



REPUBLIC OF CROATIA
MINISTRY OF THE SEA, TRANSPORT
AND INFRASTRUCTURE

POSTAL SERVICES ACT
(OG No. 88/09)



Zagreb, July 2009

Postal Services Act

I GENERAL PROVISIONS

Content of the Act

Article 1

(1) This Act regulates postal services and the conditions for their provision, it lays down the rights, obligations and responsibilities of providers and users of postal services, it regulates the tasks of the Croatian Post and Electronic Communications Agency in the part pertaining to regulatory tasks concerning postal services, inspection and expert supervision in the area of postal services, and it regulates other matters related to the provision of postal services.

(2) The provisions of this Act shall apply to all postal service providers and to services in international postal traffic, if not otherwise stipulated by the acts of the Universal Postal Union.

Definition of terms

Article 2

(1) For the purpose of this Act, certain terms shall have the following meaning:

1. **address** shall mean any set of markings on a postal item indicating the addressee and the point of delivery of the item. Addressing of mail shall be specified in more detail in the general conditions of a postal service provider,

2. **acts of the Universal Postal Union** shall mean international agreements and regulations passed by the bodies of the Universal Postal Union that apply to postal services in international postal traffic,

3. **price list of postal services** shall mean a price list of postal services according to which a postal service provider charges these services,

4. **a postal service provider** shall mean any legal or natural person providing postal services pursuant to the provisions of this Act,

5. **license** shall mean an administrative act issued by the Croatian Post and Electronic Communication Agency to a postal service provider for the provision of universal postal services,

6. **apartment building** shall mean any apartment building or commercial and residential building, with one or several apartments, or a family house,

7. **direct mail** shall mean an addressed postal item consisting solely of advertising, marketing or publicity material comprising an identical message, except for the addressee's name, address and identifying number as well as other modifications which do not alter the nature of the message, which is sent in at least 500 copies. Bills for utilities and other services, and other invoices, financial and other statements shall not be regarded as direct mail,

8. **public operator** shall mean HP – Croatian Post Inc.,

9. **Commission** shall mean Commission of the European Communities,

10. ***user of postal services*** shall mean any legal or natural person benefiting from postal services either as a sender or an addressee of a postal item,

11. ***house mailbox*** shall mean any letter-box used for the delivery of any postal items to an addressee and which is placed in the apartment building or at the entrance to its courtyard,

12. ***parcel*** shall mean any postal item that contains goods and articles,

13. ***item of correspondence*** shall mean any communication in written form impressed on paper or on any kind of medium to be conveyed and delivered at the address indicated by the sender on the item itself or on its wrapping. Bills for utilities and other services, and other invoices, financial and other statements shall be regarded as items of correspondence. Direct mail and items containing printed matter shall not be regarded as items of correspondence,

14. ***sender*** shall mean any legal or natural person that sends a postal item and that is the holder of all contractual rights and obligations until appropriate delivery of the postal item concerned,

15. ***postal item of the fastest category*** shall mean any item where the universal postal service provider offers a faster sorting and transport of items compared to other mail. In the case where the universal postal service provider has only one way of handling mail, that way shall be considered to be the fastest,

16. ***insured item*** shall mean any postal item whose content the sender insured up to the value declared by the sender in case of loss, theft or damage,

17. ***public operator's postal network*** shall mean the facilities, equipment and resources that are interconnected in an integral technical and technological entity with the objective in particular of providing universal postal services throughout the entire territory of the Republic of Croatia,

18. ***postal item*** shall mean any item addressed in the final form in which it is to be carried by the postal service provider. Postal items are items of correspondence, parcels, registered mail, insured items, cecograms, direct mail and printed matter,

19. ***postal service*** shall mean any service involving the clearance, sorting, transport and delivery of postal items in national and international postal traffic. Clearance, transport and delivery of postal items directly from the sender to the addressee, without the sorting, meaning that the same worker of the service provider performs all the above tasks (courier services), and the service of the transport of items, shall not be considered to be postal services,

20. ***letter-box*** shall mean any post box in which users of postal services may deposit regular postal items in order for the postal service provider to distribute them to recipients,

21. ***acknowledgement of receipt*** shall mean an acknowledgement issued by a postal service provider to a sender during clearance of a certain postal item,

22. ***registered item*** shall mean any item for which a sender is issued the acknowledgement of receipt and which is delivered to the addressee after he signs it, and in the case of its loss, damage or reduced content stipulated indemnification is paid. The registered item shall also comprise an item for which the sender, after its delivery, is issued a document – delivery note or return receipt containing the information related to the delivery of item, in particular the date of delivery and signature of addressee,

23. ***receipt of postal items*** shall mean receiving of postal items from users of postal services. Postal items may be received by means of access points, at the sender's address via the workers of the postal service provider, in the manner set out in the provisions of this Act and general conditions of the postal service provider,

24. ***application for the provision of postal services*** shall mean an application which a legal or natural person submits to the Croatian Post and Electronic Communications Agency for the provision of other postal services,

25. **transport of postal items** shall mean preparation procedure for the transport and transport of individual or grouped postal items, and other procedures related to the routing of postal items from the point of clearance to the place of delivery,

26. **addressee** shall mean any legal or natural person to whom a postal item is addressed and to whom it should be delivered at the sender's request,

27. **access points** are physical facilities, mailboxes, shared letter-boxes and similar, used to collect postal items deposited by the users of postal services,

28. **cecogram** shall mean any addressed postal item intended for the blind and partially sighted persons, printed on paper or appropriate medium, or recorded on the appropriate electronic media,

29. **shared letter-box** shall mean the letter-box used by a postal service provider for the delivery and receiving of postal items from the users who are distant from populated areas, and it shall be put along the way or road, or on any other location appropriate for users and postmen,

30. **printed material** shall mean any printed publication published by a publisher daily, occasionally or in a specified period (newspapers and magazines),

31. **printed matter** shall mean any postal item containing books and printed material,

32. **universal postal services** shall mean a set of postal services of appropriate quality and at affordable prices, which are available to all users of postal services in the area where the licence has been issued, whereby the public operator must ensure availability of these services under equal conditions in terms of set quality and affordable prices to all service users throughout the territory of the Republic of Croatia,

33. **delivery of postal items** shall mean the delivery of postal items to the addressee or another authorised person at the recipient's address, by means of a house mailbox or shared letter-box, or in the business facility of the postal service provider,

34. **sorting of postal items** shall mean the procedure whereby the received postal items are sorted according to the address of the recipient of the item for the purpose of further transport,

35. **force majeure** shall mean an event that could not be foreseen, avoided or removed, resulting in the inability to provide postal services.

(2) The terms used in this Act in the masculine gender are neutral in meaning and shall apply equally to both male and female persons.

Interest of the Republic of Croatia

Article 3

(1) The provision of universal postal services shall be in the interest of the Republic of Croatia.

(2) Universal postal services must be ensured under equal conditions to all users of postal services throughout the entire territory of the Republic of Croatia. The universal postal service provider may discontinue providing such services only in the case of force majeure.

Article 4

(1) In case of a strike, the universal postal service provider shall transport and deliver postal items of the fastest category that were received before the strike.

(2) The public operator shall ensure, in case of a strike, the clearance, sorting, transport and delivery of postal items of the fastest category and other items which are specified by the minister responsible for postal services (hereinafter: the Minister) with prior opinion of the trade union.

Competent state bodies

Article 5

(1) The Government of the Republic of Croatia shall adopt strategies, guidelines and programmes establishing the basic principles and goals for the development of postal services in the Republic of Croatia.

(2) The Government of the Republic of Croatia shall adopt plans for the implementation of the established principles and goals of the policy for the development of postal services in the Republic of Croatia.

(3) The ministry responsible for postal services (hereinafter: the Ministry) shall draw up proposals for strategies, studies, guidelines, programmes and implementation plans referred to in paragraphs 1 and 2 of this Article, and in relation to their implementation it shall carry out the following tasks:

1. harmonise and supervise the work of all bodies competent for certain measures and activities in the implementation of strategies, guidelines, programmes and implementation plans referred to in paragraphs 1 and 2 of this Article,
2. it may give to the Croatian Post and Electronic Communications Agency (hereinafter: the Agency) guidelines and instructions for the implementation of the established principles and goals of the policy for the development of postal services, where such guidelines and instructions, which have to be made accessible to the public, must not affect the decision-making of the Agency in respective cases,
3. other tasks related to the implementation of the established principles and goals of the policy for the development of postal services.

(4) The Ministry shall prepare the regulations for the implementation of this Act which the Minister is entitled to pass under this Act. For the purpose of drafting proposals of these regulations and proposals of acts referred to in paragraph 3 of this Article, the Minister may establish commissions, appoint commission members and secretaries, regulate the way of work of commissions and determine remuneration for the members and secretaries for their work on the commissions.

(5) The Ministry shall represent the Republic of Croatia in European and international organisations and institutions for postal services, and it shall be responsible for the

implementation of international agreements, treaties and conventions concerning postal services. The Ministry and the Agency shall participate in the work of administrative and working bodies and working groups of these international organisations and institutions.

(6) The Ministry shall carry out inspection supervision in the area of postal services in accordance with the provisions of this Act and special regulations.

Relationship with other acts

Article 6

(1) The application of the provisions of this Act shall not affect the scope and jurisdiction of the competition authority established pursuant to a special Act.

(2) The application of the provisions of this Act shall not affect the obligation to deliver certain postal items in a different manner which is regulated in special acts.

(3) The application of the provisions of this Act shall not affect the application of the provisions of the act regulating customs and foreign exchange transactions.

(4) The application of the provisions of this Act shall not affect the obligation of a postal service provider to charge to the sender not only the price of the postal service but the amount stipulated in a special act.

(5) The application of the provisions of this Act shall not affect the application of the provisions of the act regulating the possibility to send dangerous goods which are exchanged by the competent state institutions, in the way and under the conditions stipulated in the act concerned.

(6) This Act shall not apply to the carriage of goods, supplies and freight in railway, road and other transport in accordance with special acts.

(7) In the implementation of the provisions of this Act, the Agency shall in particular cooperate with:

1. the competition authority by requesting the opinion of the authority concerned, or it shall propose that a procedure is initiated before the authority concerned in all cases of preventing or distorting competition, in accordance with the special act regulating competition,
2. the consumer protection authority, in accordance with the special act regulating consumer protection.

(8) In the application of the regulations referred to in paragraph 7 of this Article, the Agency shall provide to the authorities referred to in paragraph 7 of this Act appropriate professional and technical support, and it may conclude relevant cooperation agreements, where appropriate.

II POSTAL SERVICES

Postal services

Article 7

Postal services shall mean universal postal services and other postal services.

Universal postal services

Article 8

(1) The following postal services shall be considered to be universal postal services in national and international traffic:

1. the clearance, sorting, transport and delivery of items of correspondence, registered items and insured items up to 2 kilograms,
2. the clearance, sorting, transport and delivery of packages up to 10 kilograms, and the sorting, transport and delivery of packages up to 20 kilograms in international incoming traffic,
3. the clearance, sorting, transport and delivery of cecograms up to 7 kilograms, free of charge.

(2) Dimensions, equipment and other properties of postal items referred to in paragraph 1 of this Article shall be regulated by the acts of the Universal Postal Union.

(3) The public operator shall ensure to all users at least five workdays per week:

1. one clearance of a postal item,
2. one delivery of a postal item to home address or facilities of any natural or legal person.

(4) The provision of paragraph 3 of this Article does not have to apply in the case of special geographical or other circumstances.

(5) Standards and criteria to be fulfilled by the public operator's postal network, taking into account the density of population, area coverage and actual needs of the users, including special geographical or other circumstances for the provision of services referred to in paragraph 4 of this Article, shall be regulated in the Ordinance on the provision of universal postal services passed by the Agency.

(6) The public operator shall be the provider of all universal postal services and, pursuant to this Act, shall be entitled and obligated to provide these services throughout the territory of the Republic of Croatia.

(7) The Agency shall notify the Commission on the exemptions referred to in paragraph 4 of this Article.

Reserved universal postal services

Article 9

(1) Reserved universal postal services (hereinafter: reserved services) shall be considered to be the clearance, sorting, transport and delivery of items of correspondence, registered items and insured items up to 100 grams, in national traffic and international incoming traffic.

(2) Postal services referred to in paragraph 1 of this Article shall not be considered to be reserved services if the price is equal to or more than three times the public operator's tariff for the first weight step for an item of correspondence of the fastest category.

(3) The public operator shall have the exclusive right and obligation to provide reserved services throughout the territory of the Republic of Croatia.

Other postal services and additional services

Article 10

(1) Other postal services shall be considered to be value added postal services and other postal services that are not universal postal services.

(2) Value added postal services are the services which, along with the clearance, sorting, transport and delivery of items, comprise certain added value.

(3) The added value referred to in paragraph 2 of this Article shall in particular comprise the following:

1. clearance of the item based on the request of the service user,
2. possibility to monitor the transport and delivery of a postal item over the Internet or in another appropriate way,
3. possibility of direct communication with the worker of the postal service provider for the purpose of giving additional instructions concerning the delivery of an item,
4. agreed time of delivery of an item,
5. the delivery of an item to the addressee after he signs it.

(4) Additional services are the services comprising a special manner of treatment during the clearance, sorting, transport and delivery of items in the provision of universal postal services, value added postal services and other postal services that are not universal postal services.

Licence for the provisions of universal postal services

Article 11

(1) For the provision of universal postal services, a legal or natural person shall obtain a licence for the provision of universal postal services (hereinafter: the licence).

(2) The licence referred to in paragraph 1 of this Article shall be issued by the Agency at the written request of the legal or natural person, within 30 days following the receipt of the request.

(3) The request referred to in paragraph 2 of this Article must contain the following:

1. the name and seat of the legal person, or the name, family name and address of natural person,
2. the list of universal postal services and additional services associated with the universal postal services to be provided,
3. the area where universal postal services will be provided, in accordance with the ordinance referred to in Article 8, paragraph 5 of this Act,
4. the period in which he/she intends to start providing universal postal services.

(4) The following documents shall be enclosed to the request referred to in paragraph 2 of this Article:

1. the certificate from the appropriate register of legal or natural persons,
2. information about having at disposal the necessary parts of the postal network – a proof of having availability of the necessary parts of the postal network to provide certain universal postal services, including potential availability based on the agreement of lease of or access to the public operator's postal network, or a certified statement that these requirements will be fulfilled before the commencement of providing universal postal services,
3. proof of availability of the necessary financial resources,
4. personnel data – a proof of sufficient number of workers with relevant qualifications, or a certified statement that this requirement will be fulfilled prior to the commencement of providing universal postal services.

(5) The Agency shall refuse the request to issue a licence if it establishes that all the requirements for the issuance of the licence have not been complied with.

(6) The licence shall be issued for a period not longer than fifteen years.

(7) After expiry of the licence period, the Agency shall extend the licence at the request of the universal postal service provider, for a period not longer than fifteen years if all the requirements for the issuance of a new licence have been fulfilled.

(8) A universal postal service provider shall forthwith notify the Agency in writing on all changes occurred, but not later than 30 days following the occurrence of such changes.

(9) A universal postal service provider shall not be allowed to transfer the licence to another legal or natural person.

Content of licence

Article 12

The licence shall contain the right to provide certain universal postal services in a specified area, information on the holder of the licence, licence validity, and special rights and obligations to be fulfilled by the universal postal service provider.

Modifications to the licence

Article 13

(1) The licence may be modified at the request of the universal postal service provider or *ex officio*.

(2) When the procedure for modifications to the licence has been initiated at the request of the universal postal service provider, the request for modifications to the licence shall be accompanied by the evidence referred to in Article 11, paragraph 4 of this Act.

(3) The Agency may modify the licence *ex officio*, if this is necessary for aligning it with international acts that are binding on the Republic of Croatia, regulations, or with a view to ensuring a proper and smooth provision of universal postal services. The Agency shall notify in writing the universal postal service provider prior to initiating the licence modification procedure.

Revoking of licence

Article 14

(1) The Agency shall pass a decision revoking the licence in the following instances:

1. if the licence has been granted based on incorrect information important for passing the decision on the issue of licence,
2. if the universal postal service provider fails to comply with the obligations specified in the licence,
3. if the universal postal service provider fails to start providing universal postal services within one year from its issuance,
4. if the universal postal service provider fails to abide by the decision of the postal inspector or postal supervisor,
5. if the universal postal service provider, after the third warning by the Agency, fails to pay the annual fee referred to in Article 43 of this Act.

(2) Prior to passing of the decision referred to in paragraph 1 of this Article, the Agency shall notify in writing the universal postal service provider to cease, within the period determined by that warning, with the activities which are contrary to obligations laid down in this Act and the issued licence.

(3) If the universal postal service provider fails to comply with the Agency's warning referred to in paragraph 2 of this Article, the Agency shall pass a decision revoking the licence.

Termination of licence validity

Article 15

The Agency shall pass a decision on the termination of licence validity in the following instances:

1. after the expiry of the licence period, if not extended,
2. if the licensee ceased to exist, without a legal inheritor or legal successor,
3. based on a written request of the licensee,
4. by revoking the licence in accordance with Article 14 of this Act.

Application for providing other postal services

Article 16

(1) The right to provide other postal services shall be acquired by a legal or natural person after submitting a written application for providing other postal services (hereinafter: the application).

(2) The application referred to in paragraph 1 of this Article, which is submitted to the Agency, must contain the following:

1. the name and seat of the legal person, or the name, family name and address of natural person,
2. certificate from the relevant register of legal or natural persons,
3. the list of other postal services and additional services associated with the other postal services to be provided,
4. the area where other postal services will be provided (national and/or international traffic).

(3) The Agency shall request in writing for a supplement to the application which does not contain all the information referred to in paragraph 2 of this Article.

(4) The legal or natural person referred to in paragraph 1 of this Article shall forthwith notify the Agency in writing on all changes to items referred to in paragraph 2 of this Article, but not later than 30 days following the occurrence of such changes.

III CONDITIONS FOR THE PROVISION OF POSTAL SERVICES

Relevant legislation and other regulations

Article 17

The conditions for the provision of postal services shall be regulated by this Act, the Ordinance on the provision of universal postal services, general conditions of postal service providers, and acts of the Universal Postal Union for the services in international postal traffic.

Access arrangement

Article 18

(1) Access arrangement is an agreement which is not written, regulating mutual rights and obligations of the sender and postal service provider, under the conditions stipulated in this Act and the general conditions of the postal service provider.

(2) Access arrangement shall be considered to have been concluded as of the date on the postmark of the postal service provider impressed on the acknowledgement of receipt of the item, or impressed on the item in the case that the acknowledgement of receipt is not issued.

(3) Postal service providers shall use a computer impression of the postmark or the impression of a special postmark, where the impression must contain the date and name of the postal service provider which must be different from the names of other postal services providers.

(4) The postal service provider may conclude with users written agreements regulating the provision of particular postal services.

(5) Mutual rights and obligations arising from the access arrangement shall be agreed upon between the postal service provider and the sender.

(6) After the postal item delivery, certain rights and obligations arising from the access arrangement shall be assigned, pursuant to the provisions of this Act and general conditions of postal service provider, from the sender to the addressee.

Rights and obligations of users of postal services

Article 19

(1) Any user of postal services shall have the right and the obligation to select that type of postal service which corresponds to the content, real value of the content, and importance of the postal item for the user of postal services, but not exceeding the maximum amount defined in the general conditions of the postal service provider.

(2) The postal service provider may limit in his general conditions the value of the postal item.

(3) Any postal item shall be the property of the sender until it has been delivered to the addressee or another authorised person, except when it has been seized pursuant to a special act.

Prohibited content of postal items and responsibility of the sender

Article 20

(1) The sender shall pack a postal item in such a way so as to protect its content, other items and the workers handling the item.

(2) It shall be prohibited to send postal items containing:

1. explosive and highly combustible objects or objects the clearance of which poses a threat to other items, postal objects, equipment and transportation vehicles, or poses a threat to human lives and health,
2. objects the traffic of which has been prohibited by special acts and other regulations,
3. narcotics, except where the sender and the recipient are authorised by a special act to trade in or use narcotics,
4. live animals (unless otherwise provided in the acts of the Universal Postal Union).

(3) If there is suspicion that a postal item contains any content the traffic of which is prohibited by a special act or another regulation, the worker of the postal service provider may demand from the person depositing the item to open the item in order to verify the content, prove identity and close the item after verification.

(4) If, pursuant to the provision of paragraph 3 of this Article or in any other way, it is established that the item contains prohibited content, the postal service provider shall proceed in the following manner:

1. items, the transport of which is prohibited by a special act, shall be handed over to the competent authority along with the minutes, and the authority shall confirm having received the item in the other copy of the minutes,
2. items containing live animals, the transport of which is prohibited by a special act, shall be returned to the sender along with the minutes.

Secrecy of postal items and confidentiality of personal data

Article 21

(1) The postal service provider shall ensure the secrecy of postal items.

(2) Any worker of the postal service provider shall be prohibited from the following:

1. learning about the content of the postal item without authorisation, or keeping, hiding or handing the postal item over to an unauthorised person,
2. disclosing to unauthorised persons any information related to postal items and their contents,
3. enabling or helping unauthorised persons to carry out any of the activities referred to in items 1 and 2 of this paragraph.

(3) The prohibition referred to in paragraph 2, item 2 of this Article shall pertain to the workers of the postal service provider even after termination of employment with the provider of these services.

(4) The postal service provider shall ensure the confidentiality of personal data in accordance with a special act regulating personal data protection.

(5) The postal service provider shall ensure the implementation of measures in accordance with special laws in the field of national security.

Opening of postal items

Article 22

(1) A postal service provider may open and check the content of a postal item subject to approval of the sender or addressee.

(2) By way of derogation from the provision referred to in paragraph 1 of this Article, the postal service provider shall, in the presence of at least two persons, open and check the content of a postal item without the sender's or addressee's approval in the following instances:

1. when the postal item can neither be delivered to the addressee nor returned to the sender,
2. when there is reasonable doubt that the postal item contains prohibited content referred to in Article 20 of this Act,
3. when the postal item is damaged so as to threaten its content,
4. when a postal item in international traffic is subject to customs and foreign currency inspection in accordance with the customs regulations and regulations on foreign currency transactions.

(3) In the case referred to in paragraph 2, items 2 and 3 of this Article, the postal service provider shall draw up the minutes in two copies, of which one copy shall be given to the sender or addressee, or to the competent authority in accordance with the special regulation referred to in Article 20, paragraph 3 of this Act.

Delivery of postal items

Article 23

(1) Postal items shall, as a rule, be delivered personally to the addressee, legal representative or proxy, and on an exceptional basis to an adult member of the household, person permanently employed at the household or business premises of the addressee, authorised persons at the business premises of legal or natural persons where the addressee is permanently employed, or by depositing them in the house mailbox or shared letter-box, or a post box, or in the way agreed by the recipient of the item and postal service provider.

(2) Registered items and insured items shall, as a rule, be delivered personally to the addressee, legal representative or proxy, and on an exceptional basis to an adult member of the household, person permanently employed at the household or business premises of the addressee, authorised persons at the business premises of legal or natural persons where the addressee is permanently employed. Where this is not possible, a notification indicating the deadline and point for collecting the item shall be deposited in the addressee's house mailbox or shared letter-box. If the addressee fails to collect the item within the indicated period, the service provider shall return the item to the sender.

(3) If a notification was left to the addressee or the person authorised to receive the item in accordance with paragraph 2 of this Article, it shall be considered that the item has been properly delivered.

(4) The addressee or the person referred to in paragraphs 1, 2 and 3 of this Article may refuse to accept the postal item, if not stipulated otherwise in a special act or other regulation. The postal service provider shall return the item to the sender indicating that the item was refused.

(5) Where the item can neither be delivered to the addressee nor returned to the sender, the postal service provider shall keep records of such items and shall keep such items for one year from the day of attempted delivery, and if in that period the sender cannot be located or the item cannot be delivered to the addressee, the commission appointed by the postal service provider shall decide to either destroy or sell the item pursuant to the general conditions of the postal service provider.

Other ways of delivery

Article 24

Where a special act regulates the delivery of certain postal items in a different way from the manners and conditions regulated in this Act, a postal service provider shall deliver the postal item in the way and under the conditions stipulated by a special act.

House mailbox

Article 25

(1) The investor or owner of any apartment building shall put and maintain house mailboxes for the delivery of postal items in the appropriate place, not higher than the first floor, or at the entrance to the yard of the apartment building, and shall provide access to the house mailbox.

(2) If the persons referred to in paragraph 1 of this Article fail to put up or maintain house mailboxes, the universal postal service provider shall warn them in writing and set an appropriate deadline for eliminating these failures, and in the case of non-compliance with the warning, the universal postal service provider shall not be obligated to distribute the items to the addressee.

(3) House mailboxes in apartment buildings with several apartments must be marked with the family name of the natural person or the name of the legal person.

Shared letter-box

Article 26

(1) Postal items may be delivered by means of shared letter-boxes to users of postal services whose facilities are outside residential areas.

(2) The conditions and procedure for delivery by means of shared letter-boxes shall be regulated between the postal service provider and postal service user in accordance with the ordinance referred to in Article 8, paragraph 5 of this Act.

IV QUALITY OF PROVIDING UNIVERSAL POSTAL SERVICES

Quality criteria for providing universal postal services

Article 27

(1) The public operator shall ensure:

1. in national postal traffic, delivery of 85% of postal items of the fastest category within one workday, or 95% within two workdays, and for all other items in national traffic 95% within three workdays,
2. in international postal traffic with the Member States of the European Union, delivery of 85% of postal items of the fastest category within three workdays, or 97% within five workdays, and for other countries within the deadlines laid down in the acts of the Universal Postal Union.

(2) For the postal items addressed to recipients on the islands or items cleared on the islands, the delivery terms referred to in paragraph 1, item 1 of this Article shall be extended for one day.

(3) Delivery terms shall not include:

1. day of clearance of an item,
2. time of delay caused by irregular or incomplete address of the recipient,
3. time of delay caused by force majeure or delay in traffic for which the universal postal service provider is not responsible,
4. nonworking days and days when postal items are not delivered.

(4) The final clearance term or the term for depositing postal items according to the category of transport speed of items (hereinafter: the final term) shall be indicated in the premises of the public operator intended for the users of services, and on the mailbox and shared letter-box. The term of delivery of items shall be extended for one day if the item is received or deposited into a mailbox or shared letter-box after the final term.

(5) Based on the request with an explanation by the public operator, the Agency may pass a decision stipulating other departures from the terms referred to in paragraphs 1 and 2 of this Article, relating to an extreme inaccessibility of certain areas, poor traffic connections and similar, in accordance with the ordinance referred to in Article 8, paragraph 5 of this Act.

(6) The Agency shall notify the Commission on the exemptions referred to in paragraph 5 of this Article.

Measuring the quality of providing universal postal services

Article 28

(1) The public operator shall every year, via an independent authority and in compliance with the Croatian standards transposing harmonised European standards, be obligated to measure the quality of transport of postal items with a view to determining the percentage of delivered items and other information defining the quality of providing universal postal services.

(2) The public operator shall submit the annual report concerning the quality of providing universal postal services to the Agency for its information, not later than by 1 April for the previous year.

(3) The ordinance referred to in Article 8, paragraph 5 of this Act shall lay down the list of the Croatian standards referred to in paragraph 1 of this Article, and the elements of the annual report referred to in paragraph 2 of this Article.

(4) The list of the Croatian standards referred to in paragraph 3 of this Article shall be drawn up in cooperation with the Croatian national standard authority.

(5) The public operator shall, through the media and on its website, publish the annual report referred to in paragraph 2 of this Article, not later than by 1 June for the previous year.

V POSTAGE STAMPS

Issue of postage stamps

Article 29

(1) The tasks concerning the issuance, sale and withdrawal from use of postage stamps of the Republic of Croatia are carried out by the public operator.

(2) Postage stamps shall comply with the requirements stipulated by the regulations of the Universal Postal Union and by the ordinance passed by the Minister at the proposal of the public operator.

(3) The ordinance referred to in paragraph 2 of this Article shall in more detail specify the conditions and manner of issuing and use of postage stamps, the establishment and operation of the Commission for selecting motifs and graphic and art designs of postage stamps of the Republic of Croatia, the establishment of programmes of issuing postage stamps, as well as other issues concerning postage stamps.

Invalid postage stamps

Article 30

(1) Postage stamps shall be considered to be invalid in the following instances:

1. if issued contrary to the provisions of this Act and regulations adopted pursuant to this Act,
2. if damaged so as to render invisible the marking "the Republic of Croatia" or the name of the issuer and nominal value,
3. if they were used,
4. if not issued by the public operator,
5. if their validity has expired.

(2) If an invalid postage stamp has been affixed to the postal item, it shall be considered that the postal service has not been paid.

VI GENERAL CONDITIONS OF THE POSTAL SERVICE PROVIDER

Article 31

(1) A postal service provider shall adopt the general conditions for providing postal services.

(2) General conditions referred to in paragraph 1 of this Article shall in particular regulate the following:

1. the name and seat of the postal service provider,
2. the list of postal services and additional services to be provided by the postal service provider,
3. area where postal services will be provided,
4. terms for delivery of postal items,
5. manner and conditions for providing postal services,
6. way of payment and payment terms for postal services and the manner of marking the postal item to indicate that the postal services were paid,
7. liability of the postal service provider and indemnification,
8. the procedure for resolving complaints of the users, including the procedures for the settlement of disputes referred to in Article 45 of this Act.

(3) The stipulations of the general conditions of the postal service provider must not be contrary to the provisions of this Act and regulations adopted pursuant to this Act.

(4) The postal service provider shall submit to the Agency the general conditions referred to in paragraph 1 of this Article as well as amendments to the general conditions not later than 15 days prior to their application.

(5) The postal service provider shall publish the general conditions referred to in paragraph 1 of this Article in the media and on its website, at least eight days prior to their application.

(6) In the premises intended for the users of services, the postal service provider shall make the general conditions referred to in paragraph 1 of this Article publicly accessible and make them available at the user's request.

(7) The Agency may, before or after the publication of the general conditions of the universal postal service provider, pass a decision amending, supplementing or repealing certain provisions of these general conditions, or the overall general conditions, if it establishes that they are contrary to the provisions of this Act or regulations adopted pursuant to this Act.

VII PRICES OF POSTAL SERVICES

General principles

Article 32

(1) Prices of postal services shall be charged pursuant to the price list of postal services.

(2) The postal service provider shall submit the price list of postal services to the Agency at least 15 days before its application.

(3) The postal service provider shall make publicly available a clearly understandable price list of postal services, and shall put an excerpt from the price list on a visible place in the premises intended for the users of postal services, and shall make the price list available at the request of the user.

(4) Prices of postal services:

1. shall not comprise additional amounts that the postal service provider would determine solely on the basis of his significant market power on the postal services' market,
2. shall not be determined below the unit price with the intention of taking or maintaining the significant market power on the postal services' market,
3. shall not be discriminatory.

(5) More specific stipulations on the manner and terms of payment shall be set out in the general conditions of the postal service provider.

Prices of universal postal services

Article 33

(1) The prices of universal postal services shall be:

1. equal for equivalent services for items of correspondence for all users in the entire area where the postal service provider provides universal postal services,
2. affordable, cost-oriented and stimulating for the efficient provision of universal postal services,
3. determined so as not to give preference to some users over other users of equivalent services who deposit items under similar conditions.

(2) The provision of paragraph 1 of this Article shall not exclude the right of the universal postal service provider to grant discounts to users who send a larger number of items, provided that such discount is envisaged in the price list of postal services and applied in the equal manner to all users sending items under similar conditions.

(3) The Agency may pass a decision entirely or in part amending or revoking the prices of universal postal services, prior or after their publication, if it establishes that they are contrary to the provisions of this Act.

(4) The Agency shall approve the prices of reserved services referred to in Article 9, paragraph 1 of this Act at the proposal of the public operator, which must contain the calculation formula for the cost of each service respectively.

(5) The Agency shall decide on the proposal of prices referred to in paragraph 4 of this Article within 30 days from the day of having received the proposal concerned.

VIII ACCOUNTING TASKS OF THE POSTAL SERVICE PROVIDER

Accounting tasks of the postal service provider

Article 34

(1) The postal service provider carrying out one or several other business activities along with the postal services, shall conduct accounting tasks so as to make possible to determine the income generated from postal services separately from the income generated from one or several other business activities.

(2) The universal postal service provider shall conduct accounting tasks so as to make possible to determine the income and expenditure generated from universal postal services separately from the income and expenditure generated from other postal services, according to the types of services.

(3) The public operator, with the obligations referred to in paragraphs 1 and 2 of this Article, shall also conduct other accounting tasks so as to make possible to determine the income generated from the reserved services separately from the income generated from other universal postal services, according to the types of services.

(4) Part of accounting tasks referred to in paragraphs 2 and 3 of this Article shall include the recording and distributing of costs of providing universal postal services. All costs concerning precisely defined services or activities shall be kept and/or distributed directly. Joint costs shall be distributed based on a direct analysis of accumulation of these costs, or based on indirect connection with other cost categories, and by using the appropriate keys and ratios.

(5) The Agency may, *ex officio*, initiate verification procedure to check the authenticity of the conducted accounting tasks, which also includes audit if there is a reasonable doubt to believe that the provisions of this Article have been breached, and it shall pass an appropriate decision based on the completed procedure and established facts.

(6) The income generated from reserved services must not be used to subsidise the provision of other postal services or other business activities.

Costs of providing universal postal services and settlement of the public operator's debt

Article 35

(1) The costs of providing universal postal services shall comprise all the costs necessary to provide universal postal services under the conditions and in the manner set out in this Act.

(2) The costs of providing universal postal services by the public operator shall primarily be settled from the income generated from providing reserved and non-reserved universal postal services.

(3) If the costs of providing universal postal services cannot be settled from the income referred to in paragraph 2 of this Article, the costs concerned shall be settled from the state budget of the Republic of Croatia, in the manner and under the criteria specified in more detail in the ordinance passed by the Minister, with the consent from the Minister of Finance, and in accordance with the state aid rules.

IX ACCESS TO THE POSTAL NETWORK OF THE PUBLIC OPERATOR

Article 36

(1) The public operator shall, along with the conditions set out in this Act and the ordinance referred to in Article 8, paragraph 5 of this Act, provide access to the postal network of the public operator (hereinafter: network access) to other postal service providers and users of services (hereinafter: users of access).

(2) Apart from network access referred to in paragraph 1 of this Article, the public operator shall provide the following access to the users of access:

1. to the system of postal markings,
2. to the database for the sorting of items,
3. to information on the change of address, re-routing of postal items and return of items to the sender.

(3) The conditions of network access must be known in advance and applied equally to all users of access that access the network with the same type and quantity of items.

(4) The ordinance referred to in Article 8, paragraph 5 of this Act shall regulate the points and the conditions of network access, the content of the request and agreement, the principles of determining the prices for network access and other issues related to network access.

(5) Mutual rights and obligations of the public operator and users of access, including the prices, shall be regulated in an agreement.

(6) When determining the prices for network access, the costs of activities before access to the network that were defrayed by the users of access, must be recognised as the costs avoided by the public operator.

(7) The public operator shall decide on the request for network access within 30 days from the day of having received the request.

(8) The public operator may refuse the request for network access only in the case where providing network access would threaten its right and obligation to provide universal postal services.

(9) The Agency shall be responsible for settling the disputes between the public operator and users of access related to the granting of network access. In the case of dispute, the Agency shall pass a decision within four months from the date of initiation of the dispute resolution procedure.

X CROATIAN POST AND ELECTRONIC COMMUNICATIONS AGENCY

Establishment of the Agency

Article 37

(1) The Agency is the national regulatory authority for carrying out the regulatory tasks in the field of postal services.

(2) Establishment and organisation of the Agency shall be stipulated in the act regulating electronic communications.

(3) The Agency shall perform regulatory and other tasks in the field of postal services pursuant to this Act and the act regulating electronic communications.

(4) In the performing of regulatory tasks set out in this Act, the Agency shall to the largest possible extent take into account the recommendations and guidelines adopted by the Commission for the purpose of harmonised application of the relevant *acquis communautaire* on postal services in the Member States of the European Union.

(5) If not stipulated otherwise by this Act, the Agency shall be managed pursuant to the act regulating electronic communications and general acts of the Agency.

Competence of the Agency

Article 38

(1) The following tasks concerning postal services shall be in the competence of the Agency:

1. passing of regulations for the implementation of this Act, falling within the competence of the Agency in accordance with the provisions of this Act,
2. issuing of licences to provide universal postal service and passing decisions on modifying, revoking and terminating licence validity,
3. passing decisions on the manner of separating business activities of the public operator referred to in Article 34 of this Act,
4. passing decisions related to the granting of network access referred to in Article 36 of this Act,
5. approving prices of reserved services at the proposal of the public operator,
6. passing decisions on modifying, supplementing or repealing of the general conditions of the universal postal service provider that are contrary to the provisions of this Act and regulations adopted pursuant to this Act,

7. protecting the rights of users of postal services, and settling of disputes between the users and providers of postal services,
8. expert supervision of the application of this Act and regulations adopted pursuant to this Act,
9. keeping and regular updating of databases, registers, records and other data related to postal services and collected by the Agency pursuant to the provisions of this Act and regulations adopted pursuant to this Act,
10. regular publishing of information, notifications and documents related to postal services and in particular market development indicators, in accordance with the provisions of this Act and regulations adopted pursuant to this Act,
11. making indictments for the purpose of initiating misdemeanour procedures at the proposal of the postal supervisor,
12. monitoring the prices of postal services and proposing to the competent state administration body to take legal measures in the case where the postal service provider determines or applies the prices contrary to the provisions of this Act,
13. monitoring of accounting tasks of the postal service provider,
14. monitoring the status and development of the postal services market and taking necessary measures to ensure fair and efficient competition on the postal services market,
15. giving expert opinions and explanations on the application of this Act and regulations adopted pursuant to this Act,
16. participation in drafting proposals of strategies, studies, guidelines, programmes and implementation plans referred to in Article 5, paragraphs 1 and 2 of this Act,
17. international cooperation in the area of postal services and participation in the work of administrative and working bodies of the competent European and international organisations and institutions in the area of postal services,
18. cooperation with the competent national regulatory authorities of the Member States of the European Union and other countries, and with the associations of the competent regulatory authorities in the area of postal services,
19. performing other tasks defined in this Act and the act regulating electronic communications, the regulations adopted pursuant to this Act and the Agency's Statute.

(2) The Agency shall perform the tasks referred to in paragraph 1, items 1 to 10 of this Article as public authorisations.

(3) The Agency shall keep the register of postal service providers which shall contain the following information:

1. the name and seat of the legal person, or the name, family name and address of natural person,
2. the name and family name of the responsible person in the legal person,
3. information on the issued licence, types of universal postal services and area for which the licence has been issued,
4. information on the submitted application, types of other postal services and area for which the application has been submitted.

(4) The list of postal service providers shall be published on the Agency's website, and may also be published in any other appropriate manner.

Transparency of the Agency's work

Article 39

(1) At the request of the Agency, postal service providers shall submit financial and statistical reports, book keeping and other information necessary for the Agency's tasks pursuant to the provisions of this Act.

(2) The Agency shall collect, process and publish statistical, financial and other information concerning the status and development of the postal services market.

(3) At the written request of the Ministry or other competent state authority, the Agency shall submit the information referred to in paragraph 2 of this Article.

(4) The Agency shall publish on its website the information referred to in paragraph 2 of this Article free of charge.

(5) The Agency shall handle the information referred to in paragraphs 2, 3 and 4 of this Article in accordance with special regulations on data confidentiality.

Decision-making in Agency's tasks

Article 40

(1) The Agency Council is the body managing the Agency, in accordance with the act regulating electronic communications, and deciding in the tasks of the Agency referred to in Article 38, paragraph 1, items 1 to 7 of this Act.

(2) Apart from the tasks referred to in paragraph 1 of this Article, the Agency Council shall perform the following tasks:

1. give guidelines and instructions to the Director of the Agency and postal supervisors, and supervise the implementation of these guidelines and instructions,
2. prepare proposals for secondary legislation for this Act under the competence of the Ministry or Minister, upon the Ministry's or Minister's request,
3. perform other tasks defined in this Act, the act regulating electronic communications and the Agency's Statute.

(3) The Director of the Agency shall manage the administrative service of the Agency and shall carry out the following tasks:

1. decide on the other Agency's tasks referred to in Article 38, paragraphs 1 of this Act which, according to paragraph 1 of this Article, are not under the competence of the Agency Council,
2. propose to the Agency Council the adoption of decisions and other administrative acts referred to in Article 41 of this Act,

3. prepare for the Agency Council proposals for secondary legislation and general acts of the Agency referred to in Article 42 of this Act,
4. perform other tasks defined in this Act, the act regulating electronic communications and the Agency's Statute.

Adoption and enforcement of Agency's decisions

Article 41

(1) The Agency Council shall pass decisions by a majority vote of all members of the Agency Council.

(2) Decisions and other administrative acts of the Agency shall be final in the administrative procedure.

(3) Decisions and other administrative acts of the Agency may not be appealed, but administrative proceedings may be initiated before the Administrative Court of the Republic of Croatia.

(4) The provisions of the General Administrative Procedure Act shall not apply to the decisions and other administrative acts of the Agency referred to in paragraph 3 of this Article in the part pertaining to annulment and repealing under supervision rights, to extraordinary repeal and to making the ruling null and void by a competent body.

(5) Proceedings before the Administrative Court of the Republic of Croatia in administrative disputes initiated pursuant to the provisions of this Act shall be urgent.

(6) A decision or another administrative act of the Agency must be enforced within fifteen days from the date of its delivery to the party, unless another deadline for enforcement has been determined by a decision or another administrative act. If the party fails to comply with the decision or another administrative act within the prescribed or determined time limit, the Agency shall carry out the enforcement procedure via another person or through the coercive enforcement procedure, except when a decision on temporary postponement of the enforcement has been adopted upon a party's request.

(7) In the case of non-compliance with the decision or another administrative act of the Agency within the time limit referred to in paragraph 6 of this Article, the postal inspector or postal supervisor may issue a misdemeanour order or propose to make an indictment in order to initiate misdemeanour proceedings, pursuant to the provisions of Articles 50 and 52 of this Act.

(8) The provisions of the General Administrative Procedure Act shall apply in administrative proceedings under the competence of the Agency to issues not regulated by this Act.

Adoption of secondary legislation and general acts of the Agency

Article 42

(1) Secondary legislation and general acts for the implementation of this Act, falling within the competence of the Agency pursuant to the provisions of this Act, shall be adopted by the Agency Council.

(2) Secondary legislation referred to in paragraph 1 of this Article shall be published in the Official Gazette and on the Agency's website, and may also be published in the Agency's official journal. General acts of the Agency referred to in paragraph 1 of this Article shall be published in the manner established by the Agency's Statute.

Funding of the Agency

Article 43

(1) The public operator and other postal service providers shall pay the annual fee for performing of the Agency's tasks in the area of postal services, in the percentage of the total annual gross revenue generated from providing postal services in the previous calendar year (hereinafter: the fee).

(2) The calculation and the amount of the fee and the manner of payment of the fee referred to in paragraph 1 of this Article shall be prescribed in the ordinance adopted by the Agency at the latest by the end of the current year for the following calendar year, on the basis of the Agency's annual financial plan.

(3) The fee referred to in paragraph 1 of this Article shall be determined in compliance with the principles of objectivity, transparency, proportionality and non-discrimination.

(4) The Agency shall transfer the surplus of collected funds compared to the Agency's annual financial plan to the following calendar year.

(5) The Agency shall redeem the shortage of funds in the current year from the fee referred to in paragraph 1 of this Article, paid in the following calendar year.

XI PROTECTION OF POSTAL SERVICE USERS AND USERS' COMPLAINTS

Complaints of postal service users

Article 44

(1) If the user of postal services considers that the postal item has not been delivered to the addressee, or that it was delivered with delay, or that the agreed service has not been provided, or that it has not been provided in full, he/she can file a written complaint to the postal service

provider within three months from the day of depositing the postal item in national traffic, or within six months in international traffic.

(2) The addressee or another authorised person must file a complaint due to the damage or reduced content of the postal item immediately upon delivery of the postal item concerned.

(3) The complaint referred to in paragraph 2 of this Article, filed after the item has been delivered, shall not be accepted, except in the case where the addressee submits proof that the damage or reduced content of the postal item have not occurred after the delivery.

(4) The postal service provider shall send to the user a written reply stating its position on whether his/her complaint is founded not later than 30 days after the complaint was filed in national traffic, or not later than 60 days after the complaint was filed in international traffic.

(5) The postal service provider shall, as a component of his/her general conditions, publish the procedure for filing and resolving of the postal service users' complaints concerning the provision of postal services. The procedure for filing and resolving of complaints must comply with the provisions of this Act, and must be publicly available and accessible in terms of prices to all users of postal services.

Resolution of disputes between users and providers of postal services

Article 45

(1) In the case of dispute between the user and provider of postal services concerning the resolving of the complaint referred to in Article 44 of this Act, the user may, prior to filing a lawsuit with the competent court or initiating any other out-of-court proceedings, submit to the Agency a petition for dispute resolution within 30 days from the day of having received the reply from the postal service provider referred to in Article 44, paragraph 4 of this Act.

(2) The Agency shall resolve the disputes referred to in paragraph 1 of this Article in a transparent, objective and non-discriminatory manner, based on the opinion of the internal organisational unit for the protection of users' rights, in accordance with the provisions of this Act and special regulations.

(3) The internal organisational unit of the Agency referred to in paragraph 2 of this Article shall act in the capacity and shall have the tasks of an advisory body which shall be established pursuant to the special act regulating consumer protection. The manner of work of this organisational unit shall be regulated in more detail in the ordinance adopted by the Agency, and its organisation shall be regulated in the general act of the Agency.

(4) The postal service provider shall participate in the proceedings for resolving disputes referred to in paragraph 1 of this Article and shall fully cooperate with the Agency for the purpose of resolving the dispute, as well as to submit to the Agency all the necessary information and documentation.

(5) The Agency shall reach the final decision resolving the dispute referred to in paragraph 1 of this Article in the shortest possible time limit, and at the latest within three months from the date of submission of the petition for dispute resolution. The time limit for the resolution of the dispute may be extended only exceptionally.

(6) The decision of the Agency resolving the dispute referred to in paragraph 1 of this Article shall be explained in detail and delivered to all parties in the dispute.

(7) The Agency shall regularly publish the information on disputes referred to in paragraph 1 of this Article, in accordance with the provisions of Article 39 of this Act and the ordinance referred to in paragraph 3 of this Article, taking into account confidentiality of personal data and secrecy of business information.

(8) The report on the resolving of disputes referred to in paragraph 1 of this Article in the procedures before the Agency shall represent an integral part of the Agency's annual activity report.

XII RESPONSIBILITY

Responsibility of the postal service provider

Article 46

(1) In international traffic, the postal service provider shall be responsible within the limits set out in the acts of the Universal Postal Union and international agreements.

(2) In national traffic, the postal service provider shall be responsible:

1. for the loss or damage to the postal item or reduced content of the item,
2. for exceeding the time limit for transport or delivery of the postal item,
3. in the case where it failed to provide the service or has not provided the service in full.

(3) The postal service provider shall not be liable in the following instances:

1. when it proves that the cases referred to in paragraph 2 of this Article could not have been foreseen, avoided or eliminated (force majeure),
2. when the sender, the addressee or another authorised person does not file a complaint within the time limit laid down in this Act, or does not file a request for indemnification within the time limit laid down in this Act,
3. when these are postal items the content of which is prohibited,
4. when the damage occurred as a result of incorrect packaging by the sender failing to protect its content or if he/she failed to use the appropriate service offered by the postal service provider.

(4) The postal service provider shall not be responsible for the lost profit or for the actual damage that may occur due to the loss, damage to or reduced content of the postal item, or for exceeding the time limit for the transport and delivery of the postal item.

(5) The postal service provider shall not be responsible for the items it delivered within the time limit and in the manner laid down in this Act and the general conditions of the postal service provider.

Indemnification in national and international traffic

Article 47

(1) The sender or another authorised person may, based on a written reply referred to in Article 44, paragraph 4 of this Act, submit to the postal service provider a request for indemnification within 30 days from the date of having received the reply concerned.

(2) The postal service provider shall pay indemnification for items in national traffic to the sender or another authorised person as follows:

1. for loss, complete damage or reduced content of:
 - a) registered items – in the amount five times the amount of the charged postal service fee,
 - b) insured items – in the amount of insured value.
2. for partial damage or reduced content of:
 - a) registered items – the amount corresponding to the actual value of the damaged or reduced postal item content, but not more than five times the amount of the charged postal service fee,
 - b) insured items – the amount corresponding to the actual value of the damaged or reduced postal item content, but not exceeding the insured value.
3. for exceeding the time limit for the transport and delivery of item – in the amount three times the amount of the charged postal service fee.

(3) When the postal service has not been provided, the postal service provider shall reimburse the charged price of the postal service fee.

(4) In the case referred to in paragraph 2 of this Article, the postal service provider shall, in addition to indemnification, reimburse the charged postal service fee claim, as well as the charged postal service fee. However, the provider shall not reimburse a part of the postal service fee that has been collected for the indicated value of insured items.

(5) In addition to the indemnification and the reimbursement of the postal service fee, the postal service provider shall pay the default interest to the sender or another authorised person, calculating from the date of submitting the request for indemnification.

(6) If the postal service provider does not pay the indemnification to the sender or another authorised person within 30 days from the date of submitting the request referred to in paragraph

1 of this Article, the sender or another authorised person may request indemnification through the court.

(7) If the lost item or its part is found after the payment of indemnification, the postal service provider shall inform the sender or another authorised person accordingly.

(8) If the sender or another authorised person requests the delivery of a subsequently found item, he/she shall reimburse the paid indemnification. Failing that, the postal service provider has the right to destroy the item or to sell its content.

(9) The postal service provider shall regulate indemnification for postal items and services that are not covered by the provisions of this Article and Article 46 of this Act in its general conditions.

(10) The indemnification in international traffic shall be regulated by the acts of the Universal Postal Union.

Statutes of limitations on claims

Article 48

(1) The statutes of limitations related to claims of postal service providers and users shall apply after the expiry of three months in national traffic or six months in international traffic.

(2) The statutes of limitations referred to in paragraph 1 of this Article shall begin as follows:

1. for claims due to a lower or higher charged postal service fee or other costs – as of the date of payment,
2. for claims on account of partial loss, or damage, or reduced content of the postal item, or due to exceeding of the deadline for the transport and delivery of the postal item – as of the date of delivery of the postal item,
3. for claims due to the loss of the postal item – 30 days following the expiry of the deadline for the delivery of the postal item,
4. in all other cases of claims – as of the date of fulfilment of the conditions for claims.

(3) The statutes of limitations shall be suspended when the postal service provider receives a written claim for payment, and it shall continue when the person who submit the claim or another authorised person receives a written reply to his/her claim and the documents that accompanied his/her claim.

(4) The statutes of limitations shall not begin before the expiry of 30 days from the date of having received the reply by the postal service provider concerning the request for indemnification.

(5) Subsequent claims related to the same issue shall not suspend the statutes of limitations.

XIII INSPECTION AND EXPERT SUPERVISION

Inspection supervision tasks

Article 49

(1) Inspection supervision of the application of the provisions of this Act, regulations adopted pursuant to this Act and acts of the Universal Postal Union shall be carried out by the Ministry and performed by the postal inspector (hereinafter: the inspector).

(2) Inspection supervision of the application of the provisions of this Act concerning the prices of postal services shall be carried out by the State Inspector's Office.

(3) Inspection supervision tasks referred to in paragraph 1 of this Article shall be considered to be the tasks under special working conditions.

(4) Posts with the authorisations of the inspection supervision and more detailed conditions to be fulfilled by the persons employed on these posts shall be established by the Minister in the Ordinance on the internal organization of the Ministry.

(5) The inspector shall have an official identity card and badge proving his/her official capacity, identity and authorisations.

(6) The format and content of the official identity card and badge, and the manner of their issuance, use and keeping of the register of the issued official identity cards and badges referred to in paragraph 5 of this Article, shall be specified in the ordinance adopted by the Minister.

(7) The inspector shall draw up the minutes of the completed inspection, established facts and taken or ordered measures and actions. The inspector shall hand over a copy of the minutes of the inspection to the supervised person.

(8) The inspector shall keep a register of the completed inspections. The content and manner of keeping the register shall be specified in the ordinance referred to in paragraph 6 of this Article.

Authorisations of the postal inspector

Article 50

(1) In the performing of inspection supervision, the inspector shall be authorised to:

1. demand and check identification documents (personal identity card, passport, etc.), based on which he/she can establish the identity of the supervised person, as well as of other persons present during the inspection supervision,

2. enter and inspect the business premises, buildings, objects, construction sites and land, and use technical facilities and equipment of the supervised person for the purpose of performing inspection supervision,
3. inspect business documentation and other things which give insight into the business transactions of the supervised person concerning the application of this Act,
4. take statements from the responsible persons for the purpose of collecting evidence of the facts which cannot be established directly, and from other persons present during the inspection supervision, and hear individuals in administrative proceedings,
5. request in writing from the supervised person the information and documentation necessary to carry out inspection supervision,
6. order the elimination of deficiencies and irregularities established in the inspection supervision,
7. request a written report from the supervised person concerning the undertaken measures and actions that were ordered in the inspection supervision,
8. prohibit the provision of postal services that are provided without a prescribed licence or application, and prohibit the provision of reserved services,
9. notify in writing the competent inspector of the State Inspector's Office in the instances where the postal service provider determines or applies the prices contrary to the provisions of this Act or the regulations adopted pursuant to this Act,
10. propose to the Ministry to make an indictment in order to initiate misdemeanour proceedings, in accordance with the provisions of the Misdemeanour Act,
11. order to undertake other measures and carry out other actions in compliance with the purpose of inspection supervision.

(2) Business premises within the meaning of the provisions of this Article shall be considered to be residential and business premises and other facilities where the supervised person carries out his/her activity.

(3) The inspector shall handle the information for which the supervised person has proven to be a business secret in compliance with the prescribed conditions for the keeping of such information.

(4) In performing of the inspection supervision, the inspector may, until a ruling by the court, temporarily seize documentation and objects that may be used as evidence in the misdemeanour proceedings, which shall be recorded in the minutes of the inspection. The inspector shall issue a certificate thereof, stating the accurate information on the seized documentation and objects.

(5) If the inspector in performing of the inspection supervision, or based on the report by the postal supervisor, or other inspector authorised to conduct inspection supervision under a special act, or based on the report by another competent body establishes that the provisions of this Act or regulations adopted pursuant to this Act have been breached, he/she shall pass a decision or undertake other prescribed measures referred to in paragraph 1 of this Article at the latest within 30 days from the date of completion of the inspection supervision or from the date of having received the report with the established facts vital for passing of the decision. If the decision is not adopted within this time limit, this shall not exclude the obligation for its adoption.

(6) The inspector may propose to the Ministry to make an indictment for the purpose of initiating misdemeanour proceedings or he/she may issue a misdemeanour order in accordance with the provisions of the Misdemeanour Act, whereby he/she can declare penalties laid down in the provisions of Articles 55, 56, and 57 of this Act. The inspector shall notify in writing the postal supervisor thereon.

(7) The misdemeanour order referred to in paragraph 6 of this Article may be issued against a legal person or a natural person, or against a responsible person in a legal person.

(8) The competent misdemeanour court shall notify the Ministry on the outcome of misdemeanour proceedings.

Expert supervision tasks

Article 51

(1) Expert supervision of the application of the provisions of this Act and regulations adopted pursuant to this Act, stipulating the provision of postal services, the quality of universal postal services, general conditions of the postal service provider, network access, approving the prices of the reserved services, accounting tasks of the postal service provider, and supervision of the implementation of all respective acts adopted by the Agency within the scope of its competence, shall be carried out by the Agency.

(2) Expert supervision tasks referred to in paragraph 1 of this Article shall be performed by the postal supervisor (hereinafter: the supervisor) who is an authorised employee of the administrative service of the Agency.

(3) Expert supervision tasks referred to in paragraph 1 of this Article shall be considered to be the tasks under special working conditions.

(4) Posts with the authorisations of expert supervision and more detailed conditions to be fulfilled by the persons employed on these posts shall be established in the general act of the Agency.

(5) The supervisor shall regularly notify in writing the inspector on the completed expert supervision and established facts, not later than 30 days from the date of having completed the expert supervision.

(6) The supervisor shall have an official identity card and badge proving his/her official capacity, identity and authorisations.

(7) The format and content of the official identity card and badge, and the manner of their issuance, use and keeping of the register of the issued official identity cards and badges referred to in paragraph 6 of this Article, shall be specified in the ordinance referred to in Article 49, paragraph 6 of this Act.

(8) The supervisor shall draw up the minutes of the completed expert supervision, established facts and taken or ordered measures and actions. The supervisor shall hand over a copy of the minutes of the expert supervision to the supervised person.

(9) The supervisor shall keep a register of the completed expert supervision. The content and manner of keeping the register shall be specified in the ordinance referred to in Article 49, paragraph 6 of this Act.

Authorisations of the postal supervisor

Article 52

(1) In the performing of expert supervision, the supervisor shall be authorised to:

1. demand and check identification documents (personal identity card, passport, etc.), based on which he/she can establish the identity of the supervised person, as well as of other persons present during the expert supervision,
2. enter and supervise the business premises, buildings, objects, construction sites and land, and use technical facilities and equipment of the supervised person for the purpose of performing expert supervision,
3. inspect business documentation and other things which give insight into the business transactions of the supervised person concerning the application of this Act,
4. take statements from the responsible persons for the purpose of collecting evidence of the facts which cannot be established directly, and from other persons present during the expert supervision, and hear individuals in administrative proceedings,
5. request in writing from the supervised person the information and documentation necessary to carry out expert supervision,
6. order the elimination of deficiencies and irregularities established in the expert supervision,
7. request a written report from the supervised person concerning the undertaken measures and actions that were ordered in the expert supervision,
8. prohibit the provision of postal services that are provided without a prescribed licence or application, and prohibit the provision of reserved services,
9. notify in writing the competent inspector of the State Inspector's Office in the instances where the postal service provider determines or applies the prices contrary to the provisions of this Act or the regulations adopted pursuant to this Act,
10. propose to the Agency to make an indictment in order to initiate misdemeanour proceedings, in accordance with the provisions of the Misdemeanour Act,
11. order to undertake other measures and carry out other actions in compliance with the purpose of expert supervision.

(2) Business premises within the meaning of the provisions of this Article shall be considered to be residential and business premises and other facilities where the supervised person carries out his/her activity.

(3) The supervisor shall handle the information for which the supervised person has proven to be a business secret in compliance with the prescribed conditions for the keeping of such information.

(4) In performing of the expert supervision, the supervisor may, until a ruling by the court, temporarily seize documentation and objects that may be used as evidence in the misdemeanour proceedings, which shall be recorded in the minutes of the expert supervision. The supervisor shall issue a certificate thereof, stating the accurate information on the seized documentation and objects.

(5) If the supervisor in performing of the expert supervision establishes that the provisions of this Act or regulations adopted pursuant to this Act have been breached, he/she shall pass a decision or undertake other prescribed measures referred to in paragraph 1 of this Article at the latest within 30 days from the date of completion of the expert supervision. If the decision is not adopted within this time limit, this shall not exclude the obligation for its adoption.

(6) The supervisor shall forthwith notify the inspector in writing on the completed expert supervision, adopted decision and undertaken measures referred to in paragraph 5 of this Article, and, as appropriate, he/she must submit to the inspector the proposal to take the appropriate measures referred to in Article 50 of this Act.

(7) Apart from the obligations referred to in paragraph 6 of this Article, the supervisor may, in the case where he/she establishes offences referred to in Articles 55, 56 or 57 of this Act, propose to the Agency to make an indictment for the purpose of initiating misdemeanour proceedings or he/she may issue a misdemeanour order in accordance with the provisions of Article 50, paragraphs 6 and 7 of this Act. The supervisor shall forthwith notify in writing the inspector thereon.

(8) The competent misdemeanour court shall notify the Agency on the outcome of misdemeanour proceedings.

Obligations of supervised persons

Article 53

(1) Supervised persons and state administration bodies, local and regional self-government units and legal entities with public authority shall allow the inspector and supervisor to carry out inspection and expert supervision, and ensure that they can work without being disturbed, provide for the insight into and use of all the necessary data and documentation, use of the associated infrastructure, equipment and other technical facilities, and, upon the inspector's or supervisor's written request, prepare and deliver free of charge additional data and documentation necessary for inspection or expert supervision.

(2) Supervised persons shall, upon request of the inspector or supervisor, temporarily discontinue their work and business operations in the supervised premises, buildings or facilities

during inspection or expert supervision, if the inspector or supervisor could not in any other way carry out inspection or expert supervision, or establish the facts.

(3) An inspector or supervisor may, even following inspection or expert supervision, request from the supervised person to carry out certain actions for the purpose of complete establishment of the facts, and set a time limit for the execution of this action.

(4) The supervised person did not allow the inspector or supervisor to carry out inspection or expert supervision if he/she:

1. does not allow the entry and inspection of business premises, buildings, objects, construction sites or land where inspection or expert supervision is performed,
2. does not allow the inspection of his/her postal network, technical facilities or equipment which is the subject of the inspection or expert supervision,
3. does not allow the inspection of requested documentation, identification documents and data in order to establish the facts during inspection or expert supervision, or within a time limit determined in the minutes of the inspection, or of the expert supervision,
4. does not deliver, upon written request of the inspector or supervisor, within a certain time limit all data and documentation necessary for the performance of inspection or expert supervision,
5. does not notify within a certain time limit on the undertaken measures ordered by the inspector or supervisor in order to eliminate the established irregularities, deficiencies or oversights,
6. does not carry out actions referred to in paragraphs 2 and 3 of this Article.

(5) If the inspector or supervisor is faced with physical resistance during inspection or expert supervision, or if there are grounds to expect such resistance, an authorised official person from the competent police administration shall provide all the necessary assistance to the inspector or supervisor upon his/her request.

Enforcement of decisions of postal inspectors and postal supervisors

Article 54

(1) The decision of the inspector or supervisor may not be appealed, but administrative proceedings may be initiated before the Administrative Court of the Republic of Croatia, which does not postpone the enforcement of the decision.

(2) Proceedings before the Administrative Court of the Republic of Croatia in administrative disputes initiated in accordance with paragraph 1 of this Article shall be urgent.

(3) In the case of non-compliance with the decision referred to in paragraph 1 of this Article, the inspector or supervisor shall impose on a natural person or a responsible person in a legal person, to which the decision refers, an administrative fine in the amount of up to twenty times the average salary in the Republic of Croatia in the last trimester. Every following administrative measure shall be imposed in the double amount.

(4) The administrative measure referred to in paragraph 3 of this Article shall be enforced by the authorities responsible for collecting pecuniary penalties for offences, and the amount is paid for the benefit of the state budget of the Republic of Croatia.

XIV PENAL PROVISIONS

Offences

Article 55

(1) A legal person shall be fined with a pecuniary penalty in the amount from HRK 300,000.00 to 1,000,000.00 if:

1. it provides postal services without having obtained the prescribed licence or application (Article 11, paragraph 1 and Article 16, paragraph 1),
2. it provides postal services which have not been listed in the licence or application, or provides postal services contrary to the terms and conditions specified in the licence or application (Article 12 and Article 16, paragraph 2),
3. it provides reserved services and it is not a public operator (Article 9, paragraph 3),
4. it continues to provide universal postal services after the decision revoking the licence has been passed (Article 14),
5. the public operator fails to provide universal postal services or reserved services on the entire territory of the Republic of Croatia (Article 8, paragraph 6 and Article 9, paragraph 3),
6. the public operator fails to ensure the prescribed quality in the provision of universal postal services (Article 27),
7. it adopts a price list or charges the prices for postal services contrary to the provisions of this Act (Articles 32 and 33),
8. the public operator fail to provide network access in the manner and under the conditions specified in this Act (Article 36),
9. it fails to conduct the accounting tasks in the prescribed manner or fails to submit to the Agency, upon its request, the financial reports, book keeping or other information necessary to verify the accounting transactions being carried out (Article 34),
10. it fails to provide postal services in the manner and under conditions laid down in this Act or the regulations adopted pursuant to this Act, or the acts of the Universal Postal Union, or international agreements, licence, application or general conditions of the postal service provider (Articles 12, 16, 17 and 31),
11. it breaches the secrecy of postal items or the confidentiality of personal data when providing postal services (Article 21, paragraph 1 to 4),
12. it fails to ensure the implementation of measures in accordance with special laws in the field of national security (Article 21, paragraph 5).

(2) For the offence referred to in paragraph 1 of this Article the responsible person in a legal person shall also be fined with a pecuniary penalty in the amount from HRK 10,000.00 to 100,000.00.

(3) If the offence referred to in paragraph 1 of this Article is committed by a natural person, he/she shall be fined with a pecuniary penalty in the amount from HRK 10,000.00 to 100,000.00.

(4) The material gain generated from the offences referred to in paragraph 1, items 1 to 4 of this Article shall be seized under the decision establishing that these offences have been committed.

(5) For the offence referred to in paragraph 1, item 11 of this Article, the employee of the postal service provider, who failed to comply with the secrecy of postal items or with the confidentiality of personal data, shall also be fined with a pecuniary penalty in the amount from HRK 5,000.00 to 40,000.00.

Article 56

(1) A legal person shall be fined with a pecuniary penalty in the amount from HRK 100,000.00 to 700,000.00 if:

1. it fails to pay the annual fee stipulated in Article 43 of this Act,
2. it fails to adopt the general conditions stipulated in Article 31 of this Act,
3. it fails to enable the inspector or supervisor to perform the inspection or expert supervision, or if it fails to submit them the information or documentation in the given time limit, or if it submits incorrect or incomplete information or documentation (Article 53),
4. it performs the activities of issuing postage stamps contrary to the provisions of this Act or the regulations adopted pursuant to this Act (Article 29),
5. it fails to submit to the Agency, upon its request, statistical reports or other information necessary for the implementation of the Agency's tasks (Article 39),
6. the public operator fails to submit to the Agency, in the given time limit and in the prescribed manner, the annual report concerning the quality of providing universal postal services (Article 28, paragraphs 2 and 3),
7. it fails to notify the Agency in the given time limit on the occurrence of institutional or other changes (Article 11, paragraph 8 and Article 16, paragraph 4),
8. the existing postal service and/or courier service provider, that obtained the right to provide postal and/or courier services based on the application submitted according to the regulations valid until the date of entry into force of this Act, fails to harmonise the conditions for obtaining the right to provide postal services in the prescribed time limit (Article 16 and Article 59, paragraph 3).

(2) For the offence referred to in paragraph 1 of this Article the responsible person in a legal person shall also be fined with a pecuniary penalty in the amount from HRK 5,000.00 to 70,000.00.

(3) If the offence referred to in paragraph 1 of this Article is committed by a natural person, he/she shall be fined with a pecuniary penalty in the amount from HRK 5,000.00 to 70,000.00.

Article 57

(1) A legal person shall be fined with a pecuniary penalty in the amount from HRK 2,000.00 to 10,000.00, and a natural person in the amount from HRK 1,000.00 to 3,000.00, if they fail to put up or maintain the house mailbox (Article 25).

(2) For the offence referred to in paragraph 1 of this Article the responsible person in a legal person shall also be fined with a pecuniary penalty in the amount from HRK 1,000.00 to 3,000.00.

Statutes of limitations on misdemeanour prosecution

Article 58

Misdemeanour proceedings for offences set out in this Act may not be initiated following the period of three years after having committed the offence.

XV TRANSITIONAL AND FINAL PROVISIONS

Secondary legislation

Article 59

(1) The following shall apply until the entry into force of regulations adopted on the basis of authority established under this Act to the extent to which they are not contrary to the provisions of this Act:

1. the Ordinance on general terms and conditions for the provision of postal services (Official Gazette Nos. 151/04, 122/05, 25/08, 142/08 and 37/09),
2. the Ordinance on standards and criteria and the procedure for the realisation of the right for the settlement of the public operator's costs from the state budget funds (Official Gazette No. 112/07),
3. the Ordinance on the postal system of the public operator (Official Gazette Nos. 5/05 and 112/08),
4. the Ordinance on the content and format of identity card and badge of the postal inspector and the supervisor of the Council, and on the content and the manner of keeping the register of completed inspection by the postal inspector (Official Gazette Nos. 117/05 and 122/05),
5. the Decision on the amount and the manner of usage of the fee paid by universal postal service providers from the revenue generated in the previous year (Official Gazette No. 2/05).

(2) Postal service providers shall harmonise their general conditions for providing postal services with the provisions of this Act at the latest within 90 days from the date of entry into force of this Act.

(3) The existing postal service and/or courier service provider, that obtained the right to provide postal and/or courier services based on the application submitted according to the regulations valid until the date of entry into force of this Act, shall within 90 days from the date of entry into force of this Act harmonise the conditions for obtaining the right to provide postal services based on an application pursuant to this Act.

Initiated proceedings

Article 60

(1) Proceedings initiated pursuant to the provisions of the Postal Act (Official Gazette Nos. 172/03, 15/04, 92/05 and 63/08) until the entry into force of this Act shall be completed in compliance with the provisions of that Act and regulations adopted on the basis of that Act.

(2) By way of derogation from the provision of paragraph 1 of this Article, proceedings referred to in paragraph 1 of this Article shall be completed in compliance with the provisions of this Act in the case where this is more favourable for a party in the proceedings.

Ensuring the Agency funding

Article 61

(1) Until 31 December 2009, the funding for the Agency's tasks shall be provided from the state budget of the Republic of Croatia.

(2) In 2009, the public operator and other postal service providers shall not be obligated to pay the annual fee for the Agency's tasks referred to in Article 43 of this Act.

Application of the obligation to receive and deliver postal items

Article 62

(1) The obligation of the public operator to receive and deliver postal items referred to in Article 8, paragraph 3 of this Act shall apply as of 1 January 2011.

(2) Until the deadline referred to in paragraph 1 of this Article, the public operator shall ensure the clearance of postal items every workday from Monday to Friday, and at least in every city and municipality, as well as the delivery of postal items at least every workday from Monday to Friday in the area of the seat of the city and municipality, and for all other settlements at least every second workday.

Transitional provisions concerning reserved services

Article 63

(1) For the reserved services referred to in Article 9 of this Act, until 31 December 2009 the weight limit of 100 grams shall apply and the price limit equal to or higher than the amount which is three times higher than the public operator's tariff for the first weight step for an item of correspondence of the fastest category.

(2) For the reserved services referred to in Article 9 of this Act, as of 1 January 2010 the weight limit of 50 grams shall apply and the price limit equal to or higher than the amount which is 2.5 times higher than the public operator's tariff for the first weight step for an item of correspondence of the fastest category.

(3) The public operator shall have the exclusive right to provide reserved services until 31 December 2012.

Application of the obligation to measure the quality of providing universal postal services

Article 64

Until the date of entry into force of Article 28, paragraph 1 of this Act, the public operator shall measure every year the quality of the transport of postal items during a fifteen day period, via an independent body, with a view to determining the percentage of delivered items.

Repeal of the Act

Article 65

The Postal Act (Official Gazette Nos. 172/03, 15/04, 92/05 and 63/08) shall cease to be valid by virtue of the entry into force of this Act.

Entry into force of this Act

Article 66

This Act shall enter into force on the eighth day after the date of its publication in the Official Gazette, except for Article 28, paragraph 1 which shall enter into force as of 1 January 2011 and the provisions of Article 8, paragraph 7 and Article 27, paragraph 6 which shall enter into force on the date of accession of the Republic of Croatia to the European Union.