maximum 15 accommodation units, or for 30 people at the same time, for up to ten persons, or 20 beds, only for natural persons, only for the guests provided with services of food, serving drinks and beverages (breakfast, half board or full board) predominantly from the own production.
- (4) The meals, drinks and beverages served in a rural household must be characteristic of the region where the rural household is situated and meet requirements stipulated by this Law and the law governing the food safety.
- (5) Hospitality facilities for accommodation in a rural household must comply with the minimum technical conditions and the conditions for the category in accordance with this Law.
- (6) Hospitality services in the rural household referred to in paragraph 1 of this Article may be provided upon obtaining a decision on entry into the Central Tourism Register in accordance with Articles 77 and 78 of this Law.
- (7) Hospitality services in the rural household referred to in paragraph 3 of this Article, which has more than 10 rooms and/or more than 20 beds, may be provided by hospitality operators.
- (8) The Ministry shall stipulate the minimum technical conditions, the conditions for the category and the manner of categorization of establishments in which services are provided in a rural household.

#### **Hospitality Services on a Waterborne Craft** **Article 104**

- (1) A business undertaking, other legal person or entrepreneur may provide services including food, drinks and beverages on a waterborne craft if it holds a permit to pursue the hospitality economic activity.
- (2) A permit to provide pursue the hospitality economic activity shall be issued to the persons referred to in paragraph 1 of this Article:
  - Which are registered in the CRPS;
  - Which have evidence of the right to use the waterborne craft and a concluded contract on using the water area in accordance with the law;
  - Which employ a manager;
  - If the waterborne craft complies with the minimum technical conditions.
- (3) Compliance with the conditions referred to in paragraph 2 of this Article shall be established and the permit issued by the competent local government authority.
- (4) The services referred to in paragraph 1 of this Article must not be provided in ports and on piers.

- (5) The competent local government authority shall obtain the evidence of entry into the CRPS ex officio.
- (6) The Ministry shall stipulate the minimum technical requirements for waterborne crafts.
- (7) Data contained in the permit referred to in paragraph 2 of this Article shall be entered into the Central Tourism Register.

### **Provision of Camping Services** **Article 105**

- (1) Camping shall mean the temporary stay of tourists in camps which are located on a land which is designated for such a purpose by the spatial planning documents or by the programme for the temporary facilities.
- (2) The provision of camping services and camping outside the campsite referred to in paragraph 1 of this Article shall be prohibited.
- (3) The following services may be provided in camps:
  - 1) Accommodation services in a developed outdoor area (campsite, camp plot) by using mobile camping equipment owned by the guest (tents, camp trailers, mobile homes), or in rented mobile camping equipment;
  - 2) Accommodation services in construction units (camping lodge, bungalow);
  - 3) Services of preparation and serving of food, drinks and beverages;
  - 4) Services of rental of mobile camping equipment (tables, chairs, sleeping bags, tents).
- (4) Business undertakings, other legal persons and entrepreneurs may provide hospitality services in camps if they comply with the prescribed minimum technical conditions and if they hold a permit to provide the camping services.
- (5) The Ministry shall issue a permit to provide the services referred to in paragraph 4 of this Article for camps with 16 or more accommodation units.
- (6) The competent local government authority shall issue a decision on entry into the Central Tourism Register for camps with a maximum of 15 accommodation units or 30 beds.
- (7) The decision referred to in paragraph 6 of this Article shall be issued for camps that comply with the minimum technical conditions.
- (8) For the land for which spatial planning documents have not been produced, the Ministry may issue a temporary permit for the provision of services in a camp in order for that economic activity to be performed based on the programme for the temporary facilities, for a period of one year, with consent from the competent local government authority or the legal persons that manages the protected natural resources.

- (9) The temporary permit referred to in paragraph 8 of this Article may be extended until the adoption of spatial planning documents which elaborates in detail the area where the camp is located, at the request of the person referred to in paragraph 4 of this Article.
- (10) A minimum of 70% of the total camp capacity must be provided for the temporary parking of trailers, mobile engine-propelled homes or other camping equipment owned by the guest, while the remaining 30% of the camp capacity may be provided for the accommodation of guests in constructed units or in the installed camping equipment (camp trailers or mobile homes).
- (11) The camp trailers and mobile homes referred to in paragraph 10 of this Article must comply with the conditions of roadworthiness.
- (12) The Ministry shall stipulate the minimum technical conditions and the camp categorization conditions.

## **XI. CENTRAL TOURISM REGISTER, RECORDS AND TOURISM DEVELOPMENT PLANNING**

### **Entry into the Central Tourism Register Article 106**

- (1) The Central Tourism Register shall record data from:
  - Permits for the performance of tourism economic activity issued by the Ministry and competent local government authority;
  - Permits for the performance of hospitality economic activity issued by the Ministry and competent local government authority;
  - Decision on entry into the Central Tourism Register issued by the competent local government authority;
  - Forms for entry into the Central Tourism Register.
- (2) The Ministry shall keep the Central Tourism Register in electronic form.
- (3) Data from the Central Tourism Register shall be public.
- (4) The Ministry and competent local government authorities shall be obliged to enter electronically into the Central Tourism Register the data from the completed forms which are submitted along with the application for the permit to perform tourism/hospitality economic activities or for entry into the Central Tourism Register.
- (5) The Ministry and competent local government authority shall be obliged to enter the data referred to in paragraph 1 of this Article into the Central Tourism Register at the latest on the day of issuing of the permit for the performance of tourism/hospitality economic activities, or the day of issuing of the decision on entry into the Central Tourism Register.

- (6) If the data entered into the Central Tourism Register has been changed, the business undertakings, other legal persons, entrepreneurs and natural persons performing the tourism and hospitality economic activities shall be obliged to notify the competent authority in writing about the change made to the data, within eight days following the day of occurrence of the change.
- (7) The Ministry shall stipulate a more detailed contents and the manner of keeping the Central Tourism Register and the form for entry into the Central Tourism Register depending on the type of economic activities and services.

### **Integrated Records on Tourism Turnover**

#### **Article 107**

- (1) The integrated records on tourism turnover shall be the records kept by hospitality operators which provide accommodation services regarding: the number of tourists, their structure and the number of overnight stays in facilities for provision of accommodation services and on waterborne crafts of nautical tourism.
- (2) Data from other records kept by state administration authorities may also be entered into integrated records on tourism turnover.
- (3) The data contained in the integrated records on tourism turnover may be used for statistical purposes and for monitoring tourism turnover.
- (4) The Government shall stipulate the manner of keeping, the contents and use of the integrated records on tourism turnover.

### **Tourist Signposting**

#### **Article 108**

Tourist signposting shall be used to mark tourist destinations/facilities, amenities and the attractions of a tourist offer.

### **Electronic Exchange of Data**

#### **Article 109**

The exchange of data important for tourism and hospitality between competent state authorities, local government authorities and local self-governments, tourism organizations and tourism and hospitality service providers may be performed electronically.

### **Tourism Development Strategy**

#### **Article 110**

- (1) Tourism development shall be planned by the Tourism Development Strategy.

- (2) The Government shall adopt the Tourism Development Strategy for a period of 10 years.
- (3) The Strategy referred to in paragraph 2 of this Article shall contain:
  - Analysis of the existing situation and the achieved level of tourism development;
  - Comparative analysis of tourism in competitive countries;
  - The strengths and weaknesses of tourism in Montenegro;
  - The tourism development objectives;
  - The tourism development vision;
  - The selection of priority tourist products;
  - Proposals for tourism development policies;
  - The Action Plan for implementation of the Strategy.
- (4) The Ministry shall monitor the implementation of the Tourism Development Strategy of Montenegro, which shall submit a report on the implementation of the Strategy to the Government every third year.

## **XII ENCOURAGING DEVELOPMENT OF TOURISM AND TOURISM DEVELOPMENT ZONES**

### **Programme of Incentive Measures Article 111**

- (1) In order to ensure high-end tourism, the Programme of Incentive Measures shall be adopted in accordance with strategic documents for the purpose of:
  - Stimulating the construction of the tourist infrastructure, the tourist suprastructure, sports-recreational and other accompanying amenities that are important for improving the quality of the tourist offer;
  - Improving the existing tourism product and intensifying its use;
  - Improving knowledge and skills in tourism;
  - Stimulating tourist turnover;
  - Promoting the tourism destination more effectively.
- (2) The Government shall adopt the Programme referred to in paragraph 1 of this Article, at the proposal of the Ministry.
- (3) The funds for financing the incentive measures referred to in paragraph 1 of this Article shall be provided from funds allocated in the Budget of Montenegro.
- (4) The Programme of Incentive Measures in the field of tourism may be also adopted by the authority of a local self-government unit from the funds allocated in the budget of the local self-government unit.
- (5) The Programme referred to in paragraphs 2 and 4 of this Article shall contain:
  - The measures to be implemented;

- The beneficiaries of the funds;
  - The requirements for the allocation of the funds;
  - The amount of the funds;
  - The criteria and procedure for the allocation of the funds.
- (6) The funds for incentive measures referred to in paragraph 1 of this Article shall be allocated by a public notice implemented by the Ministry, the National Tourism Organization of Montenegro or a local self-government unit.
- (7) More detailed requirements and the manner of allocation and use of the funds referred to in paragraphs 1, 2, 4 and 6 of this Article shall be prescribed by the Government or local self-government units.

### **Beneficiaries of Incentive Measures**

#### **Article 112**

The beneficiaries of incentive measures may be:

- Business undertakings, other legal persons, entrepreneurs and natural persons that perform tourism and hospitality economic activities;
- Business undertakings, other legal persons, entrepreneurs and natural persons that perform economic activities related to tourism and hospitality.

### **Tourism Development Zones**

#### **Article 113**

- (1) A tourism development zone (hereinafter referred to as the zone) shall be designated for the purpose of improving the tourism offer and developing tourism.
- (2) A zone shall be designated in an area of at least 1ha in the northern and central regions, except for the Capital City, for the purpose of improving the tourism offer and developing tourism so as to ensure balanced regional development.
- (3) The zone shall be designated on state-owned land, on the basis of a feasibility study for investment projects of a minimum value of 3,000,000 euro and with at least 50 accommodation units of a minimum four-star category.
- (4) The land referred to in paragraph 3 of this Article shall be given under a long-term lease in accordance with the law.
- (5) The Government shall designate the zone, at the proposal of the Ministry.
- (6) The zone shall constitute a functional unit with the tourist infrastructure and suprastructure which is managed by a business undertaking or other legal person designated by the study referred to in paragraph 3 of this Article.
- (7) A business undertaking or other legal person shall submit to the Ministry the initiative for the investment project for the construction of hospitality facilities along with the study referred to in paragraph 3 of this Article.

- (8) The Ministry shall appoint a commission which shall evaluate compliance with the requirements for the zone designation and draw up a proposal for the Government, in accordance with the law.
- (9) The Ministry shall stipulate the criteria for designating zones, the contents of the feasibility study and the initiatives for the investment.

#### **Government Incentives**

##### **Article 114**

A business undertaking, other legal person, entrepreneur and natural person performing tourism and/or hospitality economic activity in a tourism zone may exercise the right to incentives in accordance with the law governing the state aid.

#### **Conclusion of a Contract**

##### **Article 115**

- (1) Incentives and other reliefs in accordance with this Law shall be stipulated in the contract.
- (2) The Government shall adopt a decision on the awarding incentives referred to in Article 114 of this Law.
- (3) The Ministry shall stipulate the content of the decision referred to in paragraph 2 of this Law.

#### **Obligations of the Beneficiaries of Incentives**

##### **Article 116**

- (1) The beneficiaries of the incentives referred to in Article 112 of this Law shall be obliged to submit to the Ministry at least once a year, by 1<sup>st</sup> March of the current year for the previous year, a report by an independent auditor on the implementation of the project for which they received the incentive.
- (2) Where the project is not implemented in accordance with the planned schedule, or within the deadlines set at the moment of awarding the incentives, the beneficiary shall be obliged to return the incentive within three months following the day of submitting the report referred to in paragraph 1 of this Article.
- (3) The Ministry shall submit to the Government annually a report on the implementation of the incentive measures referred to in Articles 111 through 115 of this Law.
- (4) The Ministry shall keep the records on the awarded incentives.

#### **Priority Tourist Sites**

##### **Article 117**



At the proposal of the Ministry, the Government shall designate a tourist site which has strategic importance for the development of tourism in a specific area, due to its outstanding natural, cultural, historic, architectural settlement, spatial, geographical and other values, as a priority tourist site.

### **XIII SUPERVISION**

#### **Conducting Supervision**

##### **Article 118**

- (1) The Ministry shall carry out the supervision of the implementation of this Law and the regulations adopted pursuant to this Law and other regulations governing tourism and hospitality economic activities.
- (2) Inspection supervision of the implementation of this Law shall be performed by the administrative authority competent for inspection affairs through tourist inspectors, unless the law stipulates that individual inspection supervision duties are to be performed by other state or the local government authorities, in accordance with the law.
- (3) Inspection supervision of the implementation of this Law shall also be performed by local self-government units, through authorized inspectors (municipal inspection, local tourism inspection, inspection for control of local public revenues and other) in the part governing the field of tourism and hospitality in accordance with the law.
- (4) The municipal police shall carry out municipal oversight and secure municipal order in accordance with this Law.

#### **Competence to Decide on Appeals**

##### **Article 119**

- (1) An appeal may be lodged against the decision issued by a tourist inspector to the Ministry within eight days following the day of delivery of the decision.
- (2) An appeal may be lodged against the decision issued by an authorized inspector of the authority of the local self-government unit to the Chief Administrator within eight days following the day of delivery of the decision.
- (3) An administrative dispute may be instituted against the decision of the Ministry, as the second-instance authority.

#### **Tourist Inspection**

##### **Article 120**

The duties of the inspection supervision referred to in Article 118 paragraph 2 of this Law shall be performed by the tourist inspection body through on-site control, unless

the law stipulates that individual duties of inspection supervision are to be performed by other state or local government authorities.

**Authorizations, Administrative Measures and Actions of Tourist Inspectors,  
Inspectors of the Competent Local Government Authorities and Municipal Police  
Officers**

**Article 121**

- (1) In performing inspection supervision, a tourist inspector shall be authorized to verify/control compliance with the prescribed conditions for the performance of:
- 1) The tourism economic activity of:
    - A tourist agency (Articles 9–33);
    - A tourist guide (Articles 34–39);
    - A tourist escort (Article 40);
    - An event organizer (Articles 41–43);
    - A tourist representative (Articles 44–45);
    - Tourist services in bathing areas (Articles 46–49);
    - Tourist services in nautical tourism (Articles 50–53);
  - 2) Hospitality economic activity:
    - The permit to perform hospitality economic activity for the facilities referred to in Article 72 paragraph 1 item 1, item 2 indents 3 and 6, and item 3 indents 1, 2 and 3;
    - The minimum technical conditions to perform hospitality economic activity (Article 79);
    - The conditions for the categorization of hospitality facilities for which a decision on awarding a category is issued by the Ministry (Articles 84–87);
    - The conditions for special standards of hospitality facility for which a decision is issued by the Ministry (Article 88);
    - The obligations of hospitality operators (Article 90 paragraph 1, except items 2, 19 and 20);
    - The prohibition from serving alcoholic drinks to persons younger than 18 years of age at the hospitality facilities for which the Ministry issues the permit for the performance of the economic activity (Article 91);
    - hospitality services on a waterborne craft (Article 104);
    - Camping services in camps with 16 and more camping units (Article 105 paragraphs 4 and 5);
  - 3) Tourism and hospitality economic activity:
    - Advertising and promotion of tourism and hospitality economic activity and services for which a licence or permit to perform the economic activities is issued by the Ministry (Article 8);
    - Provision of services at temporary hospitality and other facilities in public areas and in other space for which the Ministry issues the permit for the performance of the economic activity (Article 68);
    - Services for persons with disabilities for tourism and hospitality facilities for which a licence or permit to perform the economic activities is issued by the Ministry (Article 82).

- (2) In conducting inspection supervision, the inspector of the competent local government authority shall be authorized to verify compliance with the prescribed conditions for the performance of:
- 1) Tourism economic activity:
    - Tourist services that include sports, recreational and adventure activities (Articles 54–55);
    - Car rental services (Articles 58–64);
  - 2) Hospitality economic activity:
    - Provision of hospitality services outside hospitality facilities (Article 70),
    - Provision of hospitality services in mobile structures (Article 71),
    - A permit to perform hospitality economic activity for the facilities referred to in Article 72 paragraph 1 item 2 indent 5 and item 4, or the decision on entry into the Central Tourism Register for the facilities referred to in Article 72 paragraph 1 item 2 indents 1, 2 and 4;
    - Protection against noise (Articles 80–81);
    - The conditions for the categorization of hospitality facilities for which a decision on the awarding of a category shall be issued by the competent local government authority (Articles 84–87);
    - The conditions for special standards of hospitality facilities for which a decision shall be issued by the competent local government authority (Article 88);
    - The obligations of hospitality operators (Article 90 paragraph 1 items 2, 19 and 20);
    - Prohibition to serve alcoholic beverages to the persons under 18 years of age at the hospitality facilities for which permit for the performance of the economic activity and decision on entry into the Central Tourism Register is issued by competent local government authority (Article 91);
    - Hospitality services in household (Articles 100–102);
    - Hospitality services in rural household (Article 103);
    - Services of camping in camps with a maximum of 15 camping units and outside the area designated for camping (Article 105 paragraphs 1, 2, 4 and 6);
  - 3) Tourism and hospitality economic activity:
    - Advertising and promotion of tourism and hospitality economic activities and services for which a permit to perform such types of economic activities or a decision on entry into the Central Tourism Register is issued by the competent local government authority (Article 8);
    - Provision of services at temporary hospitality and other facilities in public areas and in other space for which the competent local government authority issues the permit for the performance of the economic activity or decision on entry into the Central Tourism Register (Article 68); Services for persons with disabilities for the facilities for which a permit to perform the economic activities or decision on entry into the Central Tourism Register is issued by the competent local government authority (Article 82).
- (3) The local self-government unit shall perform activities referred to in paragraph 2 of this Article as a delegated task.

- (4) In addition to the authorizations referred to in paragraph 1 of this Article, a tourist inspector shall be particularly authorized to undertake the following administrative measures and actions:
- 1) Prohibit operations of a business undertaking, other legal person, entrepreneur or natural person that performs tourism and hospitality economic activity defined by this Law, but does not hold a permit to perform tourism and hospitality economic activity, except to provide hospitality services outside a hospitality facility and to provide hospitality services in a mobile structure, or a decision on entry into the Central Tourism Register;
  - 2) Prohibit the operations of a business undertaking, other legal person, entrepreneur or natural person that performs tourism economic activity without a licence or ceases to comply with the conditions on the basis of which the licence was issued;
  - 3) Prohibit the performance of hospitality economic activity of a type and category specified in accordance with this Law, if the type and organization, equipment or services in the facility do not comply with the prescribed standards for such a type and category, and the hospitality operator has failed to file within the prescribed deadline a request/application for classification as a new type and category, or has failed to file an application within the deadline established for re-categorization;
  - 4) Prohibit the operation of a business undertaking, other legal person, entrepreneur and natural person if a tourist inspector is prevented from performing supervision duties;
  - 5) Prohibit operation of a user of a developed and equipped bathing area if the bathing area is not developed and equipped with the necessary devices and equipment in accordance with the regulations, and if there is no evidence of compliance with such conditions issued by the competent authority, or if it does not have the permit to provide tourism services in bathing areas;
  - 6) Prohibit performance of hospitality economic activity in a hospitality facility in which alcoholic drinks and/or beverages containing alcohol are served to persons younger than 18 years of age, until the irregularities which resulted in the prohibition are removed, and for 15 days in case of a repeated offence;
  - 6a) prohibit provision of hospitality services on a waterborne craft which does not hold a permit for the performance of the economic activity
  - 7) May confiscate an object/objects, means for work and devices if an economic activity is performed without the permit to perform such an economic activity or without an application for entry into the Central Tourism Register being filed, or if these are intended or being used for a committed breach, or goods which have not been accounted for in a hospitality facility.
- (5) For the established irregularities referred to in paragraph 4 of this Article, the tourism inspector shall issue a decision on prohibition to pursue the economic activity until the irregularities which resulted in the prohibition are removed.
- (6) If the tourist inspector establishes during the inspection supervision establishes that a regulation is not being applied or is being applied improperly, he shall be obliged to issue a decision to order the removal of the established irregularities in the facility and/or on the premises and to set a deadline for the removal thereof.

- (7) The tourist inspector shall issue a decision to prohibit performance of an economic activity and provision of services in the facility, or work in the facility and/or on the premises if the established irregularities are not removed within the set deadline.
- (8) Notwithstanding paragraph 5 of this Article, a tourist inspector shall issue a decision to prohibit pursuing of the economic activity in situ by sealing the facility, premises or devices and equipment on the premises in which the economic activity is performed, until the removal of the irregularities, if the irregularities are established with regard to the lack of a permit to perform tourism/hospitality economic activities issued by the Ministry or the competent local government authority in accordance with the authorizations under this Law.
- (9) Notwithstanding paragraph 8 of this Article, for hotels operating based on the condo and mixed-use models which do not hold, or fail to operate in accordance with, the permit for the performance of the economic activity and/or the awarded category, the tourist inspector shall issue a decision to prohibit pursuing of the economic activity in situ by sealing the facility until the irregularities are removed;
- (10) If perishable foodstuffs, and other are kept in the sealed hospitality facility, the hospitality operator shall be obliged file a written request to the tourist inspector, within 24 hours of the sealing of the hospitality facility, for the opening the hospitality facility and shall, in the presence of the inspector, remove the foodstuffs and other, and after that the hospitality facility shall be sealed again.
- (11) The authorized inspector of the competent local government authority shall also be particularly authorized to undertake the following administrative measures and actions:
  - 1) Prohibit the work of a business undertaking, other legal person, entrepreneur or natural person that is performing hospitality economic activity defined by this Law, without having a decision on entry into the Central Tourism Register;
  - 2) Prohibit pursuing of hospitality economic activity of a type and category which are set out in accordance with this Law, if the type and organization, equipment or services in the facility do not comply with the standards prescribed for such a type and category, and the hospitality operator has failed to file within the prescribed deadline a request/application for classification into a new type and category, or has failed to file the application within the deadline established for re-categorization;
  - 3) Prohibit the pursuing of the economic activity to a business undertaking, other legal person, entrepreneur and natural person if the inspector is prevented from performing supervision duties;
  - 4) May confiscate an object/objects, means for work and devices in cases where an economic activity is performed without a permit for the performance of such an economic activity or without an application for entry into the Central Tourism Register being filed, or in case they are intended or being used for a committed breach, or goods which have not been accounted for in a hospitality facility;

- 4a) prohibit provision of hospitality economic activity at the hospitality facility in which alcoholic drinks and/or beverages containing alcohol are served to the persons below 18 years of age until elimination of irregularities that caused irregularities, and for 15 days in case of a repeated offence;
- 5) Order compliance with the prescribed conditions with regards to protection against the noise in all types of tourism and hospitality facilities;
- 6) Prohibit the use of a room and/or premises if the conditions concerning noise protection are not complied with, until such conditions are complied with;
- 7) Prohibit the use of electro-acoustic and acoustic equipment until measures are taken towards compliance with the noise protection conditions, or until volume limiters are installed;
- 8) Prohibit pursuit of the economic activity and other activities which create noise and disturb rest and night-time peace if this cannot be achieved by the measure referred to in the previous item of this Article;
- 9) Order that a music device be used within the prescribed noise limits;
- 10) Prohibit the playing of music or the performance of live music if the prescribed noise-limit values inside and outside the hospitality facility are exceeded;
- 11) Prohibit the use of electro-acoustic or acoustic devices outdoors in the event of holding public events, entertainment and sports shows and other activities that lead to the exceeding of noise-limit values contrary to the decision of the local self-government unit on the venue and time of holding such events;
- 12) Prohibit the following by sealing: the use of music devices which is not compliant with the technical standards or is not accompanied by information on the sound power; the use of excessively loud devices until noise protection measures are taken; and the performance of an activity if the owner of the facility or hospitality service provider does not have a report from an accredited institution for noise measuring which confirms that noise protection measures have been implemented;
- 13) Prohibit the use of electro-acoustic and acoustic devices outdoors for public gatherings, entertainment and sports events and other activities which result in exceeding the noise limits contrary to the decision of the local self-government unit on the venue and time of such events;
- 14) Prohibit performance of a hospitality economic activity in a temporary hospitality facility which is located in public areas or in another space contrary to the provisions of this Law;
- 15) Prohibit the provision of simple hospitality services outside a hospitality facility operating contrary to the provisions of this Law (terraces, gardens, and other);
- 16) Prohibit the provision of hospitality services in a mobile and/or improvised hospitality facility contrary to the provisions of this Law;
- 17) Prohibit the provision of hospitality services in a household or rural household (accommodation in rooms, tourist apartments, houses and flats for rental to tourists with a maximum of 10 rooms or 20 beds in camps with a maximum of 15 camping units or 30 persons at the same time) which are provided contrary to this Law;
- 18) *Deleted*
- 19) Prohibit the offering and sale of transport and accommodation services and other tourism and hospitality services contrary to this Law;
- 20) Issue a misdemeanour warrant;

- 21) File a motion to initiate misdemeanour proceeding.
- (12) For the established irregularities referred to in paragraph 11 of this Article, the authorized inspector of the competent local government authority shall issue a decision to prohibit the pursuing of tourism/hospitality economic activity until the irregularities that resulted in the prohibition are removed.
- (13) If the authorized inspector of the competent local government authority has established during inspection supervision that a regulation is not being applied or is being applied improperly, he shall be obliged to issue a decision to order the removal of the established irregularities in the facility and/or on the premises and set a deadline for the removal thereof.
- (14) The authorized inspector of the competent local government authority shall be obliged to issue a decision to prohibit pursuit of the economic activity and provision of services in the facility and/or on the premises, or work in the facility, if the established irregularities are not removed within the set deadline.
- (15) Notwithstanding paragraph 12 of this Article, the authorized inspector of the competent local government authority shall issue in situ a decision on prohibiting the performance of tourism/hospitality economic activity by sealing the facility, premises or devices and equipment in the premises where the economic activity is being performed, until the irregularities are removed, if he establishes irregularities in respect of the lack of a permit for the performance of hospitality economic activity outside the hospitality facility and in a mobile and/or improvised hospitality facility, or the lack of a decision on entry into the Central Tourism Register issued by the competent local government authority.
- (16) If perishable foodstuffs, and other are kept in the sealed hospitality facility, the hospitality operator shall be obliged to file a written request to the authorized inspector of the local government authority within 24 hours of the sealing of the hospitality facility, for the opening of the hospitality facility and shall, in the presence of the inspector, remove the foodstuffs and after that the hospitality facility will be sealed again.
- (17) In addition to the authorizations in accordance with the law governing the tasks and powers of the municipal police, a municipal police officer shall also be particularly be authorized, in accordance with this Law, to:
- 1) Measure the noise levels inside and outside the hospitality facilities for which the permit to perform tourism and/or hospitality economic activity is issued by the Ministry or the local government authority, or for which the decision on entry into the Central Tourism Register is issued by the competent local government authority, as well as in outdoor areas according to the decision of the local self-government unit;
  - 2) Prepare a report on the established facts or an official note for the file, issue misdemeanour warrants and file motions to initiate misdemeanour proceedings in the cases the prescribed noise limits are exceeded, in accordance with the law;

- 3) Control the working hours for performing the hospitality economic activity in accordance with the law.

### **Overcharged Amounts**

#### **Article 122**

- (1) If a tourist inspector or inspector of the competent local government authority establishes, while performing inspection supervision, that a buyer of a hospitality or tourism service was calculated or charged a higher price than that which is set, and the seller of the service refuses to refund the overpaid amount, a decision shall be issued to order the service seller to refund the overpaid amount to the damaged service buyer and, without delay, file a motion to initiate a misdemeanour proceeding.
- (2) If the service buyer referred to in paragraph 1 of this Article is unknown, the tourist inspector shall propose, in the motion to initiate misdemeanour proceeding, the confiscation of the overpaid amount as unlawfully acquired property gain.

### **Identification Card and Badge of the Tourist Inspector**

#### **Article 123**

- (1) In performing inspection supervision, a tourist inspector must have an identification card and badge of a tourist inspector, which verifies his official capacity, identity and authorizations.
- (2) The Ministry shall stipulate the shape of the badge of the tourist inspector and the manner of its issuing and use.

## **XIV. PENALTY PROVISIONS**

### **Article 124**

- (1) A pecuniary penalty in the amount ranging from 2,000 euro to 20,000 euro shall be imposed on a legal person for a misdemeanour if:
  - 1) advertising and/or promotion of tourism and/or hospitality economic activity for tourism and hospitality facilities is performed contrary to Article 8 of this Law;
  - 2) Offers services for organizing travel or acts as an agent in the selling and implementing of services for the travel and stay of tourists, without a licence to perform such economic activity (Article 9 paragraph 1);
  - 3) does not have an office for the performance of activities referred to in Article 9 paragraph 1 of this Law (Article 9 paragraph 2);
  - 4) acts contrary to Article 13 paragraph 1 of this Law;
  - 5) organizes package travel – arrangement or acts as an agent in providing accommodation, food and/or drinks, but fails to provide accommodation, food



- and/or drink in a hospitality facility which complies with the conditions for performing the economic activity regulated under this Law (Article 14);
- 6) The office or a branch office of the tourist agency does not comply with the minimum technical conditions concerning equipment and organization of space (Article 18 paragraph 1);
  - 7) organizes package travel – arrangements or excursions on a non-commercial basis for persons who are not their members or beneficiaries (Article 25 paragraph 1);
  - 8) fails to carry out promotion and presentation of the packages travel – arrangements or excursions referred to in Article 25 paragraph 1 of this Law through internal media (Article 25 paragraph 2);
  - 9) Uses the services of carriers and means of transport in which the beneficiaries of the tourist services and luggage are not insured (Article 25 paragraph 3);
  - 10) fails to report travel and fails to submit a travel itinerary with the list of travellers to the authority competent for inspection affairs at the latest five working days before the start of the travel (Article 25 paragraph 4);
  - 11) organizes a package travel – arrangement or an excursion for 15 or more travellers, and fails to provide for such travel at least one tourist escort (Article 26);
  - 12) organizes a package travel – arrangement or excursion, or provides a passenger transport service and fails to use means of transport which have an liability insurance policy against accident, loss of or damage to luggage (Article 27 paragraph 1);
  - 13) In the capacity of an agent, offers for sale or sells package travel – arrangement of a travel organizer, but fails to indicate in the travel itinerary or in the travel confirmation the capacity in which it acts, the licence number of the travel organizer, QR code, or fails to deliver a travel itinerary to the traveller, either in person or electronically, simultaneously with the issuing of the travel confirmation (Article 29 paragraph 1);
  - 14) In the capacity of an agent, offers for sale or sells package travel – arrangement of a tourist agency-travel organizer with which has not concluded an agency contract (Article 29 paragraph 2);
  - 15) provides tourism services in nautical tourism without being entered into the Central Tourism Register (Article 51 paragraph 1);
  - 16) provides the services referred to in Article 54 paragraph 1 of this Law without being entered into the Central Tourism Register (Article 55 paragraph 1);
  - 17) provides the services referred to in Article 62 paragraph 1 of this Law without holding a permit for the performance of that economic activity (Article 62 paragraph 2);
  - 18) Rents means of transport/vehicles without holding a permit for the performance of that economic activity (Article 63 paragraph 1).
- (2) A pecuniary penalty in the amount ranging from 500 euro to 2,000 euro shall also be imposed on a responsible person in the legal person for the misdemeanour referred to in paragraph 1 of this Article.
  - (3) A pecuniary penalty in the amount ranging from 300 euro to 6,000 euro shall be imposed on an entrepreneur for the misdemeanour referred to in paragraph 1 items 1 through 5 and items 10 through 17 of this Article.

- (4) A pecuniary penalty in the amount ranging from 500 euro to 2,000 euro shall be imposed on a natural person for the misdemeanours referred to in paragraph 1 items 1, 15, 16 and 17 of this Article.
- (5) A protective measure of prohibition of the performance of the economic activity for a period of up to six months shall also be imposed on the perpetrator of the misdemeanours referred to in paragraph 1 of this Article. if it has been sanctioned by a final and non-appealable decision for the same misdemeanour in the past 12 months.

### **Article 125**

- (1) A pecuniary penalty in the amount ranging from 1,000 euro to 10,000 euro shall be imposed on a legal person for a misdemeanour if:
  - 1) In performing tourism activities, acts contrary to Article 7 paragraph 1 of this Law;
  - 2) fails to notify the Ministry in writing about any change to the data based on which the licence was issued within three days following the day of occurrence of such a change (Article 16 paragraph 1);
  - 3) fails to provide bond/surety in accordance with Article 17 paragraphs 1 through 5 of this Law;
  - 4) In every office or branch office fails to have at least one employee – a full-time manager or other persons who comply with the prescribed conditions (Article 19 paragraphs 1 and 2);
  - 5) does not use the designation "tourist agency" in the name of the tourist agency as a more detailed indication of its economic activity (Article 21 paragraph 1);
  - 6) Within seven days of the day of revocation of the licence, fails to reimburse overpaid funds for previously contracted travels (Article 23 paragraph 2);
  - 7) As the travel organizer, fails to prepare a travel itinerary in writing –in electronic or in printed form (Article 28 paragraph 2);
  - 8) fails to deliver the travel itinerary referred to in Article 28 paragraph 1 of this Law to the traveller, in person or electronically, simultaneously with the conclusion of the travel contract and issuing of the travel confirmation (Article 28 paragraph 2);
  - 9) As the travel organizer, fails to conclude a contract on the organization of a school excursion with the educational institution on whose behalf the excursion is organized (Article 28 paragraph 4);
  - 10) As the travel organizer, organizes a school excursions and other trips for children and young people and fails to deliver a travel itinerary to the pupils' parents and school management (Article 28 paragraph 5);
  - 11) fails to provide the traveller with the basic information referred to in Article 30 of this Law in writing or in some other appropriate form, before the contract is concluded;
  - 12) Prior to concluding the contract on package travel – arrangement, fails to submit a copy of the contract to the traveller in order for him to familiarize himself with the content (Article 31 paragraph 1);

- 13) A contract on a package travel-arrangement has not been concluded in written or electronic form and/or does not contain the prescribed data (Article 31 paragraph 2);
- 14) fails to issue written or electronic confirmation to the traveller confirming that the contract on the package travel-arrangement has been concluded (Article 31 paragraph 3);
- 15) Operates a package travel-arrangement as the agent, but fails to indicate the company name and registered office, or the name and address of the tourist agency-agent along with an indication that the package travel-arrangement is operated with its intermediation (Article 31, paragraph 4);
- 16) Is forced to change important elements of the contract before start of the travel and fails to notify the traveller thereof without delay and to enable him to withdraw from the contract without paying a penalty or to accept the change to the contract (Article 32 paragraph 1);
- 17) In the cases referred to in Article 32 paragraphs 1, 2 and 3 of this Law, fails to compensate damages to the traveller for failure to fulfil contractual obligations under a separate regulation (Article 32 paragraph 4);
- 18) fails to provide services in accordance with Article 38 paragraph 1 of this Law;
- 19) fails to keep a register of the tourist guides it hired and/or such a register of hired tourist guides does not contain the prescribed data (Article 38 paragraphs 2 and 3);
- 20) hires an event organizer who does not hold the identification card of an event organizer (Article 42 paragraph 3);
- 21) performs representation without a concluded contract (Article 44 paragraph 2);
- 22) fails to notify the traveller about the tourist representative and his authorizations (Article 44 paragraph 3);
- 23) fails to submit to the Ministry the tourist representation contract within eight days following the day of concluding the representation contract (Article 44 paragraph 4);
- 24) provides tourist services in bathing areas without a permit (Article 46 paragraph 3);
- 25) The bathing area at sea, on rivers and on lakes in which it provides tourism services does not comply with the requirements regarding development and construction and equipment in accordance with the law (Article 46 paragraph 5);
- 26) acts contrary to Article 49 paragraph 1 of this Law;
- 27) acts contrary to Article 53 of this Law;
- 28) acts contrary to Article 55 paragraph 5 of this Act;
- 29) provides car rental services contrary to Article 58 of this Law;
- 30) provides car rental services without holding approval for the provision of car rental services (Article 59 paragraph 1);
- 31) fails to notify the competent local government authority about all the changes that occurred in the performance of car rental services which affect compliance with the requirements for the issuing of a permit for the provision of car rental services within three days following the day of occurrence of such a change (Article 59 paragraph 4);
- 32) provides car rental services without an office which complies with the conditions referred to in Article 18 of this Law (Article 61).

- (2) A pecuniary penalty in the amount ranging from 200 euro to 1,000 euro shall also be imposed on a responsible person in the legal person for the misdemeanour referred to in paragraph 1 of this Article.
- (3) A pecuniary penalty in the amount ranging from 200 euro to 1,000 euro shall be imposed on an entrepreneur for the misdemeanour referred to in paragraph 1 of this Article.
- (4) A pecuniary penalty in the amount ranging from 500 euro to 1,000 euro shall be imposed on a natural person for the misdemeanours referred to in paragraph 1 of this Article.
- (5) A protective measure of prohibition of the performance of the economic activity for a period of up to six months shall also be imposed on the perpetrator of the misdemeanours referred to in paragraph 1 of this Article, if it has been sanctioned by a final and non-appealable decision for the same misdemeanour in the past 12 months.

### **Article 126**

- (1) A pecuniary penalty in the amount ranging between 200 euro and 2,000 euro shall be imposed on a natural person for a misdemeanour, if:
  - 1) performs activities of a travel agency (Article 9 paragraph 3);
  - 2) performs activities referred to in Article 34 paragraph 1 without tourist guide identification card (Article 34 paragraph 3);
  - 3) during performance of services fails to wear, on a visible place, the tourist guide identification card which confirms his capacity (Article 37 paragraph 6);
  - 4) fails to provide tourist guide services in accordance with Article 38 paragraph 1 of this Law;
  - 5) fails to appear at the regular testing of knowledge in front of the commission set up by the Ministry (Article 38 paragraph 4);
  - 6) provides services referred to in Article 40 paragraph 1 of this Law without tourist escort identification card (Article 40 paragraph 2);
  - 7) during performance of services fails to wear, on a visible place, tourist escort identification card which confirms his capacity (Article 40 paragraph 5);
  - 8) performs activities referred to in Article 41 paragraph 1 of this Law without tourist animator identification card (Article 41 paragraph 2);
  - 9) during performance of services fails to wear, on a visible place, the tourist animator identification card which confirms his capacity (Article 43 paragraph 6).
- (2) A protective measure of prohibition of the performance of the economic activity for a period of up to six months shall also be imposed on the perpetrator of the misdemeanours referred to in paragraph 1 of this Article, if it has been sanctioned by a final and non-appealable decision for the same misdemeanour in the past 12 months.

## Article 127

- (1) A pecuniary penalty in the amount ranging between 2,000 and 20,000 euro shall be imposed on a legal person for a misdemeanour, if:
- 1) performs hospitality economic activity despite not being registered for the performance of hospitality economic activity and which fail to meet requirements for the performance of such economic activity stipulated by this Law (Article 66 paragraph 1);
  - 2) Food, drinks and beverages are prepared and served by the persons referred to in Article 66 paragraphs 1 and 2 of this Law at the hospitality facilities which fail to meet requirements stipulated by this Law and the law governing the food safety (Article 69 paragraph 7);
  - 3) provides simple hospitality services outside a hospitality facility in an area not designated by the competent local government authority (Article 70 paragraph 1);
  - 4) The areas referred to in Article 70 paragraph 1 for the provision of simple hospitality services fail to comply with the prescribed minimum technical standards (Article 70 paragraph 3);
  - 5) provides certain hospitality services in a mobile and/or improvised facility which fail to comply with the prescribed minimum technical requirements (Article 71 paragraph 1);
  - 6) fails to ensure the maintenance and use of accommodation units in all parts of the hospitality facility and of the land on which it is built, for the purpose of complying with the requirements for the performance of hospitality activity in accordance with the permit and awarded category (Article 72 paragraph 4);
  - 7) starts to perform hospitality economic activity, changes the conditions for pursuit of the economic activity or expands the scope of its operation without a permit for the performance of hospitality economic activity or without a decision on entry into the Central Tourism Register (Article 73 paragraph 1);
  - 8) The hospitality facility referred to in Article 72 paragraph 1 of this Law in which hospitality economic activity are performed fails to meet the minimum technical requirements in terms of space, devices and equipment (Article 79 paragraph 1);
  - 9) The hospitality facility in which music is played or an entertainment show is performed and in which electro-acoustic and acoustic devices are used is not compliant with the requirements referred to in Article 80 paragraph 1 of this Law regarding protection against noise;
  - 10) uses at the hospitality facilities the electro-acoustic equipment with inbuilt sound amplifiers, which is not suitable for the installation of volume limiters (Article 80 paragraph 3);
  - 11) uses electro-acoustic and acoustic devices outdoors and in the hospitality facilities outside of the period from 09:00 to 01:00 and uses electro-acoustic and acoustic devices in the period from 09:00 to 01:00 which exceed the prescribed noise limits (Article 81 paragraph 1);
  - 12) uses acoustic equipment that has no electrical amplifiers until 03:00 without the consent of the competent local government authority (Article 81 paragraph 2);
  - 13) The hospitality facility referred to in Article 72 paragraph 1 of this Law does not employ a manager (director, principal) who has completed a minimum of

- level four of qualifications, sublevel IV1 of the National Qualifications Framework (Article 83 paragraph 1);
- 13a) fails to submit request referred to in Article 84 paragraph 7 to the Ministry within five days following the day of obtaining the permit for the performance of the economic activity (Article 84 paragraph 8);
- 13b) fails to submit request referred to in Article 84 paragraph 9 to the competent local government authority within five days following the day of obtaining permit, or decision on entry into the Central Tourism Register (Article 84 paragraph 10);
- 13v) no longer meets requirements prescribed for a certain type and category of the facility, while continuing to operate under the designation of that type and category of the hospitality facility (Article 85 paragraph 2);
- 13g) is established, during inspection control, that the hospitality facility does not meet requirements for the awarded category and specialisation, whereas hospitality operator has not submitted request for the repeated establishment of the category and specialisation to the competent Ministry, or to the local government authority, within eight days from the day on which inspector drew up minutes (Article 85 paragraph 5);
- 13d) acts in contravention of Article 86 of this Law;
- 14)acts contrary to Article 90 paragraph 1 of this Law;
- 15)In the hospitality facility it serves alcoholic drinks, other drinks and/or beverages containing alcohol to persons below 18 years of age (Article 91 paragraph 1);
- 16)performs hospitality services in the household contrary to Article 100 of this Law;
- 17)acts contrary to Article 101 paragraphs 1 and 2 of this Law;
- 18)When advertising and promoting services and posting messages in advertising materials it fails to use the indication of the type and category of the facility in accordance with this Law (Article 101 paragraph 2);
- 19)Directly or through other persons who are not registered as agents in the sale of accommodation services, offers for sale and sells accommodation services, solicits the custom of travellers or tourists outside the facilities in which such services are provided, except in the areas, under the conditions and in the manner set out in the regulations of the competent authority of the local government unit (Article 102 paragraph 1);
- 20)The hospitality facility for accommodation in a rural household fails to comply with the minimum technical conditions and conditions for the category in accordance with this Law (Article 103 paragraph 5);
- 21)provides hospitality services in a rural household without having a decision on entry into the Central Tourism Register (Article 103 paragraph 6);
- 22)provides services involving food, drinks and beverages on a sailing vessel without a permit for the performance of hospitality activities (Article 104 paragraph 1);
- 23)provides services referred to in Article 104 paragraph 1 of this Law in ports and on piers (104 paragraph 4);
- 24)provides camping services outside the camping site referred to in Article 105 paragraph 1 of this Law (Article 105 paragraph 2);
- 25)fails to ensure a minimum of 70% of the overall camp capacity for the temporary parking of camp trailers, mobile homes or other camping equipment owned by the guest (Article 105 paragraph 10);

- 26) provides hospitality services in camps which does not comply with prescribed minimum technical conditions and without having a permit to provide camping services (Article 105 paragraph 4).
- (2) A pecuniary penalty in the amount ranging from 200 euro to 2,000 euro shall also be imposed on a responsible person in the legal person for the misdemeanour referred to in paragraph 1 of this Article.
- (3) A pecuniary penalty in the amount ranging from 300 euro to 6,000 euro shall be imposed on an entrepreneur for the misdemeanour referred to in paragraph 1 of this Article.
- (4) A pecuniary penalty in the amount ranging from 200 euro to 2,000 euro shall be imposed on a natural person for the misdemeanour referred to in paragraph 1 items 1, 7, 8, 15, 18, 19, 20, 24, 25 and 26 of this Article.
- (5) A protective measure of prohibition of the performance of the economic activity for a period of up to six months shall also be imposed on the perpetrator of the misdemeanours referred to in paragraph 1 of this Article, if it has been sanctioned by a final and non-appealable decision for the same misdemeanour in the past 12 months.

### **Article 128**

- (1) A pecuniary penalty in the amount ranging between 1,000 euro and 10,000 euro shall be imposed on a legal person for a misdemeanour, if:
- 1) The facilities referred to in Article 69 paragraph 4 of this Law fail to display, in addition to the designation of the type of hospitality facility, also the designation "club" which is used and in the advertising or promotion of services or displaying of messages in commercial operations (Article 69 paragraph 5);
  - 2) fails to notify in writing the Ministry or the competent local government authority about any change of data referred to in Article 75 paragraph 1 of this Law within eight days following the day of occurrence of such a change (Article 75 paragraph 2);
  - 3) fails to notify the competent authority, in writing, about a change of the data entered into the Central Tourism Register within eight days following the day of occurrence of such a change (Article 78 paragraph 4);
  - 4) In a hospitality facility which serves alcoholic drinks, other drinks and/or beverages containing alcohol, there is no visibly displayed sign of the prohibition to serve such drinks to persons younger than 18 years of age (Article 91 paragraph 2);
  - 5) provides services to naturists while failing to display, in addition to the name of the type of facility, a sign which indicates that services are provided to naturists in that facility (Article 92 paragraph 4);
  - 6) fails to notify the Ministry or the competent local government authority which issued the permit for the performance of a hospitality economic activity and decision on entry into the Central Tourism Register about a temporary or permanent cessation of the hospitality economic activity, no later than three

days prior to the temporary or permanent cessation of the hospitality economic activity, or recommencement of the hospitality economic activity (Article 93 paragraph 4);

- (2) A pecuniary penalty in the amount ranging from 200 euro to 2,000 euro shall also be imposed on a responsible person in the legal person for the misdemeanour referred to in paragraph 1 of this Article.
- (3) A pecuniary penalty in the amount ranging from 200 euro to 3,000 euro shall be imposed on an entrepreneur for the misdemeanour referred to in paragraph 1 of this Article.
- (4) A protective measure of prohibition of the performance of the economic activity for a period of up to six months shall also be imposed on the perpetrator of the misdemeanours referred to in paragraph 1 of this Article if it has been sanctioned by a final and non-appealable decision for the same misdemeanour in the past 12 months.

### **Article 129**

A pecuniary penalty in the amount ranging between 200 euro and 2,000 euro shall be imposed on a responsible person in a state authority and local government authority for a misdemeanour, if:

- 1) fails to enter data electronically into the Central Tourism Register from the completed forms submitted along with the application for the permit for performance of tourism/hospitality economic activities or for entry into the Central Tourism Register (Article 106 paragraph 4);
- 2) fails to enter the data referred to in Article 106 paragraph 1 of this Law into the Central Tourism Register at the latest on the day of issuing the permit for performance of the tourism/hospitality economic activity or the decision on entry into the Central Tourism Register (Article 106 paragraph 5).

### **Article 130**

A pecuniary penalty in the amount ranging between 200 euro and 2,000 euro shall be imposed on a natural person for a misdemeanour, if:

- 1) starts to perform certain hospitality services without the permit for the performance of hospitality economic activity or without the decision on entry into the Central Tourism Register (Article 73 paragraph 2);
- 2) camps outside of the camping land referred to in Article 105 paragraph 1 of this Law (Article 105 paragraph 2).



## **XV. TRANSITIONAL AND FINAL PROVISIONS**

### **Application of the Law and Secondary Legislation**

#### **Article 131**

- (1) The provisions of the Law on Tourism (Official Gazette of Montenegro, No 61/10, 40/11, 53/11 and 31/14) shall apply to four-star and five-star tourist complexes which were contracted and whose construction began prior to the entry into force of the Law on Tourism and Hospitality if they are more favourable.
- (2) The secondary legislation for implementation of this Law shall be adopted within one year following the day of entry into force of this Law.
- (3) The secondary legislation adopted under the Law on Tourism (Official Gazette of Montenegro, No 61/10 and 31/14) shall apply until the secondary legislation referred to in paragraph 2 of this Article is adopted, unless they are contrary to this Law.

### **Adoption of Secondary Legislation**

#### **Article 131a**

The enabling regulations referred to in Article 32a of this Law shall be adopted within 15 days following the day this Law enters into force.

### **Harmonization of Business Activities**

#### **Article 132**

- (1) Business undertakings, other legal persons, entrepreneurs and natural persons that performed tourism and hospitality economic activities up until the day of entry into force of this Law shall be obliged to harmonize their business activities with this Law within 24 months following the day this Law enters into force.
- (2) Business undertakings, other legal persons, entrepreneurs and natural persons that performed tourism and hospitality economic activities in illegally built facilities up until the day of entry into force of this Law shall be obliged to submit evidence of commencement of the procedure for the legalization of the hospitality facility within the deadline set in the Law on Spatial Planning and Construction of Structures (Official Gazette of Montenegro, No 64/17).
- (3) A permit for the performance of a hospitality economic activity shall be revoked for business undertakings, other legal persons, entrepreneurs and natural persons that fail to submit documentation in accordance with paragraph 2 of this Article.
- (4) If the procedure for legalization of the hospitality facility referred to in paragraph 2 of this Article is terminated in accordance with the Law on Spatial Planning and Construction of Structures (Official Gazette of Montenegro, No 64/17) and if the application for legalization is rejected in the subsequent procedure, the permit for

the performance of the hospitality economic activity shall be revoked for the business undertakings, other legal persons, entrepreneurs and natural persons.

- (5) Business undertakings, other legal persons, entrepreneurs and natural persons that were issued a building permit or that submitted complete documentation in order to report the construction of a condo hotel before the entry into force of this Law shall be obliged to obtain a permit for the performance of the economic activity at the latest within 36 months following the day of entry into force of this Law.
- (6) Business undertakings, other legal persons, entrepreneurs and natural persons that fail to obtain the permit referred to in paragraph 4 of this Article shall be obliged to harmonize the type of hospitality facility and operations with this Law.

### **Performance of Tourism and Hospitality Economic Activity**

#### **Article 133**

As of the day of accession to the European Union, tourism and hospitality economic activities in Montenegro may be performed by business undertakings, other legal persons, entrepreneurs and natural persons registered in an appropriate register for the performance of tourism and hospitality economic activities in states signatories to the Agreement on the European Economic Area in accordance with the law governing the provision of services.

### **Validity of Permits and Licences**

#### **Article 134**

Permits for the performance of tourism and hospitality economic activities, licences and identification cards issued before the entry into force of this Law shall be valid until the expiry of the period for which they were issued.

### **Repeal**

#### **Article 135**

The Law on Tourism (Official Gazette of Montenegro, No 61/10 and 31/14) and the provisions of Article 6 paragraphs 5, 6 and 7, Article 6a, Article 28 paragraph 1 item 3, Article 29 paragraph 1 item 2, and Article 30 paragraph 1 items 4a and 4b of the Law on Protection against Noise in the Environment (Official Gazette of Montenegro, No 28/11 and 1/14) which apply to hospitality facilities and provision of Article 19 paragraph 2 of the Law on Municipal Utility Activities (Official Gazette of Montenegro, No 55/16) regulating the noise generation by electro-acoustic and acoustic devices shall cease to apply as of the day of the entry into force of this Law.

### **Entry into Force**

#### **Article 136**

This Law shall enter into force on the eighth day following that of its publication in the Official Gazette of Montenegro.