

Screening Report

Serbia

Chapter 3 – Right of Establishment and Freedom to Provide Services

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I. CHAPTER CONTENT

Member States must ensure that the right of establishment of EU nationals and legal persons in any Member State and the freedom to provide cross-border services as laid down in Articles 49 and 56 of the Treaty on the Functioning of the European Union (TFEU) is not hampered by national legislation, subject to the exceptions set out in the Treaty. The core piece of *acquis* in this area is Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market ("Services Directive"). The case law of the European Court of Justice regarding Articles 49 and 56 is also part of the *acquis* and needs to be respected. This requires a continuous examination of the Member States' current and future legal order with the aim of identifying legal or administrative obstacles at national, regional or local level not compatible with EU law.

The *acquis* under this chapter is of horizontal nature and can be divided into three general areas, namely the **mutual recognition of professional qualifications** (firstly Directive 2005/36/EC of the European Parliament and of the Council on the recognition of professional qualifications as recently amended by Directive 2013/55/EU of the European Parliament and of the Council, and individual Directives on legal services), **the right of establishment and the freedom to provide services**, as regards the freedom of establishment and the freedom to provide cross-border services (Articles 49 and 56 TFEU and Services Directive), and **postal services**, which consist of a sector-specific regulatory framework ensuring the provision of universal postal services and the establishment of an internal postal market.

Directive 2005/36/EC on the **mutual recognition of professional qualifications** sets the rules concerning the recognition of diplomas and other qualifications between Member States to facilitate access to regulated professions for European citizens who wish to exercise their profession in a Member State other than in the one where they gained their qualifications. The Directive also facilitates temporary and occasional provision of services by professionals (this is covered by Title II of the Directive). For certain regulated professions, a common minimum training curriculum must be followed in order for the qualification to be automatically recognised in an EU Member State (this is covered by Chapter III of Title III of the Directive). In the case of the health sector professions covered by Chapter III of Title III of the Directive, the minimum training requirements are binding on every Member State as conditions for access to the profession also at national level. In addition, there are directives governing the exercise of the profession of lawyers in Member States other than that in which they obtained their qualifications, the activities of commercial agents, as well as the recognition of professional qualifications for activities related to the use, trade and distribution of toxic products. In terms of administrative capacity, a national contact point is needed to receive enquiries related to the recognition of professional qualifications and to ensure administrative cooperation with authorities in other Member States. Administrative

cooperation is further facilitated by the Internal Market Information system (IMI). Professionals must also have access to information, documentation and competent authorities pertaining to the recognition of their qualifications through the points of single contact (PSC) as required under Directive 2006/123/EC.

As regards the **right of establishment and the freedom to provide services**, the Services Directive contains provisions which aim to make it easier for service providers to establish themselves in other Member States as well as to provide temporary cross-border services in Member States other than their State of establishment. The implementation of the Services Directive requires Member States to take a combination of legislative and non-legislative i.e. organisational or practical measures. The Directive is a horizontal instrument which covers a broad range of different services and which is likely to affect a significant number of national laws and regulations. For this reason, and as far as implementing legislation is concerned, a mix of specific and horizontal legislative measures is required, which is likely to include the amendment of existing laws, as well as the adoption of new specific legislation and of a horizontal “framework” implementation law. The provisions of the Directive are - to a large extent - based upon the case law of the European Court of Justice relating to the freedom of establishment and the free movement of services and they complement existing EU instruments, which remain fully applicable. Member States are obliged by the Directive to set up a PSC, where service providers can obtain information electronically and complete administrative procedures required for access to and the exercise of service activities. In addition, authorities need to take part in an electronic information system between administrative authorities (Internal Market Information System or IMI – as required by the Services Directive), which allows for cooperation in the supervision of services activities and efficient information exchange between EU Member States.

The *acquis* for **postal services** aims at opening up the postal services sector to competition in a gradual and controlled way, within a regulatory framework which safeguards the provision of universal postal services. Main pieces of legislation include the following three Postal Directives: the first (framework) Postal Directive 97/67/EC of the European Parliament and of the Council as amended by the second Postal Directive 2002/39/EC of the European Parliament and of the Council and the third Postal Directive 2008/6/EC of the European Parliament and of the Council. The *acquis* provides for the establishment of an internal market for postal services and promotes a high quality postal service for end users. In terms of administrative capacity, the establishment of an independent National Regulatory Authority (NRA) in this field is crucial for the proper implementation of EU legislation.

II. COUNTRY ALIGNMENT AND IMPLEMENTATION CAPACITY

This part summarises the information provided by Serbia and the discussion at the screening meeting. Serbia indicated that it is aware of the obligations resulting from the *acquis* regarding the right of establishment and freedom to provide services and that it accepts the *acquis*. Serbia also indicated that it does not expect any difficulties to implement the *acquis* by the time of accession.

II. a. Mutual recognition of professional qualifications

Alignment of Legislation - EU Directive 2005/36/EC and its amendments

Serbia stated that its current legal system does not recognise the term "regulated professions" and there is currently no law in place and no special institution responsible for the recognition of professional qualifications. Some Ministries have entrusted other bodies (i.e. chambers or professional bodies) with the task of issuing work licences. The Ministry of Education has prepared a draft law on the "Mutual recognition of professional qualifications" which is envisaged to be adopted in the last quarter of 2015 and will include more specific training requirements and skills for the regulated professions. The text of this law includes a general system of recognition and covers also the freedom to provide services on a temporary or occasional basis.

Health sector professions with minimum training requirements

As regards the minimum training requirements in the field of health professions, the national legislative framework consists of the Law on Health Care, the Rulebook on internship and intern's exit exam of health care practitioners and medical associates, the Rulebook on specialisations and sub-specialisations of health care practitioners and medical associates, the Rulebook on detailed conditions on providing health care services in health care institutions and other health care providers, the Law on chambers of health professionals and the Rulebook on detailed conditions on issuing, renewing and revoking licences to the members of chambers of health professions.

a) Doctor of Medicine:

In order to obtain the professional title of a doctor of medicine in Serbia, it is required to complete six years of higher education, six months of professional practice and also pass a professional exam. A doctor of medicine can be sent by his/her employer for a specialisation for a period between three to six years. Currently, there are 46 specialisations and 54 sub-specialisations in this field. In Serbia, there are four faculties of medicine in the Universities of Belgrade, Novi Sad, Niš and Kragujevac and one Military Medical Academy in Belgrade.

b) Dentist

According to Serbian legislation, the title for the profession of dentist is obtained after the completion of five or six years of higher education, followed by a one year traineeship and passing a professional exam. After obtaining the professional title, the dentists become members of the Chamber of dentists.

c) Nurse responsible for general care

Serbia indicated that this professional title is obtained upon the completion of four years of secondary medical school, or three to four years training at a College of nursing, with the possibility of additional specialisation studies. After completing this training, a nurse must follow a six month professional training and pass a professional exam. After having completed all this, a nurse obtains a licence from the professional Chamber and can work independently. Nurses in Serbia can also obtain their professional title following a vocational medical school.

d) Midwife

According to the current Serbian legislation, the professional title of midwives can be acquired after completing four years of secondary medical school or three to four years of higher education, with possibility of additional specialisation studies, and six months professional experience followed by a professional exam.

e) Veterinary surgeons

In order to become a veterinarian in Serbia, one should successfully complete five years of theoretical and practical studies at a University and pass a professional veterinary exam at the Veterinary Directorate. After this, a licence is issued by the Veterinary Chamber. The legislative framework ruling this sector consists of the Law on Veterinary Matters and the Law on High Education Matters. There are currently 20 specialisations for veterinarians. There are two institutions offering trainings for veterinarians in Serbia, the Faculty of Veterinary Medicine and the Veterinary Department at the Faculty of Agriculture of Novi Sad.

f) Pharmacist

Serbia stated that in order to become a pharmacist one should complete five years of higher education followed by one year of professional practice and an exam. There are currently nine specialisations for pharmacists in Serbia and a specialisation in the field of medical statistics and informatics. In the case of biochemists, the minimum requirements applicable are the same and there are currently four specialisations and a specialisation in the field of medical statistics and informatics. However, biochemists cannot work in a pharmacy but in laboratories in the field of biochemistry.

Architects

Serbia stated that the current Serbian legislation regarding the profession of architects is not in line with the relevant EU *acquis*, namely with Directive 2005/36/EC. The Ministry of Construction, Transport and Infrastructure of Serbia will prepare a draft law on the process of recognition of qualifications acquired in the territory of the European Economic Area, in order to perform the regulated professions in the field of architects. According to Serbia, this draft law is expected to be prepared in 2015. The curriculum of architecture is offered in Serbia by the faculties of University of Belgrade, Novi Sad, Niš, Novi Pazar and in a couple of private universities.

Craft professions

Serbia stated that the performance of craft activities in Serbia is not regulated by special rules and the provisions of the Law on Companies and the Law on Cooperatives are directly applicable to the performance of these duties when it comes to the legal form in which these tasks are being performed. Craftsmen can perform their tasks in the form of entrepreneurs or companies, as well as in the form of handicraft cooperatives that need to have fulfilled all the conditions stipulated by the Law on Cooperatives. In Serbia there are recognised organisations for craft activities training in the framework of adult education. However, the craft training is currently not recognised outside the schooling system in Serbia. Currently, Serbia does not have a list of classification of activities which can be defined as crafts. It stated that this will be done in parallel with the harmonisation of the Serbian legislation with the Services Directive.

Alignment of legislation – Specific sectoral legislation

Lawyers

The relevant Serbian legislation in this field comprises the Constitution of the Republic of Serbia, the Legal Profession Act, the Law on the Bar Examination, the Statute of the Bar Association of Serbia, the Code of Professional Ethics of Attorneys-at-law, and the Tariff of fees and expenses payable for the work of attorneys-at-law. The two conditions for engaging in a legal profession in Serbia include the registration in the directory of attorneys-at-law and taking the oath. The Legal Profession Act gives the right to foreign nationals (EU and third-country nationals) to practice or register in register A and B. Register A is limited to giving oral and written legal advice and opinions regarding the application of the law of the lawyer's home country and international law. Register B corresponds to the activities of a domestic

attorney-at-law, with the condition that in the period of three years from the date of registration, the attorney-at-law may act only in conjunction with a local counsel. In order to be part of both registers, the attorney-at-law must have passed the bar exam and the attorney-at-law exam in Serbia. A foreign national cannot elect or be elected as a member of bodies and holders of positions in the Bar Association in Serbia, hire law trainees and be appointed as a temporary agent, tax agent or ex officio counsel, nor to be representative of a party that is exempt from payment of court costs. An attorney-at-law in Serbia may practice law independently, in a joint law office or as a member of a law partnership.

Serbia stated that further approximation is needed in the following period in order to achieve full implementation of the *acquis* when it comes to this profession. In this regard the Serbian Authorities requested an expert analysis through the Instrument for Pre-Accession Assistance (IPA) funded Policy Legal Advice Centre (PLAC) project, which is planned for 2015.

Toxic products

The legislative framework consists of the Law on Chemicals and the Rulebook on chemicals' advisers and conditions that must be fulfilled by a legal person or entrepreneur conducting training and examination for the chemical adviser. The conditions to become a chemical adviser are to have completed higher education in relevant academic studies and having finalised the training for the Chemical Advisor, following which the chemical advisor receives a certificate valid for 6 years. After the end of the validity of the certificate, the chemical advisor has to take the examination again. Serbia stated that the current legislation, which is within the competence of the Ministry of Agricultural and Environmental Protection, is not in line with the relevant EU directives. Therefore, it indicated that the Law on Chemicals, and namely the part related to the obligations of the supplier of hazardous chemicals to provide a Chemical Advisor, should be changed, as well as the Rulebook on the Chemical Adviser. Regarding trade and distribution of pesticides, the main piece of Serbian legislation is the Law on Plant Protection products, which in the view of Serbia, is not in line at the current stage with the relevant EU Directives 74/556/EEC and 74/557/EEC. The Serbian Authorities will analyse the effects of the implementation of the Directives before the adoption of the harmonised domestic regulations, which is foreseen to happen by 2015.

Commercial agents

The Serbian legislative framework for commercial agents is the Law of Contract and Torts (chapter XX, Articles 790-812) which regulates commercial agency contracts. The commercial agent has to ensure that a third person concludes a contract with the principal or can conclude a contract on behalf of the principal. A principal can have several commercial

agents on the same territory, but the commercial agent cannot work for another principal regarding the same kind of business in the same area without the consent of the first principal. According to Serbia, the obligations of the commercial agent set out in chapter XX of the Law of Contract and Torts are in line with the Council Directive 86/653/EEC which governs the relations between commercial agents and principals. Beyond the provisions of the Directive 86/653/EEC on commercial agents, the Serbian legislation provides that the commercial agent is liable to the principal for the fulfilment of obligations arising from the contract that he negotiated or concluded on behalf of the principal only if he gives a particular written guarantee in that respect, in which cases he/she is entitled to a special fee. Serbia also claims that the obligations of the principal set out in the Serbian legislation are in line with Directive 86/653/EEC. However, Serbia indicated that the provisions regarding the right to remuneration are not fully in line with the Directive, given that the latter defines also cases when the commission is due after expiry of the contract, and the time the commission becomes due, which is not the case under the Serbian legislation. The remuneration is defined in the contract and if its amount is not set in the contract, the agent shall be entitled to the usual remuneration. The right of lien (Article 809 of the Law of Contract and Torts) provides a higher level of protection to the commercial agent but there is no corresponding provision in Directive 86/653/EEC.

Implementation and administrative capacity

Several institutions are involved in the recognition of professional qualifications, including the Ministry of Health, the Ministry of Agriculture and Environmental Protection, the Ministry of Education, Science and Technological Development, the Ministry of Labour , Employment, Veteran and Social Affairs as well as the Ministry of Justice and the Serbian Bar Association.

Serbia stated that the capacity of these institutions is satisfactory at this stage but will need further improvement, in particular through bilateral and IPA support.

II.b. The right of establishment and the freedom to provide services

Alignment of Legislation

In Serbia there is currently no general law on services in line with the Services Directive. Following Commission's recommendations, Serbia intends to adopt a horizontal 'umbrella' law on services, which would be placed hierarchically above all the sectoral laws and be complemented by sectoral legislation vertically. Such a comprehensive horizontal Serbian law on services would cover both existing and future legislation, which could facilitate the transposition and the implementation of the Services Directive. The Ministry of Foreign and Internal Trade and Telecommunications will be in charge of the implementation of the Directive, while every other Ministry and State institution will be in charge of each sectoral aspect of the legislation according to its competences.

For the first stage of the drafting of the Serbian law on services, the Ministry of Trade and Telecommunications will benefit from a two-year Norwegian bilateral assistance project on "Development of the services Sector in Serbia" due to start shortly. This bilateral assistance will help the Serbian authorities to prepare the first draft of the horizontal law on services, which is planned to be completed by end 2015.

As regards the establishment of the PSC foreseen by the Services Directive, the relevant legislation in Serbia consists of the Law on Electronic Signature, the Law on Electronic Document and the Law on Electronic Communications. As regards the process for users' registration, major innovations and simplifications have been introduced in Serbia through the Serbian Business Registers Agency (SBRA) that keeps the business registers as single, electronic databases on companies. As of the 1st January 2015, the SBRA plans to start with the full establishment of electronic procedures in the register of financial statements, in accordance with the Accounting Law.

Implementation and administrative capacity

According to the Serbian authorities, an interdepartmental body for the transposition of the Services Directive and a strategy for the development of the services sector will be established, which should provide the strategic framework for the drafting of the Serbian horizontal legislation on services. This interdepartmental body will be tasked to establish a link between all relevant institutions that are concerned by each relevant provision of the Services Directive in Serbia.

Serbia recognised the complexity in approximating the Serbian legislation with the Services Directive and stated that in addition to the Norwegian bilateral assistance project "Development of the services Sector in Serbia" and the TAIEX assistance that has already been approved, it will also need to request further technical support through PLAC and Twinning at a later stage in the process.

II.c. Postal services

Alignment of Legislation

Regarding the postal services sector, Serbia indicated that its national postal regulations are fully compliant with the first (framework) Postal Directive 97/67/EC and partly compliant with the second Postal Directive 2002/39/EC and with the third Postal Directive 2008/6/EC. The Ministry of Trade and Telecommunications and the Regulatory Agency for Electronic Communications and Postal Services (RATEL) are in charge of implementing the postal services policy and strategy. The legal framework consists of the Law on Postal Services and its basis adopted secondary legislation. An important element of the national postal policy is also a "*Strategy for the development of postal services for the period 2013-2016*", which lays down the policy framework that should be the basis for future regulatory and other changes at the national level, most notably further steps in the process of gradual market opening. The definition of the Universal Service Obligation (USO) is provided by the Law on Postal Services, which also designates the Public Postal Operator (Serbian Post) to ensure provision of this service. Other postal operators can also provide services within the scope of universal postal services, apart from reserved services. There are two types of permits to provide the services: a licence in the case of services within the scope of universal services and an authorisation in the case of other postal services (i.e. services outside the scope of universal services). The conditions of access to the postal network of the Public Postal Operator are determined by RATEL, following the Law amending the Law on Postal Services adopted in 2014, which, according to Serbia, further align its legislation with the *acquis*. The Serbian authorities are preparing a Rulebook on the ways and conditions of access to the postal network of the public postal operator.

Regarding the quality of services, Serbia applies the defined standards for mail flows in cross-border traffic (speed – J+3 – 85% and reliability – J+5 – 97%, Article 58) as defined in Annex II of the Postal Services Directive, and the defined standards for mail flows in domestic traffic (speed – J+3 – 98,5% and reliability – J+5 – 99,5% - i.e. Article 59 of the Law on Postal Services).

In the future, the Serbian authorities plan to reduce the limit of the reserved services to 50 grams, which would ensure further alignment with the *acquis*, to define the framework for

access to the network of the Public Postal Operator, to adopt a new Postal Services Act and to further develop competition in this sector.

Implementation and administrative capacity

The independent regulatory authority in the field of postal services is from 21 June 2014 the Regulatory Agency for Electronic Communications and Postal Services (RATEL). With the adoption of the amendments to the Law on Electronic Communications and the amendments to the Law on Postal Services on 13 June 2014, the Republic of Serbia merged the national regulatory agencies for electronic communications (Regulatory Agency for Electronic Communications – RATEL) and for postal services (Regulatory Agency for postal services RAPUS) into one single agency. RATEL is independent from other postal operators and the government (the members of the managing body are nominated by the Parliament). The Agency has its own financial resources which are prescribed by the Law and Statute of the Agency, and 17 people dedicated to postal services. Serbia stated that its capacity, notably for supervision of the provision of postal services, needs to be improved, notably through support by TAIEX.

The Agency determines the general terms and conditions for the performance of postal services, tariff rates for Universal Service Obligations (USO), the quality standards, issues and revokes authorisations and licences for the provision of USO, defines the period of time for the exclusive performance of reserved postal services.

III. ASSESSMENT OF THE DEGREE OF ALIGNMENT AND IMPLEMENTING CAPACITY

Overall, Serbia has partially aligned its national legislation with the EU *acquis* in the field of the right of establishment and the freedom to provide services. Serbia has yet to align its legislation with the *acquis* on mutual recognition of professional qualifications and to adopt a clear strategy. In addition, in order to harmonise its national legislation with the Services Directive, it needs to adopt a horizontal law on services. Also, further to a screening of sector-specific legislation (at all levels of Government), it needs to subsequently amend all legislation found non-compliant with the Services Directive. In the area of postal services, the level of alignment is relatively high, even if full alignment with the Directive 2002/39/EC and identification of steps to ensure full market opening and subsequently alignment with

Directive 2008/6/EC remain to be ensured.

Overall, the administrative capacity of Serbia to implement the *acquis* under this chapter is considered to be satisfactory at this stage, in particular regarding the transposition of EU *acquis* under the mutual recognition of professional qualifications and the Services Directive. The technical assistance provided through the PLAC project, TAIEX, and the Norwegian bilateral assistance project on "Development of the services Sector in Serbia" will help Serbia improve its capacities. As regards the capacities for the transposition of the *acquis* in the sector of postal services it is necessary that Serbia provides for a regulatory framework that will ensure regulatory independence of the supervision of the provision of the postal services i.e. inspections.

III.a. Mutual recognition of professional qualifications

As regards the mutual recognition of professional qualifications, Serbia is only partially aligned with the EU *acquis*. It needs to identify and clearly define the professions that are regulated and adopt the law on Mutual Recognition of Professional Qualifications.

Serbia needs to recognise and clearly define the term "regulated professions" in its national legislation and ensure that the definition covers also professions the access to which requires either only academic qualifications or only professional experience.

Serbia has yet to align the training requirements for the professions in the health sector for which minimum training conditions have been defined at EU level. Since it is a complex, sensitive and lengthy process, Serbia should draw up a detailed and comprehensive strategy covering all the actions necessary to fully implement the *acquis*.

Training programmes for the professions in the health sector for which minimum training requirements are harmonised at EU level must be brought in line with the EU Directive 2005/36/EC on the recognition of professional qualifications. Detailed curricula of all the training programmes for the above listed professions must be submitted to the Commission to allow for a comprehensive assessment. This must include the overall number of hours of training, the number of hours allocated to each subject, descriptions of the content of each relevant subject and information about the internship, notably whether it takes place within the basic academic training (within the given number of years of study) or whether it takes place following completion of the academic studies.

The current Serbian legislation regarding the profession of architects must be aligned with the requirements of Directive 2005/36/EC.

Regarding the profession of commercial agent, Serbian legislation is not fully in line with Directive 86/653/EEC. Regarding further steps for alignment, the Commission estimates that

the Serbian legislation in the field of commercial agents needs to be amended and completed in order to fully comply with the provisions of the Directive, in particular with Articles 7 (2) on remuneration for commercial agents having exclusivity to a specific area or group of customers, Article 8 on commission due after termination of the contract, Article 10 on when the commission becomes due, Article 12 on statement of accounts, Articles 14, 17 and 20 on restriction of trade after termination of the contract. For the most important provision of the Directive, namely Article 17 on the right of indemnity/compensation of the commercial agent after termination of the contract, there is no equivalent provision in the Serbian legislation. In view of the foregoing, it should be recalled that an important effort of the Serbian authorities is necessary in order to bring Serbian legislation in line with Directive 86/653/EEC on commercial agents.

Regarding the provisions of the Law of Contract and Torts regulating the commercial agents' contracts that go beyond the scope of the Directive 86/653/EEC (as stated in section II.a.), the Commission explained that determining whether and which rules go against the principles and the whole 'spirit' of the Directive (i.e. the *del credere* fee) requires a case-by-case analysis and recommended the Serbian Authorities to perform a careful examination.

When drafting the Law on Legal Profession and the subsequent by-laws in Serbia, the Services Directive was not taken into account. Therefore, Serbia will need to make a detailed analysis of the state of play and the harmonisation with the Services Directive also through the Norwegian bilateral assistance project.

Nationality requirements for access to the profession of lawyer, enforcement officers, public notaries and any other profession for which they exist and are not justified under the Treaty must be removed.

The existing legislation regarding the handling of toxic products is not in line with the relevant EU directives. The Law on Chemicals, as well as the Rulebook on the Chemicals Adviser, and the Law on Plant Protection products, should be aligned with the relevant EU Directives 74/556/EEC and 74/557/EEC.

III.b. The right of establishment and the freedom to provide services

Serbia is still at a very early stage regarding its alignment with the Services Directive, but has demonstrated readiness to and is already engaged in reviewing its legislation to align it with the *acquis*.

The major part of the transposition of the Services Directive into the national legislation will take place in the framework of the 2-year Norwegian bilateral assistance project on

"Development of the services Sector in Serbia". In addition, the PSC will be taken over by the functions of the existing eGovernment portal.

Following Commission's recommendations Serbia has already prepared the questionnaire and guidelines for the screening of the Services Directive and distributed them to all institutions concerned by the transposition of the Directive in the country. This questionnaire is a very valuable tool to gain a clear view of the complex issues covered by the Directive, and of the whole system in Serbia, and to establish an effective inter-institutional coordination within the country. This 'screening' exercise should be started even before the beginning of technical assistance provided in this field. The Commission recommends that Serbia adopts a horizontal law for the transposition and implementation of the Services Directive and completes a screening of the Serbian legislation (at all levels of government) outlining the non-compliances with the Services Directive, to be amended in accordance with that same Directive.

III.c. Postal services

As regards the postal services, Serbia is only partially aligned with the EU *acquis*. While it can be concluded that most of the main regulatory instruments are properly implemented (e.g. price regulation; cost accounting principles; quality of service requirements, such as mandatory standards for domestic transit times and complaints procedures) there is an outstanding issue of the further steps in the gradual market opening (currently 100 g). However, overall, national postal legislation is well aligned with the postal *acquis*.

The Commission has advised the Serbian authorities to follow the policy framework laid down in the "*Strategy for the development of postal services for the period 2013-2016*", which envisages further steps in the process of gradual market opening (i.e. reserved area to be limited to 50 g) and further alignment with the third Postal Directive 2008/6/EC (i.e. full liberalisation; methodology to determine net costs of USO). Furthermore, the Commission also invited the Serbian authorities to ensure that supervisory regulatory functions are independent from any operational activity. Current administrative structures (i.e. inspections being part of the sectorial Ministry) raise concerns from the perspective of the *acquis* in this area.

There is no direct provision of postal services between Serbia and Kosovo*. The EU *acquis* contains provisions on the Universal Service Obligation both nationally and cross-border.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

Postal services are addressed in the framework of the Belgrade-Pristina dialogue, in particular in the agreement on telecommunications. The Commission expects Serbia to reach an agreement on the provision of postal services between Serbia and Kosovo in the framework of the Belgrade-Pristina dialogue.