



Republic of North Macedonia

Ministry of Economy and Labor

LAW FOR PROHIBITION OF UNFAIR TRADING PRACTICES IN THE SUPPLY CHAIN OF AGRICULTURAL AND FOOD PRODUCTS (*)

Article 1

This Law regulates the rules and measures to prevent from imposition of unfair trading practices that deviate from good commercial conduct, determine unfair trading practices in the supply chain of agricultural and food products that are imposed unilaterally by significant power of the buyer in relation to its suppliers, the procedures for determining unfair trading practices, as well coordination between enforcement authorities concerning the enforcement control over the application of unfair trading practices.

Application

Article 2

- (1) This Law applies to sale of agricultural and food products where the supplier and the buyer are established in the Republic of North Macedonia, Member States of the European Union or in third countries.
- (2) This Law also applies to services provided by the buyer to the supplier in accordance with Article 8 of this Law.
- (3) This Law applies to supply agreements of agricultural and food products concluded between the buyers and the suppliers.

Legal relations to which the Law does not apply

Article 3

This Law does not apply to arrangements between suppliers and consumers, in relation to sales of agricultural and food products.

Article 4

Definitions

- (1) Each terms used in this Law have the following meaning:
 1. "Agricultural and food products" means physical result of agricultural production, as well industrial operations for processing products. Agricultural products and food products, in terms of this law, are listed products in Annex I to the TFEU, as well products not listed in Annex I, but processed by using products in Annex I to the TFEU;
 2. "Buyer" means any natural or legal person or public authority who buys agricultural and food products, i.e., a group of such natural and legal persons;
 3. "Public authorities" means ministries, state administration bodies, organizations established by law, other state bodies, legal and natural persons entrusted by law with exercising public powers, as well municipal bodies of the city of Skopje and the municipalities in the city of Skopje;
 4. "Supplier" means an agricultural producer or any natural and legal person who sells agricultural and food products, i.e., a group of agricultural producers or a group of natural and legal persons such as producer organizations, organizations of supplier and associations of such organizations;
 5. "Perishable agricultural and food products" means agricultural and food products, that by their nature or at their stage of processing are liable to become unfit for sale within 30 days after harvest, production or processing;
 6. "Unfair trading practices" means contractual provisions and business practices that unilaterally are imposed by the buyer to the supplier in relation to the sale of agricultural and food products, by using its significant negotiation power to the supplier, contrary to Articles 7 and 8 of this law;
 7. "Total annual income" means an amount of income from sales of products and services stated in the annual



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account and in the annual financial report, i.e. income balance of the buyer and supplier, submitted to the Central Registry of the Republic of North Macedonia;

8. "Supply chain of agricultural and food products" means all participants in the production, processing and trade of agricultural and food products, namely: producers, buyers and/or processors, wholesalers and retailers who in arrangement relations may be suppliers or buyers, as well public authorities as buyers.

List of agricultural and food products

Article 5

Minister of Economy adopts a List of agricultural and food products, on the basis of determining unfair trading practices in the supply chain of agricultural and food products.

CHAPTER II

SIGNIFICANT NEGOTIATING POWER AND UNFAIR TRADING PRACTICES

Significant negotiating power

Article 6

(1) Considerable negotiating power, i.e. unfair trading practices in accordance with the provisions of this Law which occur in relation to sales of agricultural and food products, by:

1) suppliers which have an annual turnover not exceeding EUR 2,000,000 in denars equivalents to buyers which have an annual turnover of more than EUR 2 000 000 in denars equivalents;

2) suppliers which have an annual turnover of more than EUR 2 000 000 in denars equivalent, and not exceeding EUR 10 000 000 in denars equivalent to buyers which have an annual turnover of more than EUR 10 000 000 in denars equivalent;

3) suppliers which have an annual turnover of more than EUR 10 000 000 in denars equivalent and not exceeding EUR 50 000 000 in denars equivalent to buyers which have an annual turnover of more than EUR 50 000 000 in denars equivalent;

4) suppliers which have an annual turnover of more than EUR 50 000 000 in denars equivalent and not exceeding EUR 150 000 000 in denars equivalent to buyers which have an annual turnover of more than EUR 150 000 000 in denars equivalent;

5) suppliers which have an annual turnover of more than EUR 150 000 000 in denars equivalent and not exceeding EUR 350 000 000 in denars equivalent to buyers which have an annual turnover of more than EUR 350 000 000 in denars equivalent.

(2) With derogation from paragraph (1) of this article, the provisions of this law applies in relation to sales of agricultural and food products by suppliers which have an annual turnover not exceeding EUR 350,000,000 euros in denars equivalents, to all buyers which are public authorities.

(3) When the buyer and supplier from paragraph (1) of this article is a company that has a significant share in another company, or a company that has a dominant power, a company dependent on it in accordance with the Trade Law, when calculating its annual turnover, the buyer, i.e. supplier, is considered as one trading company.

(4) When calculating the annual turnover of the companies from paragraph (3) of this article, the amounts from sales of goods and providing of services between these companies are not taken into account.

Form and content of the supply agreements for agricultural and food products and the prohibition of unfair trading practices

Article 7

(1) The supply agreement of agricultural and food products between the supplier and buyer must be concluded in written prior to delivery of agricultural or food products.

(2) The agreement from paragraph (1) of this article must contain all necessary conditions for regulation of business relations between the supplier and buyer as contracting parties, and must contain in particular, provisions for:



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- 1) the price of the agricultural and/or food product and the method of determining or calculating the price;
- 2) the quality and type of agricultural and food product delivered to the buyer;
- 3) the conditions and terms of delivery of agricultural and food products that are subject to the agreement;
- 4) the conditions and terms of payment of the delivered agricultural and food products;
- 5) the place of delivery of agricultural and food products;
- 6) the duration of the agreement, and
- 7) the termination and withdrawal of the agreement.

(3) Notwithstanding to the conditions from paragraph (2) of this article, in the supply agreement from paragraph (1) of this article, in clear and unambiguous manner shall be determined the general business conditions between the contracting parties, that will not contain any provisions that are considered as unfair trading practices in accordance with Article 8 of this Law.

(4) The general business conditions from paragraph (3) of this article considers conditions for sale and purchase, the rights and obligations of the supplier and the rights and obligations of the buyer, securing the purchase of the supplier, the rights and obligations of the supplier and buyer in case when the buyer terminates the agreement, exchange of information, modification of the general conditions, force majeure, dispute resolution, protection of personal data and confidentiality.

(5) The general business conditions from paragraphs (3) and (4) of this article are mandatory for the contracting parties from paragraph (1) of this article.

(6) Where the supply agreement from paragraph (1) of this article provides for delivery on regular basis, for:

- perishable agricultural and food products, the conditions and terms for payment of each delivery from paragraph (2) point 4) of this article shall not be later than 30 days after the date of the agreed delivery period in which it was carried out or later than 30 days after the date on which the amount in the consignment note or invoice to be paid for that delivery period is set, whichever of these two dates is the later, and
- other agricultural and food products that are not considered perishable, the conditions and terms for payment of each delivery from paragraph (2) point 4) of article, shall not be later than 60 days after the end of the agreed delivery period in which delivery has been made or later than 60 days after the date on which the amount payable on the delivery note or invoice for that delivery period is set, whichever of those two dates is the later.

(7) For the purposes of payment period from paragraph (6) of this article, the agreed delivery periods shall consider any event not to exceed one month.

(8) Where the supply agreement does not provide delivery on regular basis, the terms and period for payment of the delivered perishable agricultural and food products from paragraph (2) item 4) of this article shall not be later than the days set in paragraph (6) indent 1) of this article.

(9) Where the supply agreement does not provide delivery on regular basis, the terms and period for payment of other agricultural and food products from paragraph (2) point 4) of this article that are not considered perishable products, shall not be later than the days set in paragraph (6) indent 2 of this article.

(10) In exception of paragraphs (6), (8) and (9) of this article, when the buyer sets the amount payable, the payment period shall start to run from the end of the agreed delivery period on regular basis and the payment period shall start to run from the date of deliveries have been made on irregular basis, as set in the supply agreement of agricultural and food products.

(11) The provisions of paragraphs (6), (7), (8), (9) and (10) of this article, shall not apply in the supply agreements of agricultural and food products, to payments:

- made by the buyer to supplier in the framework of school programs in educational institutions (kindergartens, preschool institutions and primary and secondary education institutions) for purchasing products of fruit and vegetable sector and its processing and milk and milk products, that are considered aid;
- made by public authorities providing healthcare that supply agricultural and food products and
- between suppliers of grapes or must for wine production and their direct buyers, provided that the specific terms of payment for sale are included in the supply agreements and are multiannual, in accordance with established business practices.

(12) What is not regulated by this Law in relation to supply agreements of agricultural and food products between the buyer and supplier, shall apply the provisions of the Law on Obligation Relations.



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Prohibited unfair trading practices

Article 8

(1) Regardless of the negotiation power in Article 6 of this Law, unfair trading practices in relation between the buyer and the supplier are considered prohibited trading practices, when the buyer:

1. cancels orders of perishable agricultural and food products in less than 30 days from the date of the order, so that the supplier cannot reasonably be expected to find an alternative means to commercializing or using those products;
2. unilaterally changes the terms in the supply agreements of agricultural and food products that concern the method, place, timing or volume of supply or delivery of the agricultural and food products, the quality standards, the terms of payment or the prices for providing services;
3. requires payments from the supplier that are not related to the sale of agricultural and food products of the supplier;
4. requires payments from the supplier for the deterioration and/or loss of the agricultural and food products that are located on the buyer's premises or after ownership has been transferred to the buyer, where such deterioration or loss is not caused by the supplier's negligence or fault, unless the product has a hidden defect;
5. refuses to confirm in writing the terms of a supply agreement for which the supplier has asked for written confirmation, unless the supply agreement of agricultural and food products concerns products to be delivered by a member of a producer organization and a cooperative, to the producer organization of which the supplier is a member, if the provisions in their statutes is having similar effects to the terms of the supply agreement of agricultural and food products;
6. unlawfully acquires, uses or discloses the trade secrets of the supplier;
7. threatens the supplier to carry out acts of commercial retaliation if the supplier exercises its contractual and legal rights, including by filing a complaint to the Commission for Protection of Competition for initiation of a procedure or complaint or by cooperating with the Commission for Protection of Competition during the procedure;
8. requires compensation from the supplier for the costs of examining consumer complaints relating to the sale of the supplier's products despite the absence of negligence or fault of the supplier;
9. requires compensation from the supplier for introducing a new agricultural and food product into the sales network and for expanding the customer's sales network, arranging new and rearranging the customer's existing sales points, expanding the customer's storage capacity and expanding the customer's distribution network;
10. requires from the supplier to agree on fictive services that will not be provided, for which there is no other reason than delaying the payment deadline;
11. requires charges from the supplier for concluding an supply agreement of agricultural and food products;
12. requires from the supplier to conclude an agreement and business collaborations for compensation of agricultural and food products and services;
13. requires from the supplier not to sell agricultural and food products to other buyers at lower prices than those agreed to be paid by the buyer, and the supplier must not require from the buyer to buy products that are not required;
14. requires payment from the supplier for reduced income of the buyer due to reduced sales or margin of a certain agricultural or food product;
15. requires charges from the supplier for delivery of agricultural and food products to the place of delivery or outside the agreed place of delivery, except in cases when the buyer carries out its own distribution considering own funds and resources instead of supplier;
16. requests charges from the supplier for market research, in relation to the supply and demand of certain agricultural and food products;
17. unilaterally deletes products from the list of agreed products that the supplier delivers to the buyer or significantly reduces orders of individual agricultural and food products, without previously noticing the supplier in writing, in period less than 30 days;
18. requires charges from the supplier for additional analyzes of the quality of agricultural and food products,



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unless the additional analyzes determine that the supplier's product does not meet the agreed quality, where the costs of the additional analyzes must not be higher than the costs of the buyer;

19. requires charges from the supplier for services not providing;

20. returns unsold agricultural and food products to the supplier without paying for those products or without paying for the disposal of those products;

21. requires payment from the supplier for stocking, displaying or listing its agricultural and food products on shelves at the buyer's point of sale;

22. requires from the supplier to bear all or part of the costs of any discounts on agricultural and food products that are sold as part of a promotion;

23. requires from the supplier to pay for the advertising of agricultural and food products that are advertised;

24. requires from the supplier to pay for the marketing of agricultural and food products that are carried out;

25. requests from the supplier charges for staff for fitting-out premises for sale of supplier's agricultural and food products, and

26. requires from the suppliers to impose other charges and payments when concluding a supply agreement of agricultural and food products.

(2) With exception of paragraph (1) item 22) of this article, it is not considered an unfair trading practice when the supplier request from the buyer in writing in a clear and unambiguous manner to specify the period of the promotion (promotional, action and seasonal sales) and the quantity of agricultural and food products to be ordered from the supplier at discounted price.

(3) In case of paragraph (2) of this article, by request of the supplier, the buyer is obliged to provide a data to the supplier of the quantities sold at the discounted price, after the end of the promotion period.

(4) When the supplier at the buyer's request has delivered a quantity more than the quantity sold to consumers during the promotion, the buyer must pay to the supplier the rest of delivered quantity that was not sold at regular price after the promotion.

(5) With exception of paragraph (1) points 21), 23), 24) and 25) of this article, it is not considered as prohibition of unfair trading practice when the supplier obligatorily requests from the buyer in a clear and unambiguous way in writing in the supply agreement, to state an objective and reasonable estimate of costs and payment per unit, or the overall payment, according to the price list of the buyer.

(6) The exceptions from paragraph (5) of this article and the rebates that the supplier shall allow to the buyer must not exceed 10% of the turnover counted in the current year, and it must be clearly noted in the supply agreement of agricultural and food products.

CHAPTER III COMPETENT AUTHORITY AND MISDEMEANOUR PROCEDURE

Article 9

(1) Enforcement of the provisions of this Law is carried out by the Commission for Protection of Competition.

(2) The Commission for Protection of Competition controls the implementation of the provisions of this Law.

(3) For misdemeanors defined by this Law, the competent misdemeanor body is the Commission for Protection of Competition.

Competences for misdemeanor

Article 10

For misdemeanors defined in this Law, misdemeanor procedure in competences of the Commission for Protection of Competition are conducted and misdemeanor sanctions are imposed by the Commission for misdemeanor matters.

Implementation of the Law

Article 11

The Commission for Protection of Competition for deciding on misdemeanor and taking misdemeanor procedure, accordingly applies the provisions of the Law on Protection of Competition and the Law on General Ad-



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ministrative Procedures, unless by this law and the law on misdemeanor is determined otherwise.

Initiation of misdemeanor procedure

Article 12

- (1) Misdemeanor procedure before the Commission for misdemeanor matters is initiated ex officio or at the request of a natural or legal person that have a legitimate interest for determining an existence of a misdemeanor.
- (2) The Commission for misdemeanor matters initiates the misdemeanor procedure by procedural order, against which no appeal is allowed, or legal action for instituting an administrative dispute.
- (3) The procedural order for initiating a procedure must contain:
 - 1) number of the subject to which the procedural order refers;
 - 2) provisions of the law on the basis of which the procedure is initiated;
- (3) description of the facts and circumstances due to which the Commission for misdemeanor matters initiates a procedure;
- (4) request for submitting of necessary data, according to Article 18 of this Law.
- (4) The procedural order on initiation of procedure shall be submitted to the person against it has been initiated and to the complainant, if the procedure is initiated at the request of a natural or legal person that have a legitimate interest for determining an existence of a misdemeanor.
- (5) The person against to whom a procedure is initiated has the right to give an answer within eight days from the day of receiving the procedural order for initiating of the procedure. By exception, at the request of the person to whom against the procedure is initiated, the deadline can be extended by maximum of 15 days, if there are justified reasons for that.
- (6) The misdemeanor procedure initiated before the Commission for misdemeanor matters must be completed within three months.

Content of the request for initiation of misdemeanor procedure at the request of a natural or legal person

Article 13

- (1) The request for initiation of misdemeanor procedure submitted by a natural or legal person that have a legitimate interest in determining an existence of misdemeanor must contain:
 - 1) company and headquarters of the legal entity, that is, name, surname and address of the natural person-submitter of the request and description of the circumstances from which the legitimate interest for submitting the request arises;
 - 2) data of the person against to whom the request is submitted;
 - 3) factual description of the misdemeanor from where the legal elements of the misdemeanor are, the time, place and way of performing and other circumstances necessary to determine the misdemeanor closely;
 - 4) the evidence that shall be provided;
 - 5) signature of the submitter to the request.
- (2) Along to the request from paragraph (1) of this article, evidences are attached.
- (3) If the request from paragraph (1) of this article contains data that according to the submitter is a business secret, it is obliged those data clearly to mark and to notify the legal basis for its marking as a business secret.
- (4) When submitting a request for initiation of misdemeanor procedure that contains data that are business secret, accordingly are applied provisions of article 18 paragraphs (4), (5) and (6) of this law.
- (5) If the submitter of the request from paragraph (1) of this article wishes to stay anonymous or a request is submitted without containing data about the submitter of the request, the Commission for misdemeanor matters carries out the procedure ex officio, if determines that there are possible unfair trading practices in the supply chain of agricultural and food products.

Supplementing of the request for initiation of misdemeanor procedure submitted by a natural or legal person

Article 14

- (1) If the request for initiation of misdemeanor procedure does not contain data as stated in Article 13 of this Law, the Commission for misdemeanor matters shall request from the submitter to supplement it.



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(2) If the submitter of the request does not act within 15 days from the day of receiving the request to supplement it, it is considered that the submitter withdraws the request.

Withdrawing from the request for initiation of misdemeanor procedure submitted by a natural or legal person

Article 15

- (1) If the procedure is initiated at the request of a natural or legal person, the request may be withdrawn during the entire procedure.
- (2) When the procedure is initiated at the request of a natural or legal person and the request is withdrawn, the Commission for misdemeanor matters brings a procedural order for closing the procedure.
- (3) The Commission for misdemeanor matters may continue the procedure from paragraph (1) of this article ex officio, if there is a suspicion of conduct of unfair trading practices in the supply chain of agricultural and food products.
- (4) When the procedure is initiated ex officio, the Commission for misdemeanor matters can close the procedure with a procedural order.
- (5) Against the procedural order for closing the procedure from paragraphs (2) and (4) of this article, may file a legal action for instituting an administrative dispute to the court competent for deciding on administrative disputes within 30 days from the day of receiving of the procedural order.

Dismissal of request for initiation of misdemeanor procedure submitted by a natural or legal person

Article 16

- (1) If the Commission for misdemeanor matters determines that there are no legal conditions for initiating a procedure, the request from Article 13 of this Law shall be dismissed by means of procedural order.
- (2) There are no legal conditions for initiating a procedure, if:
 - 1) the action described in the request is not a misdemeanor;
 - 2) the request was submitted by a person that have no legitimate interest for determining a misdemeanor;
 - 3) the request is not supported by evidence;
 - 4) obsolescence has occurred for initiation of misdemeanor procedure in accordance with Article 29 of this Law.
- (3) Against the procedural order for dismissal of the request from paragraph (1) of this article, may file a legal action for instituting an administrative dispute to the court competent for deciding on administrative dispute within 30 days from the day of receiving that procedural order.
- (4) The procedural order from paragraph (1) of this article does not have to contain an assessment of every allegation contained in the request for initiating a procedure, but it must contain clearly stated reasons for dismissal of the request.

Participants in misdemeanor procedure

Article 17

Participants in misdemeanor procedures are:

- person to whom is initiated a misdemeanor procedure, and
- submitter of request for initiating a misdemeanor procedure from Article 13 of this Law.

CHAPTER IV EVIDENTARY PROCEDURE

Requesting Data

Article 18

- (1) In order to perform powers confer by this law, the Commission for misdemeanor matters may require from the buyer and the supplier by means of procedural order to submit data regarding its economic and financial situation, its business relations and connections, data of its statutes and decisions, number and identity of persons who are affected by such decisions and other data required for conducting the procedure.



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(2) The procedural order for request of data contains legal basis, purpose of the request, exact specification of data that is required, period for submitting the requested data, as well failure to submit data within the requested period, submission of incorrect, incomplete or data that may cause the Commission for misdemeanor matters to mislead or delusion, is considered as misdemeanor, in accordance with Article 27 of this Law.

(3) Against the procedural order from paragraph (1) of this article, no appeal is allowed, or a legal act for initiating an administrative dispute.

(4) If some data from paragraph (1) of this article are business secret, the buyers and suppliers are obliged to mark those clearly and to indicate the legal basis for its marking as a business secret.

(5) When submitting data that are business secret, the buyer and supplier from paragraph (1) of this article are obliged to submit to the Commission for misdemeanor matters a copy with data that are business secret (confidential version) and a copy where data as business secret are deleted (non-confidential version).

(6) If the buyer and supplier do not act according to paragraph (5) of this article and submit only a confidential version of the requested data, marking the data as a business secret, Commission for misdemeanor matters shall request to submit a non-confidential version of the requested data, within three days from the day of receiving the request. If the buyers and suppliers do not submit a non-confidential version of the requested data within that period, the Commission for misdemeanor matters shall consider that the submitted data do not contain data that are business secret.

Obtaining evidence on the spot (premises)

Article 19

(1) If there is a justified suspicion that a certain buyer, i.e. supplier possesses documents or other items or information that may be relevant to prove the existence of misdemeanor, the Commission for misdemeanor matters may by procedural order to the buyer, i.e. the supplier, to the authorized persons from the Commission for the Protection of Competition and to the persons accompanying them, as necessary:

1) to enable unhindered access to any business premises, land or means of transport of the buyer, i.e. the supplier from paragraph (1) of this article, which are important for determining the existence of misdemeanor;

2) to allow unhindered examination of books or other documentation that are important for determining the existence of misdemeanor, irrelevant of the medium where are stored;

3) to enable to take or keep in any form copies or extracts from those books or documentation;

4) to allow to temporarily take and keep the books or other documentation relevant for determining the existence of a misdemeanor for the period necessary for coping them, if they cannot be copied on the spot. For such confiscation and retention, the authorized persons of the Commission for Protection of Competition shall issue a written confirmation describing the seized books and other documentation and shall indicate where they have been found;

5) to allow to temporarily take and keep objects, books or other documentation which are relevant for determining the existence of a misdemeanor for a period necessary for determining the relevant facts and evidence arising from such objects, books and documentation, but not longer than the effective finalizing of the procedure. For such confiscation and retention, the authorized persons of the Commission for Protection of Competition shall issue a written confirmation describing the seized objects, books and other documentation and shall indicate where they have been found;

6) to allow to seal the business premises and books or other documentation without interruption for a period and to the extent necessary for the examination, but not longer than seven days;

7) an authorized person or other employee of the buyer, i.e., the supplier, by procedural order to provide an explanation of the facts or documents relevant for determining the existence of a misdemeanor;

8) an authorized person or other employee of the buyer, i.e. the supplier, to submit a written explanation of the facts or documents relevant for determining the existence of a misdemeanor within a certain period, and

9) to enable unhindered performance of other actions relevant for determining the existence of a misdemeanor.

(2) The procedural order from paragraph (1) of this article contains the legal basis, subject and purpose of the action, name and surname of the authorized persons from the Commission for Protection of Competition performing the actions from paragraph (1) of this article, time and place of performance of the actions from para-



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graph (1) of this article and the failure to enable the authorized persons from the Commission for Protection of Competition to perform the actions from paragraph (1) of this article is a misdemeanor, according to Article 27 of this Law.

(3) Against the procedural order from paragraph (1) of this article, no appeal is allowed, or a legal act for initiating an administrative dispute.

(4) If some of the data and documentation from paragraph (1) of this article, taken or kept by the authorized persons of the Commission for Protection of Competition are business or official secret, the legal and natural persons from paragraph (1) of this article may within eight days from the day of performing the actions from paragraph (1) of this article, to inspect the taken or kept data and documentation, to clearly mark the data and documentation that are business secret and indicate the legal basis for its marking as such.

(5) If the buyer, i.e., the supplier from paragraph (1) of this article, fails to act in accordance with paragraph (4) of this article, it shall be considered that the data collected and the documentation do not contain data that are business secret.

(6) When performing actions from paragraph (1) of this article, the authorized persons of the Commission shall keep minutes of the undertaken actions.

(7) If, during the performance of the actions referred to in paragraph (1) of this article, there is a risk of concealment, modification or destruction of documents or objects that may be relevant for determining the existence of misdemeanor, during the performance of the actions referred to in paragraph (1) of this article, the Commission for Protection of Competition shall seek assistance from the state authority responsible for the performance of public order and peace.

(8) If the buyer, i.e., the supplier from paragraph (1) of this article, does not allow the authorized persons of the Commission for Protection of Competition to perform the actions from paragraph (1) of this article, the authorized persons of the Commission for Protection of Competition shall perform the necessary actions even against the will of the supplier, i.e. the buyer from paragraph (1) of this article, with the assistance of representatives from state authority responsible for public order and peace.

Interim measures

Article 20

(1) In case of urgency, when there is a risk of causing serious and irreparable damage to the supplier, the Commission for misdemeanor matters may ex officio, with a decision, and based on its initial information of existence of misdemeanor, order interim measure to the buyer that by its conduct, may cause serious and irreparable damage to the supplier.

(2) In the decision from paragraph (1) of this article, the Commission for misdemeanor matters shall order the cessation of certain actions, the fulfillment of certain conditions, or other measures necessary for preventing from unfair trading practices and shall determine the duration of the measures, which shall be proportionate and suitable to the goal that has to be attained by the ordered interim measures.

(3) If it is necessary and appropriate for prevention from unfair trading practices, the Commission for misdemeanor matters may by decision alter the already defined measures from paragraph (2) of this article and/or modify their duration.

Statement of determining factual situation

Article 21

(1) For the purpose of providing the participants to the procedure the possibility to state the facts and circumstances relevant for determining the factual situation, prior to scheduling the oral hearing, the Commission for misdemeanor matters shall submit to the participants a statement of the factual situation up to then.

(2) The participants to the procedure shall have the right to state in writing the allegations contained in the statement from paragraph (1) of this article, to provide their remarks and to propose evidence available at their disposal, which according to them are relevant for correct determination of the actual situation, within 15 days from the day of receiving the statement.



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Undertaking of obligations

Article 22

(1) After the initiation of the procedure referred to in Article 12 of this Law, the person against whom a procedure has been initiated may, within 60 days from the day of receiving the procedural order for the initiation of the misdemeanor procedure, offer to the Commission for misdemeanor matters a proposal for undertaking obligations in the form of execution of certain measures and conditions, as well deadlines for its fulfilling, in order to overcome the circumstances that lead to unfair trading practices and were reason for the initiation of the misdemeanor procedure.

(2) The Commission for misdemeanor matters, depending on the severity of the distortion, the scope of the distortion and the duration of the distortion, which are determined in the misdemeanor procedure, shall evaluate whether the proposed measures, conditions and deadlines from paragraph (1) of this article are sufficient to overcome the circumstances that lead to unfair trading practices and the reason for initiation of the misdemeanor procedure. If the Commission for misdemeanor matters considers that are sufficient, by procedural order accepts the offered obligations from paragraph (1) of this article. The procedural order in which are accepted the offered obligations contains a description of the obligations, the conditions and deadlines for its fulfilling and the obligation of the person against whom the procedure has been initiated to provide evidence that the obligations are fulfilled. Against this procedural order, no appeal or legal action on instituting an administrative dispute is allowed.

(3) The procedure before the Commission for misdemeanor matters shall be adjourned until the expiry of the deadline determined in the procedural order of paragraph (2) of this article. If, after the expiry of that term, no evidence is presented that the obligations have been fulfilled, the procedure before the Commission for misdemeanor matters shall continue.

(4) If the Commission for misdemeanor matters finds that there are no legal conditions for conducting a procedure due to the fulfillment of the undertaken obligations from paragraph (1) of this article, it shall terminate the procedure with a procedural order against which a legal action can be filed for the instituting an administrative dispute before a competent court within 30 days from the day of receiving the procedural order.

(5) The Commission for misdemeanor matters by procedural offer shall not accept the offered obligations, measures, conditions and deadlines from paragraph (1) of this article, if determines that are not sufficient to overcome the circumstances that lead to unfair trading practices and the reason for the initiation of the misdemeanor procedure. Against this procedural order, no appeal or legal action is allowed on instituting an administrative dispute.

Oral hearing

Article 23

(1) The Commission for misdemeanor matters shall decide to hold an oral hearing if it is necessary to determine the factual situation.

(2) The person against whom the procedure has been initiated and the submitter of the request for the initiation of a procedure shall be summoned to the oral hearing, if the procedure has been initiated at the request of a legal or natural person.

(3) In addition to the persons from paragraph (2) of this article, other persons may be also summoned to the oral hearing.

Decisions of the Commission for misdemeanor matters

Article 24

(1) After the Commission for misdemeanor matters fully determines the factual situation relevant for correct decision-making, it shall adopt:

1) a decision whereby it shall determine that the person against whom the procedure has been initiated has committed a misdemeanor stipulated by the provisions of this law and shall impose an appropriate misdemeanor sanction, or

2) a decision whereby it shall determine that the person against whom the procedure has been initiated has not



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committed a misdemeanor stipulated by the provisions of this law.

(2) Decisions from paragraph (1) of this Article are brought by the Commission for misdemeanor matters within 60 days from the day of receiving the statement of the determined factual situation from article 21 of this law.

Judicial protection in misdemeanor procedure

Article 25

(1) Decisions of the Commission for misdemeanor matters are final. A legal action may be filed against such decisions on instituting an administrative dispute before the competent court.

(2) The legal action on instituting an administrative dispute from paragraph (1) of this article shall be submitted within 30 days from the day of receiving the decision and it shall defer the enforcement of the decision.

CHAPTER V MISDEMEANOR PROVISIONS

Serious misdemeanor

Article 26

(1) A fine in amount of 1,000 to 2,000 euros in denars equivalent value for micro trader, a fine in amount of 2,000 to 4,000 euros in denars equivalent value for small trader, a fine in amount of 6,000 to 12,000 euros in denars equivalent value for medium trader and a fine in amount of 10,000 to 20,000 euros in denars equivalent value for large trader, will be imposed against a misdemeanor to legal entity that, in its capacity of a buyer, uses significant negotiating power towards its suppliers by imposing unfair trade practices, if:

- 1) in the supply agreement are not determined the general business conditions between the contracting parties in clear and unambiguous manner, according to Article 7 paragraphs (3), (4) and (5) of this Law;
- 2) do not respect the conditions and terms of payment according to Article 7 paragraphs 6, 7, 8, 9, 10 and 11 of this Law;
- 3) acts contrary to any prohibition on unfair trading practices from Article 8 paragraph (1) of this Law;
- 4) does not comply with the obligation from Article 8 paragraphs (2), (3) and (4) of this Law;
- 5) does not comply with obligation from Article 8 paragraph (5) of this Law;
- 6) acts contrary to Article 8 paragraph (6) of this Law.

(2) A fine in amount of 50 to 100 euros in denars equivalent value for micro trader, a fine in amount of 100 to 200 euros in denars equivalent value for small trader, a fine in amount of 200 to 350 euros in denars equivalent value for medium trader and a fine in amount of 350 to 500 euros in denars equivalent value for large trader, will be imposed to the responsible person in the legal entity for actions from paragraph (1) of this article.

(3) A fine in amount of 300 to 500 euros in denars equivalent value will be imposed to the sole proprietor-trader for actions from paragraph (1) of this article.

(4) A fine in amount of 300 to 500 euros in denars equivalent value will be imposed to the natural person for actions from paragraph (1) of this article.

Procedural misdemeanor

Article 27

(1) A fine in amount of 500 to 750 euros in denars equivalent value for micro trader, a fine in amount of 1,000 to 1,500 euros in denars equivalent value for small trader, a fine in amount of 3,000 to 4,000 euros in denars equivalent value for medium trader and a fine in amount of 5,000 to 6,000 euros in denars equivalent value for large trader, will be imposed on the legal entity for misdemeanor, if:

- 1) fails to act pursuant to the procedural order of the Commission for misdemeanor matters for submitting data within the determined deadline according to Article 18 paragraph (2) of this Law;
- 2) submits incorrect, incomplete or misleading data to the Commission for misdemeanor matters according to Article 18 of this Law;
- 3) fails to act pursuant to the procedural order according to Article 19 of this Law;
- 4) fails to provide unhindered access to any business premises, land or means of transportation of a certain buyer



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or supplier according to Article 19 paragraph (1) point 1) of this Law;

5) fails to provide unhindered examination of books or other documentation according to Article 19 paragraph (1) point 2) of this Law;

6) fails to provide unhindered taking or keeping of objects, books, other documentation, in any form, copies or extracts from books or other documentation according to Article 19 paragraph (1) point 3), 4) and 5) of this Law;

7) fails to provide unhindered sealing according to Article 19 paragraph (1) point 6) of this Law;

8) unseals the sealing performed according to Article 19 paragraph (1) point 6) of this Law;

9) an authorized person or another employee refuses to provide explanations regarding certain facts and circumstances according to Article 19 paragraph (1) point 7) and 8) of this Law;

10) an authorized person or another employee provides incorrect, incomplete or misleading data to the Commission for misdemeanor matters according to Article 19 paragraph (1) point 7) and 8) of this Law and

11) fails to provide unhindered performance of other actions according to Article 19 paragraph (1) point 9) of this Law.

(2) A fine in amount of 50 to 100 euros in denars equivalent value for micro trader, a fine in amount of 100 to 200 euros in denars equivalent value for small trader, a fine in amount of 200 to 350 euros in denars equivalent value for medium trader and a fine in amount from 350 to 500 euros in denars equivalent value for large trader, will be imposed to the responsible person in the legal entity for actions from paragraph (1) of this article.

(3) A fine in amount of 300 to 500 euros in denars equivalent value will be imposed to the sole proprietor - trader for actions from paragraph (1) of this article.

(4) A fine in amount of 300 to 500 euros in denars equivalent value will be imposed to the natural person for the offense for actions from paragraph (1) of this article.

Determination of fine

Article 28

(1) When determining a fine, the following account shall be taken of:

1) the seriousness of the misdemeanor;

2) the duration of the misdemeanor, and

3) the extension of distortion and the consequences caused by the misdemeanor.

(2) The Commission for misdemeanor matters, when determining a fine, shall first determine the basic amount of the fine, and then shall adjust it taking into consideration the mitigating or aggravating circumstances.

(3) The mitigating circumstances that are taken into account when determining a fine, in particular, are:

1) if the perpetrator of the misdemeanor presents proof that has terminated the actions which constitute a misdemeanor at the moment when the Commission for misdemeanor matters has initiated a misdemeanor procedure;

2) if the perpetrator of the misdemeanor cooperated effectively with the Commission for misdemeanor matters;

3) if the determined prohibited unfair trading practice, which, although agreed, is not yet implemented in the business relation.

(4) The aggravating circumstances that are taken into account when determining a fine shall in particular, are:

1) if the Commission for misdemeanor matters has determined that a misdemeanor stipulated by the provisions of this law has been committed, and the perpetrator of the misdemeanor continues to commit the misdemeanor or repeats the same or similar misdemeanor.

2) if the perpetrator of the misdemeanor has refused to cooperate or has impeded the Commission for misdemeanor matters from conducting the procedure;

3) if the perpetrator of the misdemeanor has undertaken actions directed at encouraging other enterprises to take part in the misdemeanor and/or has taken any vindictive measures against other legal and natural persons in order to coercing them into taking actions which constitute a misdemeanor.

4) fails to act on the procedural order by which the Commission for misdemeanor matters has accepted the offered obligations, according to article 22 paragraph (2) of this law.



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Statute of Limitation

Article 29

- (1) Misdemeanor procedure may not be initiated or conducted if:
- three years regarding the misdemeanor referred to in Article 27 of this Law and
 - five years regarding the misdemeanor referred to in Article 26 of this Law.
- (2) The deadline for limitation shall begin to run from as of the day of committing the misdemeanor. Should it concern a continuation or repeated misdemeanor, the deadlines for limitation shall begin to run as of the day when the misdemeanor was terminated.
- (3) The imposed misdemeanor sanction may not be enforced if two years elapsed as of the day of effectiveness of the decision establishing the existence of a misdemeanor.
- (4) The limitation for initiation of misdemeanor procedure and limitation of execution of misdemeanor sanction occurs in any case when elapses twice the time legally required for the limitation of the initiation of misdemeanor procedure, that is, the limitation of execution of the misdemeanor sanction.

CHAPTER VI PUBLICATIONS

Decisions and Data subject to publishing on the website of the Commission for Protection of Competition

Article 30

- (1) The decisions of the Commission for misdemeanor matters, the judgments, i.e., decisions of the court, as well Annual Work Report of the Commission for Protection of Competition shall be published on the website of the Commission for Protection of Competition.
- (2) The Annual Work Report of the Commission for Protection of Competition, which is submitted to the Parliament of the Republic of North Macedonia, according to Article 26 paragraph (6) of the Law on the Protection of Competition, also contains data of number of received requests for the initiation of misdemeanor procedures and petitions, as well number of initiated and completed procedures during the previous year, in accordance with this law.
- The Report contains a brief description of the subject and the decision made for each completed procedure.
- (3) The published text of the decision must contain names of the participants in the procedure and the basic content of the decision.
- (4) Data regarded as business or official secrets, as obtained according to Article 13 paragraph (3), Article 18 paragraph (4) and Article 19 paragraph (4) of this Law, shall not be published.

CHAPTER VII COOPERATION OF THE COMMISSION FOR PROTECTION OF COMPETITION WITH THE EUROPEAN COMMISSION AND AUTHORITIES OF EU MEMBER STATES AND NOTIFICATION

Cooperation with the European Commission and the authorities of EU Member States

Article 31

The Commission for Protection of Competition cooperates with the European Commission and the competent authorities relevant for supervision of the application of prohibition of unfair trading practices in the Member States of the European Union, in the procedures for identifying unfair trading practices in the supply chain of agricultural and food products, and in particular exchange of information and experiences on best practices, new cases and new developments in the area of unfair trading practices, as well implementing measures that are adopted in the procedure for determining unfair trading practices in the supply chain of agricultural and food products and providing assistance in the procedures for determining unfair trading practices that have a cross-border dimension.



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Reporting to European Commission on the work of the Commission for Protection of Competition

Article 32

(1) The Commission for Protection of Competition is committed by 15 March of each year, for the purpose of informing the European Commission, shall submit annual report on unfair trading practices in business relations of buyers and suppliers in the supply chain of agricultural and food products.

(2) The annual report from paragraph (1) of this article shall contain, in particular, data on concerned initiated and completed misdemeanor procedures during the previous year.

CHAPTER VIII

TRANSITIONAL AND FINAL PROVISIONS

Coordination of operation of the Commission for Protection of Competition

Article 33

(1) The statute and general acts of the Commission for Protection of Competition shall comply with the provisions of this law within six months from the date of entry into force of this Law.

(2) The Commission for Protection of Competition is obliged within six months from the date of entry into force of this law to accommodate its operation, organization and functioning in accordance with the provisions of this Law.

Compliance of operations of suppliers and buyers

Article 34

Suppliers and buyers who concluded supply agreements of agricultural and food products before the date of entry into force of this law are committed to comply with the provisions of this law within six months from the date of entry into force of this Law.

Bylaw

Article 35

The List of agricultural and food products from Article 5 of this Law shall be adopted within three months from the date of entry into force of this Law.

Delayed application

Article 36

The provisions of Article 2 paragraph (1) of this Law that refer to the sale of agricultural and food products where the buyer and the supplier are established in Member States of the European Union or in third countries, as well Articles 31 and 32 of this Law shall become applicable on the day of accession of the Republic of North Macedonia to the European Union.

Entry into force

Article 37

This Law shall enter into force on the eighth day from the day of its publication in the "Official Gazette of the Republic of North Macedonia".