

LAW
ON THE PROTECTION OF FINANCIAL SERVICE CONSUMERS
IN DISTANCE CONTRACTS¹

I. BASIC PROVISIONS

Subject matter

Article 1

This Law regulates the rights of financial service consumers in negotiating distance contracts on the provision of financial services by using means of distance communication, as well as the terms and manner of exercising and protecting those rights.

Definitions

Article 2

For the purposes of this Law:

1) *distance contract* is any contract concerning financial services concluded between a provider and a consumer under an organised service-provision scheme run by the provider, who, for the purpose of that contract, makes exclusive use of one or more means of distance communication up to and including the time at which the contract is concluded;

2) *financial services* are lending and other banking services, insurance services, voluntary pension fund management services, financial leasing services, payment services, e-money issuing services, investment services and financial arrangements, within the meaning of separate laws governing those services;

3) *financial arrangement* is sale involving the payment of price in instalments or another form of consumer financing referred to in item 5), sub-item (1) of this Article with the same economic substance, offered by the vendor, which implies deferred payment of debt within a specified period and is subject to the provisions of the law governing the protection of financial service consumers;

4) *service provider* is:

- (1) bank, within the meaning of the law governing banks,
- (2) insurance undertaking, within the meaning of the law governing insurance,
- (3) voluntary pension fund management company, within the meaning of the law governing voluntary pension funds,
- (4) lessor, within the meaning of the law governing financial leasing,
- (5) payment institution, e-money institution and public postal operator, within the meaning of the law governing payment services,
- (6) investment company, within the meaning of the law governing the capital market,
- (7) investment fund management company, within the meaning of the law governing investment funds,

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(8) vendor, within the meaning of the law governing the protection of financial service consumers,

(9) other legal or natural persons providing financial services in the Republic of Serbia in accordance with EU laws and regulations;

5) *consumer* is a natural person who is using or has used financial services based on a distance contract, or who has approached the provider of financial services with an intention to conclude such contract and to use these services, more specifically:

(1) natural person who is using, has used or intends to use these services for purposes outside his business or other commercial activity,

(2) entrepreneur, within the meaning of the law governing companies,

(3) farmer, as a holder or member of a family agricultural household within the meaning of the law governing agriculture and rural development;

6) *means of distance communication* is any means which, without the simultaneous physical presence of the service provider and the consumer, may be used for the advertising of a service, provision of pre-contractual information, making and/or accepting the offer, negotiating and concluding a contract (e.g. internet, e-mail, mail, telefax and telephone);

7) *durable medium* is any instrument which enables the consumer to store information referring to him, to access this information and to reproduce it in unchanged form for a period of time adequate for the purposes of the information storage (e.g. paper, optical disk drive, USB flash drive, memory card, hard disk drive and e-mail).

Relationship with other regulations

Article 3

Issues concerning consumer protection that are not regulated by this Law shall be accordingly subject to the provisions of regulations governing the protection of financial service consumers, consumer protection, bank operations, financial services under distance contracts, financial leasing, contracts and torts, and personal data protection.

If the law requires a specific type of financial service contract to be concluded exclusively in writing, the distance contract may be concluded also by using a means of distance communication in the form of electronic document, bearing a qualified electronic signature, in accordance with the law governing electronic signature.

The distance contract referred to in paragraph 2 hereof with the value of up to RSD 600,000 may be concluded by a consumer without using his qualified electronic signature, if he gave consent to conclude that contract using at least two elements of consumer identity verification (authentication) or using an electronic identification scheme with a high level of reliability, in accordance with the law governing electronic document, electronic identification and trust services in electronic business, and the regulation of the National Bank of Serbia governing minimum information system management standards for financial institutions.

The National Bank of Serbia may regulate in detail the manner of establishing the value of the contract referred to in paragraph 3 hereof.

Distance contract involving successive operations or separate operations of the same nature

Article 4

In case of a framework distance contract whereby the service provider undertakes to provide to the consumer over a certain time period a specific financial service successively or separate services of the same nature, the provisions of this Law shall apply to that distance contract, i.e. to the contract concluded prior to the commencement of service provision (e.g. framework contract).

In case there is no framework distance contract and the service provider undertakes to provide to the consumer over a certain time period a specific financial service successively or separate services of the same nature, the provisions of Articles 5–11 of this Law shall apply to the first provision of the financial service, and/or the first in a new series of services of the same nature if the service of the same nature has not been provided for more than a year.

II. CONSUMER'S RIGHT TO INFORMATION

Pre-contractual information

Article 5

The service provider shall supply the consumer, in good time prior to the conclusion of a distance contract, with the information on the service provider, financial service, distance contract and manner of dispute resolution, as laid down in Articles 6–9 of this Law.

The information referred to in paragraph 1 of this Article, the commercial purpose of which must be made clear, shall be provided in a clear and comprehensible manner in any way appropriate to the means of distance communication used.

When supplying the information referred to in paragraph 1 of this Article, the service provider shall act in good faith, with due care of a prudent businessman and in accordance with good business practices, and shall not mislead the consumer at any point as to the terms of provision of financial services.

In performing the obligations stipulated in this Article and supplying the information from paragraph 1 hereof to the representative of a legally disabled person with a view to concluding a distance contract in the name and for the account of that person, the service provider shall act with due care so as to make sure that the rights and interests of legally disabled persons are protected in an appropriate way.

The service provider shall make sure that the content of a distance contract concluded with a consumer corresponds fully to the information provided to the consumer in accordance with the provisions of this Article.

Information on service provider

Article 6

Information on the service provider includes:

- 1) business name and seat of the service provider, as well as any other address where the consumer may contact the service provider regarding the distance contract, including the service provider's e-mail address;
- 2) the main activity of the service provider;
- 3) business name and seat of the representative, branch or other organisational unit of the service provider in the Republic of Serbia through which financial services are provided, and of a legal entity entrusted with the provision of these services, as well as any other address where the

consumer may contact the service provider through those persons regarding the distance contract, including their e-mail address if the service provider is providing financial services through those persons;

4) business name and seat, and/or name and residence of another person performing certain actions regarding distance contracts based on the business relations established with the service provider, if such person exists, indicating that person's relationship with the service provider and the capacity in which such person is acting vis-à-vis the consumer, as well as any address of that person where the consumer may seek information regarding the distance contract, including e-mail address;

5) data on the register in which the service provider is entered, its identification and tax identification number, and/or registration number or other appropriate means of identification of the service provider in that register;

6) name of the authority which licensed the service provider, and/or authority which supervises the service provider's operation.

Information on financial service

Article 7

Information on the financial service includes:

- 1) description of the main characteristics of the financial service;
- 2) total price to be paid by the consumer to the service provider for the financial service, including all related fees, charges and expenses, and all taxes paid via the provider (e.g. withholding tax) or, when an exact price cannot be indicated, the basis for the calculation of the price enabling the consumer to verify it;
- 3) notice of the possibility that other charges, expenses, taxes and fees regarding the distance contract may exist that are not charged by the service provider, and/or that are not paid via the service provider;
- 4) where relevant, notice indicating that the financial service is related to instruments involving special risks arising from their specific features or the operations to be executed and/or whose price or performance (yield) depends on fluctuations in the financial markets beyond the provider's control and that historical performances are no indicators for future performances;
- 5) any limitations of the period for which the offer, and/or information from this Article is valid;
- 6) manner of payment and performance of obligations under distance contract;
- 7) information on any specific additional cost that may arise for the consumer on account of using a specific means of distance communication if such additional cost is charged, and/or information that such cost is not charged.

Information on distance contract

Article 8

Information on distance contract includes:

- 1) information on the right of withdrawal from a distance contract in accordance with this Law and on its duration and the conditions for exercising it, including information on the legal consequences of withdrawal under Article 15 of this Law, practical instructions as regards the exercise of the right of withdrawal indicating in particular the address to which the notification of withdrawal should be sent, as well as potential consequences of the non-exercise of the right of

withdrawal from a distance contract, and/or information that there is no right of withdrawal from the distance contract – in the cases described in Article 13, paragraph 4 of this Law;

2) duration of the distance contract in the case of financial services to be performed permanently or recurrently;

3) information on the parties' right to terminate the distance contract early or unilaterally in accordance with this Law and the provisions of the distance contract, including information on any penalties, charges and other expenses imposed by the contract in such cases;

4) information on the regulations applicable to the distance contract and/or on the court competent for resolving any disputes arising from the contract;

5) instructions on the procedure and the manner of concluding a distance contract;

6) information on the language in which a distance contract may be concluded and in which the parties will communicate for the duration of the contract, if the consumer requests that the language of the contract and communication be other than Serbian.

Information on dispute resolution

Article 9

Information on dispute resolution includes:

1) information on the consumer's right to file a complaint with the service provider and/or competent authority, as well as on the possibility of an out-of-court dispute resolution, and the terms and conditions of complaint filing and resolving disputes out of court;

2) information on whether a fund or any organised scheme has been set up guaranteeing that the service providers will perform their obligations concerning the provision of financial services vis-à-vis the consumers.

Information requirements under other regulations

Article 10

The provisions of this Law shall not release the service provider from the obligation to supply the consumer, in good time prior to the conclusion of a distance contract, in the manner set out in Article 5 of this Law and in addition to the information referred to in Articles 6–9 of this Law, with other information mandated by the provisions of other regulations.

Where a distance contract concerns payment services, the payment service provider shall supply appropriate information in accordance with the provisions of the payment services law that govern pre-contractual information in respect of payment service framework contract and single payment transaction contract, without the obligation to supply the information set out in Articles 6–9 of this Law, except for the information set out in Article 7, items 3)–7), Article 8, items 1) and 5) and Article 9, item 2) of this Law.

Information requirements in voice telephony communication

Article 11

If the service provider intends to supply pre-contractual information orally, using a means of distance communication (e.g. fixed, mobile or internet telephony), the person making the call on behalf of the service provider shall make the business name of the service provider and the

commercial purpose of the call explicitly clear at the beginning of any conversation with the consumer.

Subject to the consumer's explicit consent to the conversation referred to in paragraph 1 of this Article, the person making the call on behalf of the service provider shall give information about his identity and the nature of his relationship with the service provider, as well as the information set out in Article 7, items 1)–3) and Article 8, item 1) of this Law.

After giving the information referred to in paragraph 2 of this Article the service provider shall inform the consumer that other information set out in Articles 6–10 of this Law is available on request and shall explain the type and nature of that information.

The provision of pre-contractual information during the conversation referred to in paragraph 1 of this Article shall not release the service provider from the obligation to supply that information to the consumer in writing, on paper or another durable medium, if such obligation is stipulated by regulations.

Information on paper or another durable medium

Article 12

In good time, prior to the conclusion of a distance contract, the service provider shall supply the consumer with the proposed contractual terms and conditions and all information set out in Articles 6–10 of this Law in writing, on paper or another durable medium available and accessible to the consumer.

Notwithstanding paragraph 1 of this Article, if a distance contract has been concluded at the consumer's request using a means of distance communication which does not enable the supply of contractual terms and conditions and information under paragraph 1 of this Article in the manner and within the time defined therein, the service provider shall supply the contractual terms and conditions and the said information immediately after the conclusion of the contract.

At any time during the contractual relationship the consumer is entitled, at his request, to receive a copy of the concluded distance contract on paper.

The consumer is entitled to change during the contractual relationship the means of distance communication used, unless this is incompatible with the contract concluded or the nature of the financial service provided.

III. CONSUMER'S RIGHT OF WITHDRAWAL FROM DISTANCE CONTRACT

Consumer's withdrawal from distance contract

Article 13

The consumer shall have the right to withdraw from a distance contract within 14 days from the conclusion of the contract, without giving any reason for the withdrawal.

Notwithstanding paragraph 1 of this Article, the consumer shall have the right to withdraw from a distance contract:

- 1) relating to life insurance – within 30 days from the day the consumer is informed that the distance contract has been concluded;
- 2) relating to voluntary pension fund services – within 30 days from the day the contract is concluded.

Notwithstanding paragraphs 1 and 2 of this Article, in the case described in Article 12, paragraph 2 of this Law the withdrawal period shall begin from the day the service consumer receives the contract and the information.

The right of withdrawal referred to in paragraph 1 of this Article shall not apply to:

1) distance contracts concerning financial services whose price depends on fluctuations in the financial market beyond the service provider's control, which may occur during the withdrawal period from paragraphs 1 and 2 of this Article, such as services relating to:

- (1) foreign exchange, foreign currency operations and exchange transactions,
- (2) money market instruments,
- (3) transferable securities,
- (4) units in collective investment undertakings,
- (5) financial-futures contracts, including equivalent cash-settled instruments,
- (6) forward interest-rate agreements,
- (7) currency, interest-rate and equity swaps,
- (8) options to acquire or dispose of any instruments referred to in this paragraph, including in particular options on currency and on interest rates;

2) travel and baggage insurance policies or similar short-term insurance policies of less than one month's duration;

3) distance contracts whose performance has been fully completed by both parties at the consumer's express request before the expiry of the withdrawal period;

4) credit agreements secured by mortgage, as well as contracts on the purchase, and/or financing of the purchase of immovable property if credit proceeds and/or funds for this financing were transferred to the consumer.

Consumer's notification of withdrawal

Article 14

The consumer shall send a notification of withdrawal from a distance contract to the service provider in writing, on paper or another durable medium, in accordance with the instructions set out in Article 8, item 1) of this Law.

The notification referred to in paragraph 1 of this Article shall be deemed timely if dispatched to the service provider before the expiry of the time limits set out in Article 13, paragraphs 1 and 2 of this Law.

A distance contract shall cease to be valid as of the moment the service provider receives the notification referred to in paragraph 1 of this Article.

Legal consequences of withdrawal

Article 15

The consumer shall have the right to withdraw from a distance contract without paying any withdrawal charges or compensation for expenses the service provider might have incurred because of the conclusion of such contract.

Where the right of withdrawal is exercised in accordance with Articles 13 and 14 of this Law, the consumer shall not be held liable for any damage the service provider might have suffered on

that account, unless the consumer has withdrawn from the contract with an intention to cause such damage.

The consumer shall pay only a part of the total agreed price for the service actually provided by the service provider in accordance with the distance contract until the receipt of the notification referred to in Article 14 of this Law.

The amount payable referred to in paragraph 3 of this Article shall not exceed an amount which is in proportion to the extent of the service already provided in comparison with the full coverage of the contract, nor shall it be such that it could be construed as a penalty or another type of withdrawal charges.

The service provider may not require the consumer to pay any amount on the basis of paragraphs 3 and 4 of this Article:

- 1) if it cannot prove the consumer was duly informed in accordance with Article 8, paragraph 1 of this Law about the consequences of withdrawing from the contract, including about the amount payable;
- 2) if it commenced the performance of the contract before the expiry of the withdrawal period under Article 13, paragraphs 1 and 2 of this Law without the consumer's consent;
- 3) if the consumer has withdrawn from a distance contract relating to insurance services.

Without any undue delay and no later than 30 days from receiving the notification of withdrawal referred to in Article 14 of this Law, the service provider shall return to the consumer any sums received from the consumer under distance contract, except for the amount under paragraph 3 of this Article.

The consumer shall return to the service provider any sums received from the service provider under distance contract without any undue delay and no later than 30 days from dispatching the notification of withdrawal referred to in Article 14 of this Law.

Effect of withdrawal from distance contract on other related contracts

Article 16

If the consumer exercises the right of withdrawal in accordance with Articles 13 and 14 of this Law, this shall automatically, without giving any reason and paying any charges, result in termination of any other related distance contracts concluded between the consumer and the service provider or a third person based on or in connection with the distance contract from which the consumer has withdrawn.

Contract performance before expiry of withdrawal period

Article 17

The performance of a distance contract may commence before the expiry of the withdrawal period only subject to express request of the consumer.

The service provider may not require the consumer to perform his obligations under a distance contract before the expiry of the period referred to in paragraph 1 hereof.

IV. OTHER RIGHTS OF CONSUMERS IN RESPECT OF DISTANCE CONTRACTS

Unsolicited financial services

Article 18

It is prohibited to provide unsolicited financial services, i.e. services for which the consumer has not concluded a distance contract based on which the consumer would have an obligation towards the service provider.

The provision of unsolicited financial services shall have no legal effect on the consumer, nor shall the consumer have any obligation towards the service provider on this account.

The absence of the consumer's reply to the service provider's offer within a set timeframe shall not be construed as signifying consent on his part.

Notwithstanding paragraph 3 of this Article, if the service provider presents an offer or proposal to change and/or amend the distance contract already concluded with the consumer, it may be agreed that it shall be understood that the consumer has agreed to this offer or proposal even if he did not respond within the set timeframe, provided that the possibility of such change and/or amendment to the contract is stipulated by law.

The provisions of this Article shall be without prejudice to the right of the service provider and consumer to agree on a tacit renewal of the distance contract's validity provided that the possibility of such tacit renewal of the contract in regard to a particular financial service is stipulated by law.

Communication with the consumer

Article 19

The service provider may use the following means of distance communication only subject to the consumer's prior consent:

- 1) automated calling systems without human intervention (e.g. automatic calling machines or automatic e-mailing);
- 2) fax machines (telefax).

The means of distance communication allowing individual communication with the consumer, in addition to those referred to in paragraph 1 of this Article, may be used only if the consumer has given prior consent or has not expressed his manifest objection to their use.

Means of distance communication referred to in paragraphs 1 and 2 of this Article may not be used in any way that entails additional costs for consumers.

Right to terminate a distance contract

Article 20

If the service provider fails to act in accordance with the provisions of this Law, the consumer may terminate the distance contract unilaterally at any point without paying any related expenses, fees or fines.

In the case referred to in paragraph 1 of this Article, the service provider shall not be entitled to compensation for contract termination.

Burden of proof

Article 21

In case of a dispute, the burden of proof shall lie with the service provider in respect of its obligation to inform the consumer and fulfil other obligations in accordance with this Law, as well as in respect of the consumer's consent to conclude the distance contract.

Any contractual term or condition providing that the burden of proof from paragraph 1 of this Article should be transferred to the consumer shall be deemed null and void.

Obligations of third persons acting on behalf of the service provider

Article 22

Obligations stipulated by this Law shall also apply to the person through whom the service provider provides financial services, the person who is entrusted with the provision of services by the service provider or the person who performs certain actions relating to the distance contract based on the business relations established with the service provider.

The service provider shall ensure that the persons from paragraph 1 of this Article fulfil the obligations of the service provider in accordance with this Law and shall be directly responsible to consumers for the actions of these persons in accordance with law.

Binding nature of provisions of this Law

Article 23

The consumer may not waive the rights conferred on him by this Law.

Any provision of a distance contract or a declaration of will by which the consumer waives the rights conferred on him by this Law shall be deemed null and void.

If by virtue of the choice of the law of the country applicable for cross-border distance contracts the consumer loses some of the protection granted by this Law, the provisions of this Law shall apply to protect the consumer.

V. PROTECTION OF THE RIGHTS AND INTERESTS OF CONSUMERS AND SUPERVISION

Protection of the rights and interests of consumers

Article 24

The consumer shall be entitled to the protection of his rights and interests stipulated by this Law.

With a view to exercising the protection of the rights and interests from paragraph 1 of this Article relating to financial services provided by banks, lessors, payment institutions, e-money institutions and public postal operator – the provisions of the law governing the protection of financial service consumers and the regulations passed on the basis of that law shall apply.

With a view to exercising the protection of the rights and interests from paragraph 1 of this Article relating to financial services provided by insurance undertakings and voluntary pension fund management companies – the provisions of the law governing insurance and the law governing voluntary pension funds and pension schemes, as well as the regulations passed on the basis of those laws, shall apply.

With a view to exercising the protection of the rights and interests from paragraph 1 of this Article relating to financial services provided by investment companies and investment fund management companies – the provisions of the law governing the capital market and of the by-law from paragraph 5 of this Article shall apply.

The Securities Commission shall set out in more detail through a by-law the manner of exercising the protection of the rights and interests from paragraph 1 of this Article relating to financial services provided by investment companies and investment fund management companies.

With a view to exercising the protection of the rights and interests from paragraph 1 of this Article pertaining to a consumer who closed a financial arrangement with a vendor – the provisions of the law governing consumer protection and the regulations passed on the basis of that law shall apply.

The National Bank of Serbia, authorities, organisations and other persons responsible, in accordance with a separate law, for out-of-court resolution of disputes in relation to the application of the provisions of this Law may exchange data with foreign authorities and bodies responsible for out-of-court dispute resolution, in relation to the disputes concerning cross-border distance contracts.

Supervision

Article 25

The National Bank of Serbia shall supervise the implementation of the provisions of this Law relating to distance contracts in respect of financial services provided by banks, lessors, insurance undertakings, voluntary pension fund management companies, payment institutions, e-money institutions and the public postal operator – in accordance with laws governing the business operations of these legal persons, the law governing the status, organisation, powers and tasks of the National Bank of Serbia and the law governing the protection of financial service consumers.

The Securities Commission shall supervise the implementation of the provisions of this Law pertaining to distance contracts in respect of investment services, in accordance with the law governing the capital market and the law governing investment funds.

The ministry in charge of consumer protection shall supervise the implementation of the provisions of this Law pertaining to distance contracts in respect of financial arrangements, in accordance with the law governing consumer protection. This supervision shall be carried out by market inspectors.

In addition to the measures it may take against the service provider and other persons in accordance with law, the supervisory authority from this paragraph may pass a decision ordering the legal or natural person undertaking certain activities relating to a means of distance communication to stop performing these activities if it is established that such activities are not in accordance with the provisions of this Law or if they prevent or hinder the implementation of provisions of this Law, except in cases when the supervision is carried out by the supervisory authority from paragraph 3 of this Article.

VI. PENALTY PROVISIONS

Fines

Article 26

A service provider supervised by the National Bank of Serbia shall be fined from RSD 50,000 to RSD 800,000 if:

- 1) it fails to inform the consumer in the pre-contract phase in accordance with Articles 5–10 of this Law (Articles 5–10);
- 2) it fails to comply with Article 11 in respect of voice telephony communication with the consumer (Article 11);
- 3) it fails to send to the consumer the proposed contractual terms and conditions and all other information from Articles 6–10 of this Law in writing, on paper or another durable medium (Article 12, paragraphs 1 and 2);
- 4) at the consumer's request, it fails to submit the concluded distance contract on paper, and/or a copy if the contract was concluded electronically (Article 12, paragraph 3);

5) it fails to enable the consumer to change the means of distance communication used, unless the change is incompatible with the distance contract concluded or the nature of the financial service provided (Article 12, paragraph 4);

6) it prevents or hinders the consumer from exercising his right to withdraw from the distance contract in accordance with this Law (Article 13);

7) it acts in contravention of Article 15 in case the consumer withdraws from the distance contract (Article 15);

8) before the expiry of the withdrawal period defined in Article 13 of this Law, it commences the performance of the distance contract, although the consumer has not yet requested the performance, or if before the expiry of the withdrawal period it requests that the consumer fulfils his obligations under such contract (Article 17);

9) it provides an unsolicited financial service (Article 18);

10) it uses a means of communication in contravention of Article 19 of this Law (Article 19);

11) it prevents or hinders the consumer from exercising his right to terminate the distance contract referred to in Article 20 of this Law and/or charges the consumer for expenses, fees or fines for such termination (Article 20);

12) the distance contract envisages that the burden of proof shall lie with the consumer in respect of the service provider's obligation to inform the consumer and fulfil other obligations in accordance with this Law, as well as in respect of the consumer's consent to conclude the distance contract (Article 21);

13) the distance contract envisages that the consumer shall waive the rights conferred on him by this Law (Article 23, paragraph 1).

Notwithstanding paragraph 1 of this Article, a bank shall be fined from RSD 80,000 to RSD 1,000,000 for the actions set out in that paragraph.

The National Bank of Serbia shall impose the fine referred to in paragraph 1 of this Article on a bank, lessor, payment institution, e-money institution and public postal operator in the process of exercising the rights and interests of consumers, as stipulated by the law governing the protection of financial service consumers.

The National Bank of Serbia shall impose the fine referred to in paragraph 1 of this Article on an insurance undertaking or a voluntary pension fund management company in the process of supervising business operations of these companies, as stipulated by the law governing insurance and the law governing voluntary pension funds and pension schemes.

Misdemeanours

Article 27

An investment undertaking, investment fund management company or a vendor who is a legal person shall be fined from RSD 50,000 to RSD 800,000 for a misdemeanour if:

1) it fails to inform the consumer in the pre-contract phase in accordance with Articles 5–10 of this Law (Articles 5–10);

2) it fails to comply with Article 11 in respect of voice telephony communication with the consumer (Article 11);

3) it fails to send to the consumer the proposed contractual terms and conditions and all other information from Articles 6–10 of this Law in writing, on paper or another durable medium (Article 12, paragraphs 1 and 2);

4) at the consumer's request, it fails to submit a copy of the concluded distance contract on paper (Article 12, paragraph 3);

5) it fails to enable the consumer to change the means of distance communication used, unless this is incompatible with the contract concluded or the nature of the financial service provided (Article 12, paragraph 4);

6) it prevents or hinders the consumer from exercising his right to withdraw from the distance contract in accordance with this Law (Article 13);

7) it acts in contravention of Article 15 in case the consumer withdraws from the distance contract (Article 15);

8) before the expiry of the withdrawal period defined in Article 13 of this Law, it commences the performance of the distance contract, although the consumer has not yet requested the performance, or if before the expiry of the withdrawal period it requests that the consumer fulfils his obligations under such contract (Article 17);

9) it provides an unsolicited financial service (Article 18);

10) it uses a means of distance communication in contravention of Article 19 of this Law (Article 19);

11) it prevents or hinders the consumer from exercising his right to terminate the distance contract under Article 20 of this Law and/or charges the consumer for expenses, fees or fines for such termination (Article 20);

12) the distance contract envisages that the burden of proof shall lie with the consumer in respect of the service provider's obligation to inform the consumer and fulfil other obligations in accordance with this Law, as well as in respect of the consumer's consent to conclude the distance contract (Article 21);

13) the distance contract envisages that the consumer shall waive the rights conferred on him by this Law (Article 23, paragraph 1).

The responsible person in an investment undertaking, investment fund management company and vendor who is a legal person shall be fined from RSD 20,000 to RSD 100,000 for the actions set out in paragraph 1 of this Article.

A vendor who is an entrepreneur shall be fined from RSD 30,000 to RSD 500,000 for the actions set out in paragraph 1 of this Article.

VII. FINAL PROVISIONS

Termination of certain provisions of the Law on Consumer Protection

Article 28

On the effective date of this Law, the provisions of Article 29, paragraphs 9 and 10 and Article 37, paragraph 2 of the Law on Consumer Protection (RS Official Gazette, Nos 62/2014 and 6/2016) shall cease to apply.

Entry into force

Article 29

This Law shall enter into force on the eighth day following its publication in the RS Official Gazette and shall apply as of the expiry of three months after its entry into force, except the provision under Article 2, item 4), sub-item 9) of this Law, which shall apply as of the day the Republic of Serbia joins the European Union.