

**THE LAW ON
TOURISM AND HOSPITALITY
(Official Gazette of Montenegro 2/18, 04/18 and 13/18)**

I. BASIC PROVISIONS

**Subject
Article 1**

This Law shall regulate the conditions for the performance of tourism and hospitality activities and other matters of importance for tourism and hospitality.

**Entities
Article 2**

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

**Principles
Article 3**

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

- The planning and implementing of tourism development policy;
- Sustainable development of tourism based on the compatibility of the interests of economic development and the need to protect the environment and its resources, with adjustment to climate change by the continuous mitigation of the negative consequences of climate change;
- Integrated development of tourism and related activities, as factors of overall economic and social development, which ensures the implementation of mutually aligned plans and programmes in accordance with the law;
- Increased efficiency and accountability in the fields of utilization, management, protection and improvement of the area of tourism;
- Ensuring uniform standards for the provision of services in tourism;
- Protection of the users of tourism products and providers of tourism services;
- Partnership between the private and public sectors and civil society in planning, shaping and placing tourism products on the market;
- Ensuring unique, public and electronic records of registered and recorded data in the field of tourism and hospitality and the electronic exchange of data in conducting business activities.

**Meaning of Terms
Article 4**

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

- 1) **Ecotourism** means responsible travelling and visiting ecologically preserved and relatively preserved natural areas, with a beneficial impact on the environment and preservation of the wellbeing of the local population;

- 2) **Hotel** means a business facility performing hospitality activities with the aim of providing services of accommodation, the preparing and serving of food, drinks and beverages, with a reception, lobby, restaurant with a kitchen and accommodation units;
- 3) **Hotel operator (operator)** is a legal person under whose brand a hospitality facility operates;
- 4) **Excursion** means a combination of a minimum of two individual services consisting of transport and tourism/hospitality services that lasts less than 24 hours without including an overnight stay, and is offered for sale and sold by a travel agency at a predetermined price;
- 5) **Excursionist** means a natural person who stays in another place which is not his place of residence for less than 24 hours, not including an overnight stay or accommodation;
- 6) **Excursion group** means an organized group of a minimum of five excursionists for whom an excursion is organized according to a predetermined itinerary of a tourist agency;
- 7) **Integrated hotel (combined)** means a type of a hospitality facility composed of a number of buildings, or parts thereof, which are combined and offered on the market as a single tourist product;
- 8) **Single functional unit** means developed and equipped premises that comply with the conditions for providing hospitality services specified under this Law;
- 9) **Simple hospitality service** means the delivery of simple meals, non-alcoholic drinks and beverages which can be rendered outside of the hospitality facility as well;
- 10) **Camp** means a hospitality facility with a minimum of 10 accommodation units in which guests are offered the services of: camping (accommodation in a developed outdoor area – in a camping site and/or camping parcel); accommodation in camping lodges, bungalows, other tourist consumption services; and the possibility to take part in sports or other forms of outdoor recreation in the camp;
- 11) **Classic hotel unit** means an accommodation unit in a hotel, and in a hotel operating based on the combined model of operation which complies with the minimum technical requirements in respect of equipment and space set out in this Law and which may not be subject to sale;
- 12) **Tourist service user** means a natural person, tourist, traveller or a consumer who directly uses tourism or hospitality services;
- 13) **House for rent** to tourists means an architecturally and functionally detached building with its own garden, which is rented solely as a unit to an individual or to a group of tourists for a specific period of time;
- 14) **Quality of services** means an appropriate level of meeting the demands of tourists, or compatibility between the provision of services and tourists' demands;
- 15) **Volume limiter** means an electronic regulator that is installed on a device playing music/a musical show so as to limit the volume within/originating from a hospitality facility to a prescribed limit value;
- 16) **Healing factors** means thermal or mineral water, air, gas or medicinal mud, whose healing properties have been examined and scientifically proven;
- 17) **Tourist resort** means a type of hospitality facility which represents a unit of a functional and business character and in which tourism activity is performed in an area ranging from 5 ha to 150 ha, with a minimum of one hotel of at least four-star category with a capacity of 60 accommodation units in the northern and central regions, except for the Capital City, and a capacity of a minimum of 120 accommodation units of at least five-star category in the coastal region and in the Capital City, and with tourist villas, with a diverse structure of amenities which comprises: wellness centres, restaurants, golf courses, marinas, sports fields, skiing trails and/or other amenities managed by one or more business entities or

other legal entities and marketed as an integrated and unique high-end tourism product which must be operational for 12 months in a year;

- 18) **National restaurant** means a type of restaurant which predominantly (a minimum of 70% of the overall offer) prepares and serves traditional dishes and whose interior reflects the national culture and historical heritage of Montenegro;
- 19) **Sustainable development of tourism** means:
 - Optimal use of natural resources by implementing policies and measures to mitigate the effects of climate change, to facilitate a reduction in greenhouse gas emissions and a transition to a low-carbon economy, as well as to reduce the vulnerability of natural and human systems to the current and expected effects of climate change;
 - Respect for the socio-cultural authenticity of the community, conservation of cultural heritage and traditional values;
 - Ensuring sustainable, long-term economic activities for the socio-economic benefit of all citizens;
- 20) **Rehabilitation centres** mean regions (places or parts thereof) with climatic and landscape specificities which primarily serve leisure, recreational and rehabilitation purposes and have a unique local character;
- 21) **Package tour** means a predefined combination of at least two individual services which include transport, accommodation or other tourism services not related either to transport or to accommodation and constitute a significant share of the tour price, rendered over a period longer than 24 hours, or include at least one overnight stay and are sold or offered for sale at the total predetermined price, whereby the separate presentation of different components of the same tour does not release the organizer or distributor from the obligations laid down under this Law;
- 22) **Special-purpose beach** means a developed beach intended for a particular group of persons/individuals;
- 23) **Business facility** means a facility or a part thereof in which tourism and/or hospitality activities are performed;
- 24) **Natural rehabilitation centres** mean areas (places, or parts thereof) which have special natural potentials and natural healing properties originating from the soil, sea or climate or advantages for administering physical therapy for the purpose of treatment, mitigation or prevention of diseases of people through the professional use of the available resources;
- 25) **Overbooking** means exceeding the number of confirmed bookings for the same accommodation services by hospitality operators or tourist agencies, resulting in a failure to provide a service or a failure to provide a service as agreed;
- 26) **Traveller** means a person who buys a tourist package tour or another tourism service, and a person for whom or on behalf of whom a tourist package tour or another tourism service is purchased, or to whom the right to use the tourist package tour or other tourism service is transferred;
- 27) **Tourist villa** means a facility that can be privately owned in accordance with the State Property Law, which is situated in and constitutes part of a tourist resort and uses the amenities of a tourist resort managed by one operator;
- 28) **Accommodation unit** means a room, apartment, bungalow, holiday home, camping lodge or any other facility used to provide accommodation to guests, and which complies with the minimum technical conditions regulated under this Law;
- 29) **Room for renting to tourists** means a part of a residential/business facility or a part of a family residential/business facility (house) in which accommodation services are provided to tourists;

- 30) **Flat for renting to tourists** means a part of a constructed building unit which is occasionally used for renting to tourists;
- 31) **Standard** means a set of conditions and benchmarks for setting up and equipping a facility, the quality of the provision of services and the conditions regarding maintenance of the facility;
- 32) **Tourist attraction** means a particularly attractive landmark of a tourist destination, of a natural or social character within a tourist area;
- 33) **Tourism infrastructure** means bathing areas, beaches, skiing trails, Alpine or Nordic ski slopes or slopes for alternative activities, cable cars, thematic or amusement parks, tourist information centres, reception centres for tourists and visitors, leisure areas or viewpoints next to the road, golf courses, tennis courts, artificial accumulations of water for bathing areas, swimming pools, wellness establishments, entertainment or recreational trails or roads (fitness trails, viewpoints, panoramic roads, cycling, hiking or snowmobile trails), developed riverbanks or lake shores, structures for observing natural rarities or structures for adventure activities;
- 34) **Tourism development zone** means an area representing a functional and sustainable unit with tourism infrastructure and suprastructure, which ensures an efficient use of resources and an improvement in tourism development;
- 35) **Tourist signposting** means adequate symbols or signs of tourist or traffic signposting, which mark a tourist attraction or the contents of a tourist offer;
- 36) **Tourism suprastructure** means hospitality facilities, galleries, exhibition and congress facilities, nautical tourism facilities and outdoor or indoor sports recreational facilities, as well as any other facilities which are closely linked with hospitality facilities or sports and recreational facilities, or which constitute a single complex therewith;
- 37) **Tourist apartment** means a hospitality facility intended to provide accommodation services to tourists, which includes a living room, one or more bedrooms, a kitchen and a bathroom;
- 38) **Tourism product** means a set of interdependent elements which are organized in practice as a special-value chain that includes material products and services, natural values or cultural resources, tourist attractions, tourism infrastructure and tourism suprastructure;
- 39) **Tourist destination** means a populated area that contains natural, cultural, historical or other landmarks of importance for tourism, the utility, transport or tourism infrastructure, as well as facilities and other amenities for the accommodation and stay of tourists;
- 40) **Tourist region** means a spatial and functional unit designated by spatial planning documents, where an integrated tourism offer can be formed;
- 41) **Hospitality facility** means a functionally connected, specially developed and equipped space, which complies with the prescribed minimum technical conditions for providing hospitality services, or for performing hospitality activities;
- 42) **Manager (management company)** means a business entity or other legal entity which provides overall management and maintenance of hotels or other primary hospitality facilities;
- 43) **High-end tourism** means tourism in hospitality facilities of four stars or more;
- 44) **Common parts of a hospitality facility whose accommodation units may be subject to individual sale** means any area, except the net surface of accommodation units and related parking places per accommodation/residential unit;
- 45) **QR code** (abbreviation for Quick Response) means a matrix code which stores addresses and other information.

Use of Gender-Sensitive Language

Article 5

The terms used in this Law that refer to natural persons of masculine gender shall also include such persons of female gender.

II. TOURISM ACTIVITY

Definition

Article 6

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

Obligations of Entities

Article 7

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

Advertising and Promotion of Tourism and/or Hospitality Activities

Article 8

- (1) Advertising and promotion of tourism and/or hospitality activities may be done only for tourism or hospitality facilities which hold a licence or permit for the performance of activities, or a decision on entry into the Central Tourism Register.
- (2) The advertising and promotion referred to in paragraph 1 of this Article may be performed in electronic and printed media, on digital platforms (booking.com, Tripadvisor, Airbnb, etc.), in social media and by displaying advertisements and promotions in the windows of business premises and in other means of communication.
- (3) Tourism and/or hospitality activities may be advertised only if the advertisement provided to the persons referred to in paragraph 2 of this Article is accompanied by the following data:

- The name and head office, or the name and address of the business entity, other legal entity, entrepreneur or natural person performing the tourism or hospitality activity;
 - The type of tourism or hospitality activity;
 - The address of the tourism or hospitality facility and/or premises;
 - The number and date of issue of the licence; and
 - The permit to perform the activity or a decision on entry into the Central Tourism Register.
- (4) Advertising and promotion of the tourism and/or hospitality activity shall include, by default, a QR code governed by separate regulations.

III. TOURIST AGENCY, TOURIST GUIDE, TOURIST ESCORT, EVENT ORGANIZER AND REPRESENTATIVE

Tourist Agency

Article 9

- (1) A tourist agency means a business entity, other legal entity or entrepreneur that offers services for organizing travel or acts as an agent in the selling and implementing of services for the travel and stay of tourists, and which holds a licence to perform such activities.
- (2) For the activities referred to in paragraph 1 of this Article, a tourist agency must have an office, and may have a branch office as well.
- (3) The activities of a travel agency may not be performed by a natural person.

Services of a Tourist Agency

Article 10

- (1) A tourist agency may offer the following services in its office or branch office:
- 1) Organizing, selling and implementing tourist package tours in the country and abroad;
 - 2) Organizing tourist sightseeing, entertainment programmes, meetings, congresses, fairs, events, sports events, etc.;
 - 3) Organizing and acting as an agent in the selling and implementation of excursions;
 - 4) Acting as an agent in the selling and implementation of package tours;
 - 5) Providing and acting as an agent in the provision of the services of tourist guides, tourist escorts and event organizers;
 - 6) Organizing the receiving and transferring of travellers in vehicles or through carriers that are compliant with the conditions set out in the act governing transport in road traffic;
 - 7) Selling and acting as an agent in the selling of tickets or the booking of seats for all means of transport, and acting as an agent in obtaining visas;
 - 8) Booking and selling tourism and hospitality services and other services relating to the travel and stay of travellers;
 - 9) Representing local and foreign tourist agencies in travel destinations;
 - 10) Acting as an agent in the renting of accommodation units;
 - 11) Receiving and dispatching vessels in nautical tourism in the country and abroad;
 - 12) Acting as an agent in the obtaining of documents required to organize and provide services in different forms of tourism;
 - 13) Organizing and acting as an agent in the selling of services of nautical, cultural, religious, rural, health, congress, sports, youth or other forms of tourism;
 - 14) Providing car rental services;

- 15) Booking, procuring and selling tickets for all types of events, sports and entertainment shows, manifestations, as well as for museums, fairs, etc.;
 - 16) Renting and/or acting as an agent in the renting of means of transport/vehicles;
 - 17) Acting as an agent in the provision of vessel navigating services by sailors (skippers);
 - 18) Providing tourist information and promotional material;
 - 19) Acting as an agent in the conclusion of travel and luggage insurance contracts; and
 - 20) Other services in accordance with this Law.
- (2) The services referred to in paragraph 1 item 14 of this Article may be provided by a tourist agency only if the conditions referred to in Article 59 paragraph 2 item 3 of this Law are met.

Types of Tourist Agencies

Article 11

- (1) According to the type of services provided, a tourist agency may be:
- 1) A tourist agency travel organizer (tour operator) which organizes tourist package tours and sells them directly, implements them or offers them for sale via an agent, organizes excursions or offers other services that are usual in tourism; or
 - 2) A tourist agency agent (subagent) which sells tourist package tours designed by the travel organizer and/or which offers other agency services under the law.
- (2) A tourist agency may offer for sale or sell services to travellers via the internet in accordance with the law regulating electronic trade and electronic operations and if the conditions set out in this Law are met.

Scope of Services of Tourist Agencies

Article 12

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

Obligations of a Tourist Agency

Article 13

- (1) A tourist agency shall:
- 1) Display visibly at the entrance to the office or branch office the company name and head office, or the name and address of the tourist agency;
 - 2) Display the working hours at the entrance to the office and branch office and abide by them;
 - 3) Display in a visible place in the office, or in the branch office, the licence to perform the activities of a tourist agency;
 - 4) Inform the service user about the capacity in which it acts, and the scope of its powers if it represents another tourist agency;
 - 5) Publish the conditions, contents and price of every individual service it provides, and provide services in accordance with such conditions, contents and prices;
 - 6) If it organizes a tourist package tour, prepare an itinerary and travel conditions for every tourist package tour;
 - 7) Conclude a tourist agreement with the traveller;

- 8) Issue a travel confirmation, ticket or other appropriate document in electronic or written form to confirm receipt of payment;
 - 9) Provide the services defined by the agreement to the traveller, in accordance with the itinerary and travel agreement;
 - 10) If it organizes an excursion, prepare the excursion itinerary which, when advertised or sold, must clearly contain information on the excursion price, type, category and the characteristics of the means of transport, tour itinerary for the location, duration of the excursion, etc.;
 - 11) Keep a book of complaints on the premises in which it provides services, in accordance with Article 7 of this Law;
 - 12) If it entrusts the provision of services under the itinerary or excursion itinerary to third parties, it shall conclude agreements with such persons and keep records of concluded agreements with supporting documents;
 - 13) Clearly indicate the name and head office of the tourist agency, or the name and address of the entrepreneur, and the licence number and QR code in any marketing and promotional material, as well as in all the business documents;
 - 14) Keep as a business secret any information about the traveller and not disclose the traveller's identity, address, place or time of travel, stay, excursion or the price paid, or identity of his fellow travellers, without the traveller's consent, except in cases specified in the law;
 - 15) Familiarize the traveller with and offer to the traveller travel cancellation insurance, insurance that covers the costs of assistance and the return of the traveller to the place of departure in case of an accident or illness, injuries, death and damage/loss of luggage during his travel and stay, and about the need for health insurance during his travel and stay in the country and abroad;
 - 16) Familiarize the traveller with the contents of the applicable security interest agreement related to package tours and excursions;
 - 17) Keep records of concluded travel agreements, or records of organized excursions in the country and abroad, on a daily basis, in an orderly and accurate manner.
- (2) The form, content and manner of keeping of the records referred to in paragraph 1 item 17 of this Article shall be prescribed by the Ministry.

Acting as an Agent in the Provision of Services in Hospitality Facility

Article 14

A tourist agency that organizes tourist package tours or acts as an agent in the provision of accommodation, food and/or drinks shall provide accommodation, food and/or drinks in a hospitality facility that complies with the conditions to perform the activities set out in this Law.

Conditions for Issuing a Licence to a Tourist Agency

Article 15

- (1) The licence to perform tourism activities (hereinafter referred to as the "licence") shall be issued to the tourist agency if it:
- Is entered into the Central Register of Business Entities (hereinafter referred to as the "CRPS") for providing predominantly the services of a tourist agency travel organizer or a tourist agency agent;
 - Owns or rents an office or branch office which complies with the minimum technical conditions referred to in Article 18 of this Law;
 - Has appropriate staff under Article 19 of this Law;

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

Change of Data **Article 16**

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

Security interest **Article 17**

- (1) A tourist agency shall provide security interest in the form of an irrevocable bank guarantee of performance which is payable on first demand and without objection, or an insurance policy or monetary deposit in the special account at the commercial bank.
- (2) The security interest referred to in paragraph 1 of this Article shall provide for:
 - Compensation of damage caused to a traveller by the failure to fulfil, partial fulfilment or disorderly fulfilment of obligations under the travel agreement, travel itinerary or excursion itinerary;
 - Compensation of damages caused due to the inability of the tourist agency to settle the costs of necessary accommodation, food and return of travellers from a trip to the place of departure in the country and abroad.
- (3) The security interest referred to in paragraph 1 of this Article shall be provided for every office and branch office and shall amount to:
 - At least €15,000 for a tourist agency travel organizer; and
 - At least €7,000 for a tourist agency agent.
- (4) The amount of the security interest referred to in paragraph 3 of this Article, after the expiry of the previous security interest, shall be calculated as the percentage of total revenue stated in the official balance sheet and income statement for the previous year.

- (5) The tourist agency shall provide the security interest referred to in paragraphs 3 and 4 of this Article continuously for the entire duration of the licence.
- (6) The manner of activating the security interest and manner of calculating the amount of the security interest referred to in paragraph 4 of this Article shall be prescribed by the Ministry.

Minimum Technical Conditions for Business Premises

Article 18

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

Conditions concerning Staff

Article 19

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

Office

Article 20

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

Designation

Article 21

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

Revocation of Licence

Article 22

- (1) The licence shall be revoked from the tourist agency if:
 - It ceases to comply with the conditions for the issuing of the licence as set out in this Law;
 - It fails to provide the services in the office/branch office at the registered address for which the licence was obtained;
 - A measure has been imposed on it involving prohibition to providing services in accordance with this Law;
 - It has been issued with a licence on the basis of false data or forged documents;
 - It fails 30 days before expiry of the security interest period to provide the Ministry with the amount of security interest in accordance with this Law, or fails to provide a new security interest after the payment of funds on the basis of the previously issued security interest on the day of the payment of funds;
 - It offers or sells trips: tourist package tours or excursions without an agreement or contrary to the agreement concluded with third parties entrusted with the provision of services specified in the trip itinerary (transport, number of beds in a particular establishment, etc.), cancels the trip or fails to reimburse to the travellers the funds paid within the legally defined period;
 - It fails to provide accommodation for travellers during the contracted trip;
 - It fails to ensure the return of travellers or keeps travellers on a trip longer than envisaged in the itinerary without a justified reason.
 - There occur severe consequences for the life and health of travellers as a result of an omission in the operation of the tourist agency.

Decision on Revocation of the Licence

Article 23

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

Expiry of the Licence

Article 24

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

Organization of Trips for Own Needs

Article 25

- (1) Associations of senior citizens and social and child protection institutions may, exclusively for their members or beneficiaries, organize trips: tourist package tours or excursions on a non-commercial basis.

- (2) The tourist package tours or excursions referred to in paragraph 1 may be promoted and presented only in internal media.
- (3) The entities referred to in paragraph 1 of this Article may use exclusively the services of carriers and transportation means for which the tourism services and luggage are insured.
- (4) The entities referred to in paragraph 1 of this Article shall report the trip and submit the travel itinerary with the list of travellers to the administration authority competent for inspection matters no later than five working days prior to the beginning of the trip.

Provision of Tourist Escorts and Guides

Article 26

A tourist agency that organizes a tourist package tours or an excursion for 15 or more travellers shall hire for such a trip a minimum of one tourist escort.

Provision of Transport

Article 27

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

Rights and Obligations of Tourist Agency Travel Organizers

Article 28

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

Rights and Obligations of Tourist Agency Agent

Article 29

- (1) A tourist agency agent that is offering for sale or selling the package tour of a travel organizer shall indicate in the itinerary and in the travel confirmation the capacity in which it is acting, the licence number of the travel organizer and QR code and shall give an itinerary to the traveller either in person or electronically, simultaneously with the issuing of the travel confirmation.

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

Information prior to Travel

Article 30

Prior to concluding an agreement, a tourist agency shall provide the traveller, in writing or in some other appropriate form, with basic information about:

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

Agreement on a Tourist Package Tour

Article 31

- (1) Prior to the signing of agreement on tourist package tour, a tourist agency shall provide the traveller with a copy of the agreement so that he is able to familiarize himself with the contents thereof.
- (2) The agreement on the tourist package tour shall be concluded in writing or in electronic form and must include:
 - The destination and the period of the stay at the destination;
 - The date, time and place of departure and return;
 - The types, characteristics and categories of transportation means that will be used;
 - The locations, types and categories of accommodation facilities that will be used, the number of permits for such facilities and the number of daily meals;
 - The company name and head office, or name and address of the tourist agency travel organizer;
 - The name of the bank that provides the security interest for the package tour/excursion;
 - The excursions, tours and other services included in the package tour, which are included in the price;

- The manner in which changes are made to the price under this Law, the amount of the fee for individual services which are not included in the price of the package tour (tourist fees, boarding and disembarkation fees in airports and other ports);
 - The method and time of payment of the price of the package tour;
 - Special requests made by travellers at the time of booking the trip, which are accepted by the organizer;
 - The minimum number of travellers needed to organize a package tour and the deadline for informing travellers in case of cancellation of the package tour;
 - The period within which the traveller is obliged to file a complaint in case of failure to execute agreement, or partial and incomplete execution of the agreement.
- (3) The travel organizer shall issue to the traveller a confirmation either in writing or in electronic form to confirm that the tourist package tour has been concluded.
 - (4) If the tourist package tour is implemented by the tourist agency agent, it must include the company name and head office, or the name and address of the tourist agency agent, with a note stating that the tourist package tour is being implemented with the agent's intermediation.
 - (5) With respect to the rights and obligations of the tourist agency agent, the provisions of this Law which are applicable to the tourist agency travel organizer shall apply.
 - (6) The provisions referred to in paragraphs 1 and 2 of this Law shall not exclude the possibility of making a subsequent booking or entry into agreement at the last minute.

Changes to the Contents of Agreement prior to Travel

Article 32

- (1) If the tourist agency is forced to change substantial elements of the agreement prior to the beginning of the trip, the agency shall inform the traveller thereof without delay and give the traveller the opportunity to:
 - Withdraw from the agreement without having to pay penalties; or
 - Accept amendments to the agreement.
- (2) The traveller shall notify the tourist agency travel organizer of his decision within two business days of the day of receipt of the proposed changes to the agreement.
- (3) If the traveller does not agree with the changes referred to in paragraph 1 of this Article or if the tourist agency cancels the package tour prior to the agreed date of departure for any reason, the traveller may:
 - Accept a substitute for the package tour of equal or higher quality without supplementary payment, if the tourist agency can offer such a package tour, or if the offered package tour is of a lower quality, the tourist agency shall reimburse the difference in price; or
 - Request that the tourist agency reimburse the amount paid within eight days.
- (4) In the cases referred to in paragraphs 1, 2 and 3 of this Article, the tourist agency shall pay damage compensation to the traveller due to its failure to fulfil its contractual obligations in accordance with separate regulation.

Application of Regulations

Article 33

Matters concerning advertising and informative material, changes to the agreed price, the traveller's right to withdraw from the agreement, replacement of the traveller with another person, damage compensation, changes to the itinerary, responsibility for travel organization, guarantee for package tours and damage compensation to the traveller shall be subject to the provisions of the law governing obligations, whereas provisions of the law governing consumer protection shall apply to the traveller's complaints.

Tourist Guide Article 34

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

Obligation to Hire Tourist Guides Article 35

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

Conditions for Acquiring Identification Card Article 36

- (1) An ID shall be issued to a natural person who complies with the following conditions:
 - He is entered into the CRPS for the performance of activities that involve the provision of the services of a tourist guide, except for persons employed at tourist agencies who submit a statement of employment issued by the tourist agency;
 - He has an active knowledge of at least one foreign language, or the language in which he is providing the guide services;
 - He speaks Montenegrin language to an extent which enables basic communication for a foreign natural person;
 - He holds a certificate of acquired national professional qualification for a tourist guide in accordance with the law.
- (2) The association of tourist guides may, for and on behalf of its members, act as an agent in the provision of the services of a tourist guide with the obligation to issue receipts to service users in accordance with the law.
- (3) A tourist guide shall issue a receipt for the service provided to the service user if the service provision is not organized by a tourist agency, or if a receipt is not issued by the association of tourist guides of which he is a member.
- (4) Evidence of entry into the CRPS is obtained by the Ministry ex officio.

Procedure for Issuing Identification Card

Article 37

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

Obligations of Tourist Guides and Tourist Agency

Article 38

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

Revocation of Identification Card

Article 39

- (1) The identification card shall be revoked based on a decision if:
 - It is issued on the basis of false data or forged documents;
 - The tourist guide fails to provide services in accordance with Article 38 paragraph 1 of this Law;
 - The commission referred to in Article 38 paragraph 4 of this Law establishes that the tourist guide does not have the appropriate knowledge for the performance of the activities of a tourist guide;

- (2) The data on the revocation of the identification card shall be entered into the Central Tourism Register.

**Tourist Escort
Article 40**

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

**Tourist Event Organizer
Article 41**

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

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

- (1) A tourist event organizer identification card shall be issued to a natural person who complies with the following conditions:
 - Possesses a certificate of the acquired national professional qualification for a tourist event organizer in accordance with the law;
 - Has active knowledge of at least one foreign language, or the language in which he provides the services of a tourist event organizer;
 - Has knowledge of Montenegrin language to an extent which enables basic communication for a foreign natural person.
- (2) A tourist event organizer shall issue a receipt to the service user for the service provided if the provision of the service is not organized by a tourist agency, or if a receipt is not issued by the association of tourist event organizers of which he is a member.
- (3) A tourist agency may hire a person holding a tourist event organizer identification card only to act as a tourist event organizer.

**Procedure for Issuing of an Identification Card
Article 43**

- (1) A tourist event organizer identification card shall be issued on the basis of the submitted to the Ministry.

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

Tourist Representative

Article 44

- (1) A tourist representative shall be a tourist agency representing a local or foreign tourist agency at travel destinations.
- (2) A tourist representative shall perform representation duties on the basis of a concluded agreement.
- (3) The tourist agency shall inform the traveller about a tourist representative and his authorizations.
- (4) A tourist representative shall provide the Ministry with his representation agreement within eight days of the day of concluding the representation agreement.
- (5) The agreement referred to in paragraph 2 of this Article shall be accompanied by a completed form for entry into the Central Tourism Register.

Authorizations of a Tourist Representative

Article 45

A tourist representative shall:

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

IV. TOURISM SERVICES IN BATHING AREAS

Bathing Areas and the Manner of Provision of Tourism Services

Article 46

- (1) Developed bathing areas shall be indoor and outdoor swimming pools and beaches located alongside sea coasts, lake shores and riverbanks, which have equipment and amenities, as well as accompanying facilities.
- (2) Tourism services in bathing areas shall be considered to be the services of renting beach furniture (sunshades, sunbeds), water scooters, recreational kayaks, paddle boats, sailing boats, boats, sailboards, water skiing equipment, diving and fishing equipment and training for water skiing, diving, sailing in accordance with the law.
- (3) Tourism services in bathing areas may be provided by business entities, other legal entities and entrepreneurs on the basis of a permit to provide tourism services in the developed bathing areas (hereinafter referred to as the "permit").
- (4) A receipt shall be issued in accordance with the law for the services referred to in paragraph 2 of this Article.
- (5) Bathing areas in the sea, rivers and on lakes where tourism services are provided must comply with the conditions concerning development and equipment, in accordance with the law.
- (6) More detailed conditions concerning development and equipment, types and conditions for using the bathing areas in rivers and on lakes shall be prescribed by the Ministry.

Conditions for Issuing Permits

Article 47

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

Procedure for Issuing Permits

Article 48

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

Prohibitions

Article 49

- (1) The following shall be prohibited on beaches situated alongside the sea, lakes and rivers:
 - 1) Charging an entrance fee;
 - 2) Forcing the mandatory use of beach furniture;

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

V. TOURIST SERVICES IN NAUTICAL TOURISM

Provision of Tourism Services in Nautical Tourism

Article 50

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

Application to Commence Activity

Article 51

- (1) Tourism services in nautical tourism may be provided by a business entity, other legal entity or entrepreneur that is entered into the Central Tourism Register.
- (2) Entry into the Central Tourism Register shall be performed on the basis of an application filed with the local government's competent authority at least eight days prior to the beginning of the provision of tourism services in nautical tourism.
- (3) The application referred to in paragraph 2 of this Article shall be accompanied by:
 - Evidence of the right to use (concession agreement, lease agreement) a nautical tourism port or marina or another reception or sailing vessel in the event that it provides the services referred to in Article 50 paragraph 2 items 1, 2 and 5 of this Law;
 - A photocopy of the insurance policy covering the consequences of an accident;
 - A completed form for entry into the Central Tourism Register.
- (4) The application referred to in paragraph 2 of this Article shall be filed in two copies, of which one copy shall be kept by the competent authority, and one copy shall be sent back to the applicant without delay, along with a registration stamp containing the date and number of the receipt of the application.

- (5) Entry into the Central Tourism Register shall be performed on the basis of a decision by the competent local government authority.
- (6) One copy of the decision referred to in paragraph 5 of this Article shall be submitted to the tourist inspection or other competent inspection body, and to the local tourist organization.
- (7) The tourist services referred to in paragraph 1 of this Article may be performed from the day of entry into the Central Tourism Register.
- (8) Proof of entry into the CRPS shall be obtained ex officio by the competent local government authority.

Contents of Application to Commence Activity

Article 52

The application to commence nautical tourism activities shall contain:

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

Obligations of Tourist Services Providers

Article 53

A tourist service provider in nautical tourism shall:

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

VI. TOURISM SERVICES INCLUDING SPORTS, RECREATIONAL AND ADVENTURE ACTIVITIES

Sports, Recreational and Adventure Activities

Article 54

- (1) Tourism services that include sports, recreational and adventure activities shall be: mountain climbing, kayaking, canoeing and the paddling of other similar vessels, diving, sailing, riding, parachuting, riding in cable cars, canyoning, windsurfing, bungee jumping, riding a zip-line, sports fishing, tours in off-road vehicles, speleological activities and other activities performed by professionally trained persons (guides, rescuers, instructors, trainers and other persons trained to provide certain services) who hold a national or international licence/certificate for the provision of such services issued by a relevant organization.

- (2) The minimum technical conditions and the manner of providing the services referred to in paragraph 1 of this Article shall be prescribed by the Government of Montenegro (hereinafter referred to as the "Government").

Obligations of Tourism Service Providers

Article 55

- (1) The tourism services referred to in Article 54 paragraph 1 of this Law may be provided by business entities, other legal entities and entrepreneurs that are entered into the Central Tourism Register.
- (2) Entry into the register referred to in paragraph 1 of this Article shall be performed on the basis of an application filed with the competent local government authority at least eight days prior to the beginning of the activity.
- (3) The application referred to in paragraph 2 of this Article shall be accompanied by:
- A photocopy of accident liability insurance;
 - The number and date of the decision on entry into the CRPS and the activity code;
 - A completed form for entry into the Central Tourism Register.
- (4) Entry into the register referred to in paragraph 1 of this Article shall be performed by the local government authority on the basis of a decision.
- (5) The tourism service provider referred to in paragraph 1 of this Article shall:
- Prior to the beginning of provision of services, display in a visible place a written notification and warn the user verbally about the types of risks of the services;
 - For certain activities, obtain written consent from the user regarding acceptance of the risks;
 - Prohibit persons younger than 18 years of age to engage in adventure activities without the consent of parents/guardians;
 - Hire a professionally trained person who holds a licence/certificate for the performance of certain forms of sports and recreational and adventure activities;
 - Have an accident insurance policy, which provides insurance for the service user in accordance with the law.
- (6) One copy of the decision referred to in paragraph 4 of this Article shall be submitted to the competent inspection and tourism organization respectively.
- (7) Evidence of entry into the CRPS shall be obtained by the competent local government authority ex officio.

VII. TOURISM SERVICES IN HEALTH TOURISM

Natural Rehabilitation Centres

Article 56

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

Minimum Technical Conditions

Article 57

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

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

VIII. OTHER TOURISM SERVICES

Vehicle Rental Services

Article 58

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

Entities

Article 59

- (1) Car rental services may be provided by a business entity, other legal person or entrepreneur only if they hold a permit to provide car rental services.
- (2) The permit referred to in paragraph 1 of this Article shall be issued by the competent local government authority according to the place of performance of the activity, to the business entity, other legal entity or entrepreneur that:
 - Is entered into the CRPS to provide car rental services;
 - Owns or leases an office;
 - Owns or rents/leases for rental a minimum of five passenger vehicles, registered in Montenegro, which comply with the conditions set out under the law governing road traffic safety and the law governing passenger transport in road traffic.
- (3) The permit for performance of the car rental activity shall be issued within eight days of the day of filing complete application.
- (4) The entities referred to in paragraph 1 of this Article shall inform the competent local government authority in writing about any change in the performance of car rental activities which affect compliance with the conditions for issuing a permit for providing car rental services, within three days of the day of such changes.
- (5) The data contained in the permit referred to in paragraph 1 of this Article shall be entered into the Central Tourism Register.

Application for Issuing a Permit

Article 60

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

Office

Article 61

An entity which provides car rental services must have a office which complies with the conditions under Article 18 of this Law.

Types of Other Tourism Services

Article 62

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

Rental of Other Transportation Means/Vehicles

Article 63

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

Application for Issuing of a Permit to Perform Activities

Article 64

- (1) A permit to provide the services of renting the transportation means/vehicles referred to in Article 63 of this Law shall be issued on the basis of a submitted application which contains the following data: the company name and address, and the unique identification number of the applicant.
- (2) The application referred to in paragraph 1 of this Article shall be accompanied by evidence of:
 - The location of the performance of the activity, determined by the competent local government authority;
 - Technical safety documentation, registration of vehicles or other statutory documentation for the means used to provide the services;
 - A mandatory traffic accident insurance policy for the service user; and
 - A completed form for entry into the Central Tourism Register.
- (3) Proof of entry into the CRPS shall be obtained by the competent local government authority ex officio.

IX. HOSPITALITY ACTIVITY

Definition of Hospitality Activity

Article 65

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

Performance of Hospitality Activities

Article 66

- (1) Hospitality services may be provided by business entities, other legal entities and entrepreneurs (hereinafter referred to as "caterers") that are registered for the provision of hospitality services and comply with the conditions for providing such services, as set out in this Law.
- (2) Certain hospitality services may be also provided by natural persons under the conditions set out in this Law.
- (3) Hospitality services may be also provided by:
 - Business entities or other legal entities that manage protected natural resources;
 - Education institutions, pupils' boarding houses and students' halls of residence in their facilities;
 - Religious and humanitarian organizations;
 - Organizations and associations of senior citizens solely for their members;

- Mountaineering associations and members of mountaineering associations for their members and the members of international mountaineering associations/organizations in their facilities;
- Hunting organizations for their members and other hunters in their facilities;
- Fishing associations for their members and other registered fishermen in their facilities;
- Associations of members of national minorities for their members and other members in their facilities;
- Institutions in the theatre industry for their visitors in their facilities;
- Institutions in the museum and gallery sectors for their own needs in their facilities; and
- Local tourism organizations in a developed part of their premises for the tasting and selling of the homemade products of individual producers for the purpose of presentation to tourists/visitors.

Hospitality Facility Article 67

- (1) Hospitality activities shall be performed in a hospitality facility.
- (2) Hospitality activities may be provided on business premises as well, in a room or area used predominantly for the performance of other activities, if the conditions set out in this Law for the performance of hospitality activities are met.
- (3) Notwithstanding paragraphs 1 and 2 of this Article, a legal/natural person may perform hospitality activities – provision of hospitality services in a household in accordance with Article 100 of this Law.

Temporary Hospitality Facilities Article 68

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

Types of Hospitality Facilities Article 69

- (1) According to the types of hospitality services which are provided in the facility, hospitality facilities may be used for:
 - 1) Accommodation and preparation and serving of food, drinks and beverages;
 - 2) Accommodation;
 - 3) Preparation and serving of food, drinks and beverages;
 - 4) Catering.
- (2) According to the types of users of hospitality services, hospitality facilities may be:
 - 1) Closed, wherein hospitality services are provided only to the persons employed in the institutions, or to the members of sports, youth, humanitarian or other organizations or employees in business entities or state authorities, or to senior citizens, at non-commercial prices (resort, food facility);
 - 2) Open, wherein hospitality services are provided on a commercial basis.
- (3) Foreign business entities, legal entities and entrepreneurs may provide hospitality services if they are registered in the CRPS as a part of a foreign company and if they comply with the conditions set out in this Law.
- (4) Hospitality facilities may be of a club type, wherein hospitality services are provided only to a certain group of guests – the members of the club.
- (5) The facilities referred to in paragraph 4 of this Article must have, in addition to an indication of the type of the hospitality facility, the designation "club", which is used in the advertising

and promotion of services, and in the presentation of messages in commercial business operations.

- (6) Hospitality services may be provided in an area of protected cultural or natural resources and the protected surroundings thereof, in accordance with the conditions established by the competent authority for the protection of cultural or natural resources.
- (7) Catering services may be provided by the persons referred to in Article 66 paragraph 1 of this Law in hospitality services that comply with the conditions set out in this Law and have an agreement concluded for the provision of catering services.
- (8) A hospitality facility of a "restaurant" type may provide catering services.
- (9) A hospitality facility may provide catering services on the basis of a long-term contract for the purpose of providing food for employees, children in preschool, school or on an extended stay, for organized gatherings (weddings, receptions, banquets or birthdays), as well as for the purpose of services on aeroplanes and vessels.

Provision of Hospitality Services outside Hospitality Facilities

Article 70

- (1) Caterers may also provide simple hospitality services outside a hospitality facility, in areas designated by the competent local government authority.
- (2) The services referred to in paragraph 1 of this Article shall be the delivery of meals in protected packaging, non-alcoholic drinks, beverages and sweets, which comply with food safety conditions.
- (3) The areas referred to in paragraph 1 of this Article for providing simple hospitality services must comply with the minimum technical conditions.
- (4) Compliance with the conditions referred to in paragraph 3 of this Article shall be established by the competent local government authority.
- (5) The minimum technical conditions referred to in paragraph 3 of this Article shall be prescribed by the Ministry.

Hospitality Services in a Mobile Facility

Article 71

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

Types of Hospitality Facilities for Accommodation, Preparation of Food, Drinks and Beverages

Article 72

- (1) The hospitality facilities referred to in Article 69 paragraph 1 of this Law shall be classified as:
 - 1) Primary hospitality facilities for the provision of services of accommodation and preparation of food, drinks and beverages:

- Hotels and similar facilities (tourist settlement, motel, boarding house, eco lodge and wild-beauty resort);
 - Integrated (combined) hotels;
 - Tourist resorts;
 - Camps (with 16+ accommodation units);
- 2) Complementary hospitality facilities for the provision of services of accommodation and preparation of food, drinks and beverages:
- Rooms;
 - Tourist apartments;
 - Tourist apartment blocks (five or more tourist apartments within the same building);
 - Houses and flats;
 - Camps (with a maximum of 15 accommodation units);
 - Guest houses, hostels, ethno villages, katuns, resorts, mountain homes;
 - Tourist villas;
- 3) Hospitality facilities for the provision of services of preparation and serving of food, drinks and beverages:
- Restaurants (national, classic, specialised and others);
 - Bars, pizzerias, taverns, fast-food facilities;
 - Cake shops, barbecue stalls, bakeries;
- 4) Catering facilities.
- (2) The accommodation units in the hospitality facilities referred to in paragraph 1 item 1 points 1 and 4 of this Article may not be sold.
- (3) Notwithstanding paragraph 2 of this Article, accommodation units (or special parts thereof) in hospitality facilities operating based on the condo or mixed-use model may be sold in accordance with Articles 95, 96 and 97 of this Law.
- (4) The owners of the hospitality facility which includes the accommodation units referred to in paragraph 3 of this Article shall ensure the maintenance and use of the accommodation units of all parts of the hospitality facility and of the land on which the facility is built, so as to comply with the conditions for performing hospitality activities in accordance with the permit and the awarded category.
- (5) More detailed types of the hospitality facilities referred to in paragraph 1 of this Article, the minimum services that can be provided in them and the manner of management, maintenance and conducting business based on a condo or mixed-use model and in a tourist resort shall be prescribed by the Ministry.

Permits and Applications to Perform Hospitality Activities

Article 73

- (1) A caterer may not start to perform a hospitality activity, or change conditions for the performance of the activity or expand the scope of the business activity without a permit for performance of the hospitality activity or without a decision on entry into the Central Tourism Register.
- (2) A caterer, as a natural person who provides certain hospitality services, may not start to perform a catering activity without a permit for the performance of the hospitality activity and without a decision on entry into the Central Tourism Register, or if he does not beforehand meet the minimum technical requirements for the performance of hospitality activity in accordance with this Law.
- (3) A permit to perform the hospitality activity shall be issued by the Ministry for the facilities referred to in Article 72 paragraph 1 item 1, item 2 points 3, 6 and 7 (for a hostel, ethno village and tourist villa) and item 3 point 1 of this Law (for a national restaurant).

- (4) A permit to perform hospitality activities shall be issued by the competent local government authority for the hospitality facilities referred to in Article 72 paragraph 1 item 2 point 6 (for a guesthouse, katun, resort or mountaineering home), item 3 point 1 (for classic, specialized or other restaurants) and points 2 and 3 of this Law.
- (5) A decision on registration in the Central Tourism Register shall be issued by the competent local government authority for the facilities referred to in Article 72 paragraph 1 item 2 points 1, 2, 4 and 5 of this Law on the basis of the application filed to perform hospitality activities.
- (6) The data contained in the permit and decision referred to in paragraphs 3, 4 and 5 of this Article shall be entered into the Central Tourism Register.

Conditions for Issuing Permits to Perform Hospitality Activities

Article 74

- (1) A permit to perform a hospitality activity shall be issued to a caterer:
 - If he is listed in the CRPS to perform hospitality activities;
 - If he owns or rents a hospitality facility constructed in accordance with the building regulations and complies with the conditions set out in Article 79 of this Law;
 - If he employs a manager who complies with the conditions under Article 83 of this Law.
- (2) The permit referred to in paragraph 1 of this Article shall be issued on the basis of the submitted application.
- (3) The application referred to in paragraph 2 shall be accompanied by:
 - Proof of ownership or lease of a hospitality facility;
 - A concluded employment contract and evidence of completed level four of qualifications, sublevel IV1 of the National Qualifications Framework for the manager;
 - A completed form for entry into the Central Tourism Register.
- (4) Proof of entry into the CRPS shall be obtained by the Ministry or the competent local government authority ex officio.

Contents of Permits to Perform Hospitality Activities

Article 75

- (1) A permit to perform hospitality activity shall contain in particular the following data:
 - The company name and head office and registration number, or the name, address and unique identification number of the caterer or the number of a travel document indicating the validity period and name of the authority that issued it;
 - The type, name, category (if the monitoring of compliance with the conditions and categorization are being performed in the same procedure) and address of the hospitality facility;
 - Description of the service (subject of business activity);
 - Model of operating in the event that the activity is performed based on a condo or mixed-use model;
 - Code of the predominant activity to which the type of the facility belongs, or the type of service for which the permit to perform the activity/service is issued in accordance with the law governing classification of business activities;
 - The total number and structure of accommodation units (for accommodation hospitality facilities), including the number of beds;
 - The designation "club" for a club type of hospitality facilities.
- (2) The caterer to whom the permit to perform hospitality activity has been issued shall notify the Ministry or competent local government authority of any change to the data referred to in paragraph 1 of this Article within eight days of such a change.

- (3) The Ministry or competent local government authority shall pass a decision on the change to the data referred to in paragraph 2 of this Article within eight days of the day of delivery of notification about each change made to the data.
- (4) The change of information referred to in paragraphs 2 and 3 of this Article shall be registered in the Central Tourism Register.

Expiry Date

Article 76

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

Filing Applications to Perform Hospitality Activities

Article 77

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

- 2) The place and address of the facility in which service is provided;
 - 3) The type of hospitality service, category and structure of accommodation capacities with the total number of beds;
 - 4) The place and date of filing the application;
 - 5) The signature of the applicant.
- (5) The application referred to in paragraph 1 of this Article shall be submitted in two copies, one of which shall be kept by the competent authority, and the other shall be returned to the applicant with the registration stamp containing the date and receipt number of the application.
 - (6) Proof of entry into the CRPS shall be obtained by the competent local government authority ex officio.
 - (7) Monitoring of compliance with the minimum technical conditions and the categorization conditions shall be performed by competent inspectors within 15 days of issuing the decision on entry into the Central Tourism Register.

Decision on Entry into the Central Tourism Register

Article 78

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

Minimum Technical Conditions for Performing Hospitality Activities

Article 79

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

- (3) Compliance with the minimum technical conditions for the facilities referred to in Article 73 paragraphs 4 and 5 of this Law shall be established by the competent local government authority.
- (4) In addition to the conditions referred to in paragraph 1 of this Article, hospitality facilities must comply with the other conditions set out in separate regulations.
- (5) Monitoring of compliance with the conditions referred to in paragraph 4 of this Article shall be performed by competent inspectors.
- (6) The minimum technical conditions referred to in paragraph 1 of this Article shall be prescribed by the Ministry.

Protection from Noise Produced by Electro-Acoustic and/or Acoustic Devices

Article 80

- (1) A hospitality facility in which music is played or an entertainment show performed, or electro-acoustic and acoustic equipment used, must comply with the conditions for noise protection so that:
 - It has sound insulation that ensures that the level of noise outside the establishment does not exceed the set noise limit of 65 dBA Laeq;
 - The use of electro-acoustic and/or acoustic equipment does not produce noise inside the facility which exceeds noise-limit value;
 - A volume limiter is installed on the device used to play music;
 - Electro-acoustic devices used to play music must display information about the sound power and must comply with the technical standards.
- (2) If a hospitality facility organizes a live music performance with the use of electro-acoustic equipment (instruments, amplifiers and loudspeakers), such equipment must have volume limiters installed in accordance with this Law.
- (3) The use of electro-acoustic equipment with inbuilt sound amplifiers, which is not suitable for the installation of volume limiters, shall be prohibited in hospitality facilities.
- (4) Compliance with the conditions regarding volume limiters in accordance with this Law shall be monitored by a legal entity accredited to measure noise, which shall prepare a report on compliance with the conditions concerning volume limiters in accordance with this Law.
- (5) The monitoring and measuring of the noise level in/from hospitality facilities (inside and outside the facilities) shall be performed by the municipal police, using a noise-measuring device.
- (6) Measurement of the level of noise outdoors which originates from hospitality facilities (outside the facility) shall be performed at a distance of no less than two metres and no more than three metres from the most exposed facade, whereby the measured value shall be corrected by ± 3 dB(A) Laeq due to sound reflection.
- (7) The noise-limit values for all types of hospitality facilities, the manner of measuring the noise inside and outside the hospitality facilities, the manner of use and the conditions that must be met by volume limiters and mains-supply volume limiters shall be prescribed by the Ministry.

Periods for the Use of Electro-Acoustic and Acoustic Equipment

Article 81

- (1) The use of electro-acoustic and acoustic equipment outdoors and inside hospitality facilities shall be permitted between 09:00 and 01:00, provided that it does not exceed the prescribed noise limit value.
- (2) Acoustic equipment which does not use electrical sound-amplifying devices may be used until 03:00 with the permission of the competent local government authority.

- (3) Notwithstanding paragraphs 1 and 2 of this Article, the competent local government authority may approve the use of electro-acoustic and acoustic equipment outdoors, inside and outside a hospitality facility without time limitation if it assesses that a particular hospitality facility, by its characteristics and location, cannot exceed the prescribed noise limit value.
- (4) For public gatherings, entertainment and sports events and other outdoor activities, which may lead to the exceeding of the noise-limit value, the local government unit shall designate streets, sections of streets and settlements and other locations intended for such purposes, as well as the time when the event will take place.

Conditions for Persons with Disabilities

Article 82

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

Manager

Article 83

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

Categorization of Hospitality Facilities

Article 84

- (1) The hospitality facilities referred to in Article 72 paragraph 1 items 1, 2, 3 and 4 of this Law, with the exception of eco-lodges, integrated hotels, tourist resort, flats for renting to tourists, hostels, ethno villages, katuns, resorts, mountaineering homes, bars, pizzerias, taverns, fast-food facilities, cake shops, barbecue stalls, bakeries and catering facilities shall be subject to categorization.
- (2) Notwithstanding paragraph 1 of this Article, hospitality facilities which form part of an integrated hotel and tourist resort shall be subject to categorization based on their type, individually in accordance with this Law.
- (3) Hospitality facilities shall be categorized depending on the arrangement, equipment and maintenance of the facility, the type and quality of services and other criteria for categorization.
- (4) The categorization of the hospitality facilities referred to in paragraph 1 of this Article shall be performed by assigning stars.
- (5) Hospitality facilities may be assigned a maximum of five stars.
- (6) Hospitality facilities with three or more stars, which have special amenities and equipment, may be assigned a specialization.
- (7) The category of hospitality facilities referred to in Article 72 paragraph 1 item 1, item 2 point 3 and 7 (for tourist apartment blocks and tourist villas), item 3 point 1 of this Law (for national restaurants) of this Law shall be determined by the Ministry's decision, at the caterer's request.

- (8) The request referred to in paragraph 7 of this Article shall be submitted to the Ministry on the day of obtaining a permit for the performance of hospitality activities.
- (9) The category of hospitality facilities referred to in Article 72 paragraph 1 item 2 points 1, 2, 4 (for houses), 5 and 6 (for guesthouses), item 3 point 1 of this Law (with the exception of national restaurants) shall be determined by the decision of the competent local government authority, at the caterer's request.
- (10) The request referred to in paragraph 9 of this Article shall be submitted to the competent local government authority on the day of obtaining the permit or a decision on entry into the Central Tourism Register.
- (11) The decision referred to in paragraphs 7 and 9 of this Article shall be issued for caterers who comply with the conditions under Article 85 of this Law for a period of three years.
- (12) The information contained in the decision referred to in paragraphs 7 and 9 of this Article shall be entered into the Central Tourism Register.

Change of Category and Conditions for the Categorization of a Hospitality Facility

Article 85

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

Re-categorization Procedure

Article 86

- (1) Upon expiry of the validity period of the decision referred to in Article 84 paragraphs 7 and 9 of this Law, the Ministry or competent local government authority shall carry out re-categorization of the hospitality facility, at the caterer's request.
- (2) For hospitality facilities with up to and including three stars, the caterer shall submit a report on compliance with the conditions for a particular category (self-categorization), in addition to the application for re-categorization, to the Ministry or competent local government authority for the purpose of issuing the decision on re-categorization of the hospitality facility.
- (3) A copy of the decision referred to in paragraph 2 of this Article shall be submitted to the competent inspector for the purpose of verifying compliance with the conditions for the category determined by the decision.

- (4) The deadline for submitting the application for re-categorization shall be a minimum of 15 days prior to the expiry of the period of validity of the decision on the categorization of the facility.
- (5) Re-categorization of hospitality facilities shall be performed in the manner prescribed for the categorization of hospitality facilities.
- (6) The information contained in the decision on re-categorization shall be entered into the Central Tourism Register.

Panels for Indicating Categories

Article 87

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

Special Standards of Hospitality Facilities

Article 88

- (1) Special standards of quality may be prescribed for individual hospitality facilities, as well as for individual types of services (bed & bike standards, wild-beauty standards).
- (2) At the caterer's request, a special standard shall be determined by the decision of the Ministry or competent local government authority, depending on the type of hospitality facility.
- (3) The information contained in the decision referred to in paragraph 2 of this Article shall be entered into the Central Tourism Register.
- (4) The monitoring of compliance with the conditions for the special standard referred to in paragraph 1 of this Article shall be performed by the competent inspector.
- (5) Notwithstanding paragraph 4 of this Article, the monitoring of compliance with the conditions for a special standard of quality may be performed by a mystery guest as well.
- (6) If a hospitality facility ceases to comply with the conditions for a special standard, the decision on the granting of the special standard shall be revoked.
- (7) The types of hospitality facilities referred to in paragraph 1 of this Article for which a special standard may be granted, the types of special standards, conditions and elements which must be met for individual standards, the manner of granting of special standards, the layout of the panel and the manner of designation of the special standard shall be prescribed by the Ministry.

Mystery Guest

Article 89

- (1) A mystery guest shall be one or more natural persons or a legal entity designated by the Ministry to monitor compliance with the conditions for the assigned category of four-star and five-star levels, the conditions for the special standard of quality, that shall evaluate the quality of the service by staying in a hospitality facility unannounced for a minimum of 24 hours.
- (2) A mystery guest must not reveal the purpose of the visit prior to, during or after the stay.
- (3) Upon completion of the stay in a hospitality establishment, the mystery guest shall prepare a report with an evaluation and professional opinion on compliance with the conditions, which shall be submitted to the Ministry.

- (4) If deviations are identified in regard to the level of assigned category and standard of quality on the basis of the report referred to in paragraph 3 of this Article, the report shall be submitted to the competent inspection for the purpose of verifying the allegations presented in the report and taking measures.

Obligations of Caterers

Article 90

- (1) Caterers shall:

- 1) Display visibly at the entrance to a hospitality facility the type, name and designation and category of the hospitality facility, in accordance with the permit to perform hospitality activities, or in accordance with the decision on entry into the Central Tourism Register;
- 2) Display visibly at the entrance to a hospitality facility the information about working hours in accordance with the regulation of the competent authority of the local government unit;
- 3) Establish the house rules in the hospitality facility for accommodation and display them at the reception, and display an excerpt from the house rules in all rooms and apartments;
- 4) Establish norms for the food, drinks and beverages they serve and, at the service user's request, allow access to such norms, and serve food, drinks and beverages in the volumes defined by such norms;
- 5) Keep accurate and updated business records for all types of hospitality facilities, and for each facility individually, and for each business/organizational unit of the hospitality facility respectively, which shall contain records on the procurement of goods and raw materials (daily turnover of food, drinks and beverages) which are used for the purpose of providing hospitality services, and keep documents on the origin of the goods and use the goods for which it has procurement documents and which are registered on business records;
- 6) Display visibly the prices of services offered, in a way which is accessible to guests and shall provide the services at the displayed prices, and indicate the residence tax and insurance amounts in the pricelist for accommodation services;
- 7) Put pricelists indicating the weight/volume of food, drinks and beverages at the guests' disposal in a sufficient number of copies (on every table and at the bar) and provide menus at the guest's request;
- 8) Issue a receipt to the guest in accordance with the law for every hospitality service rendered, with an indication of the type, quantity and price of the services rendered, and indicate on the receipt for accommodation services the amounts of residence tax and insurance that were charged;
- 9) Keep as prescribed a record of guests, daily, accurately, completely and in a timely manner, either in electronic or in written form;
- 10) Display visibly information about the manner of filing complaints regarding the services rendered, allow guests to file written complaints in person in the facility or otherwise, and keep a book of complaints in every hospitality facility;
- 11) Provide services to all users under equal conditions;
- 12) Offer drinks and finished products in hospitality facilities, which must be labelled in accordance with the law governing food safety;
- 13) Charge for the services rendered in cash, by card or transfer;
- 14) Provide services in a quality manner in accordance with the agreement, without exceeding reservations (overbooking);

- 15) Keep in a hospitality facility the permit to perform hospitality activities, or the decision on entry into the Central Tourism Register, the decision on category assignment, the record of guests, the book of complaints and the business records;
 - 16) Display visibly at the entrance to the hospitality facility the panel with the category designation;
 - 17) In advertising and the promotion of services, use the indication of the type and category of the hospitality facility, or the standard determined by the decision of the competent authority;
 - 18) Insure guests from the consequences of accidents in the accommodation hospitality facilities;
 - 19) Keep rooms, devices and equipment functioning and clean;
 - 20) Provide devices and equipment for eliminating smoke, steam and unpleasant odours, so as to prevent their spreading into the surrounding areas in accordance with the law;
 - 21) Install volume limiters on devices used to play music, so as to limit noise;
 - 22) Not condition the provision of hospitality services upon the provision of other services;
 - 23) Furnish data on the available accommodation capacities, number of tourists and overnight stays to the local government authority and local tourism organization and to the administrative authority competent for statistical affairs, no later than the 10th of the current month for the previous month;
- (2) The manner of keeping and content of business records (daily turnover of food, drinks and beverages), the guest book and the book of complaints shall be prescribed by the Ministry.

Prohibition on the Serving of Alcoholic Drinks

Article 91

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

Names of the Types of Hospitality Facilities

Article 92

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

Period of Performance of Activity

Article 93

- (1) Caterers may perform hospitality activities all-year-round or seasonally.
- (2) Caterers may also perform activities occasionally (during events, fairs and occasional events) with the permission of the competent local government authority.

- (3) A caterer shall establish the period of business activities referred to in paragraphs 1 and 2 of this Article for every hospitality facility, and shall inform the Ministry or competent local government authority thereof.
- (4) A caterer shall inform the Ministry or competent local government authority that issued the permit to perform the hospitality activities or the decision on entry into the Central Tourism Register about the temporary or permanent cessation of the hospitality activities no later than three days prior to, and at the latest on the day of the temporary or permanent cessation of hospitality activities or prior to recommencement of the hospitality activities.
- (5) In case of the permanent cessation of the activities, the Ministry or competent local government authority shall revoke the permit to perform hospitality activities or the decision on entry into the Central Tourism Register.
- (6) The information about the temporary and permanent cessation of hospitality activities shall be entered into the Central Tourism Register.

Exemption from Application

Article 94

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

Condo Model of Operation

Article 95

- (1) The condo model may be operated at a hotel of a minimum five-star category in the coastal region or in the Capital City and a minimum four-star category in the northern and central regions, except for the Capital City, which is operational for 12 months of the year.
- (2) Accommodation units at the hotel referred to in paragraph 1 of this Article shall be subject to individual sale and may operate commercially for at least nine months during the year.
- (3) Ownership rights may be acquired exclusively in the net floor area of the accommodation unit with its accompanying parking area.
- (4) Common parts of the hotel referred to in paragraph 1 of this Article may not be subject to sale.
- (5) The units referred to in paragraph 2 of this Article shall be registered individually in the immovable property cadastre with the encumbrance under which the unit is managed by the manager in accordance with this Law.
- (6) Under the sale and purchase agreement on the units referred to in paragraph 2 of this Article, annotation of the sale and purchase agreement shall be registered in accordance with the law.
- (7) Registration of the ownership rights to the accommodation units in the immovable property cadastre shall be carried out after obtaining a permit for the performance of hospitality activities and the assignment of hotel category.

- (8) The units referred to in paragraph 2 of this Article must be constituent parts of the hospitality facility which represents a single complex in terms of operations, management and maintenance and is offered on the market as the single tourism product exclusively through the manager or hotel operator managing the hotel.
- (9) The manager may, by means of an agreement, delegate management of the hotel referred to in paragraph 1 of this Article to the hotel operator.
- (10) After the sale of units referred to in paragraph 2 of this Article, the purpose and activity of the hospitality facility/hotel as a business facility must not be changed.
- (11) In addition to the proof of issuing of permits for the performance of the hospitality activity referred to in Article 74 of this Law, the concluded agreement referred to in Article 97 of this Law shall be submitted as well for the condo model of operation.

Mixed-Use Model of Operation

Article 96

- (1) The mixed-use model may be operated at a hotel of a minimum five-star category and a minimum capacity of 120 accommodation units in the coastal region and in the Capital City and a minimum four-star category and a minimum capacity of 60 accommodation units in the central and northern regions, except for the Capital City, which is operational for 12 months of the year.
- (2) The accommodation units at the hotel referred to in paragraph 1 of this Article may be subject to individual sale with the possibility of optional rental on a voluntary basis.
- (3) The units referred to in paragraph 2 of this Article shall be rented exclusively through the manager or hotel operator who manages hotel as a whole.
- (4) Ownership rights may be acquired exclusively in the net floor area of the accommodation unit with its accompanying parking space.
- (5) Common parts of the hotel referred to in paragraph 1 of this Article may not be subject to sale.
- (6) The percentage of accommodation units of the hotel referred to in paragraph 1 of this Article intended for sale may not exceed 50% of the total accommodation capacities of the hotel.
- (7) Notwithstanding paragraph 6 of this Article, at a hotel of a minimum five-star category with a minimum capacity of 240 accommodation units in the coastal region and in the Capital City, and a minimum four-star category with a minimum capacity of 120 accommodation units in the central and northern regions, except for the Capital City, the percentage of accommodation units intended for sale may not exceed 60% of total accommodation capacities.
- (8) The units referred to in paragraph 2 of this Article shall be entered individually into the immovable property cadastre subject to the requirement that the residential unit is managed by the manager in accordance with this Law.
- (9) On the basis of the purchase and sale agreement referred to in paragraph 2 of this Article, the agreement annotation shall be entered in accordance with the law.
- (10) Registration of the rights of ownership of accommodation units in the immovable property cadastre shall be performed after obtaining a permit for the performance of hospitality activities and assignment of a category to the hotel.

- (11) The units referred to in paragraph 2 of this Article must be parts of a hospitality facility which constitutes a single unit in terms of business operations, management and maintenance.
- (12) The manager may, by means of an agreement, delegate management of the hotel referred to in paragraph 1 of this Article to the hotel operator.
- (13) Sale of the residential units referred to in paragraph 2 of this Article must not change the purpose and business activity of the hospitality facility/hotel as a business facility.
- (14) In addition to the proof of the issuing of permits for the performance of the hospitality activity referred to in Article 74 of this Law, the concluded agreements referred to in Article 97 of this Law shall also be submitted for the mixed-use model of operation.

Management and Maintenance

Article 97

- (1) The management and maintenance of hotels operating based on the condo and mixed-use models of operations shall be regulated in the management and maintenance agreement which shall contain the following:
 - 1) The mutual rights and obligations of the owners of the accommodation unit and the manager, particularly in respect of:
 - The building design and plans for equipping, opening and operating;
 - The deadline for operational work, extension, cessation and termination;
 - The manner of operation and management of the hotel;
 - The operating permit and category of the hospitality facility;
 - The fee for management, maintenance, use of the brand and other fees;
 - Insurance and damage compensations;
 - The failure to perform activities;
 - The prohibition on concluding a sale and purchase agreement and use of the accommodation unit in the event of the revocation of the permit for the performance of an activity or category;
 - 2) The rights and obligations of the owners of the accommodation unit in common areas and other amenities;
 - 3) The obligations of the managers in terms of functionality, management, maintenance and equipping for the purpose of meeting the requirements for the assigned category during the period of validity of the agreement, and particularly the obligation to provide services to all users on equal terms;
- (2) In addition to the data referred to in paragraph 1 of this Article, the management and maintenance agreement shall also contain the following:
 - 1) The right of the owner of the accommodation unit to a fee calculated on the basis of the percentage of the average rent and average occupancy of the same type of accommodation units operating at the level of the entire hotel in the period during which its accommodation unit operates commercially and which may not be lower than 10% of the amount mentioned above;
 - 2) The validity period of the agreement, specifying a period of at least 10 months during which the unit operates commercially, provided that outside of the commercial function this can last a maximum of 15 consecutive days, or 10 days per month;
 - 3) The obligation to conclude an agreement between the owner of the accommodation unit and the manager by 31 January for the current year;
- (3) A sale and purchase agreement and a management and maintenance agreement concluded contrary to this Article shall be null and void.

Tourist Resorts

Article 98

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

Changes to the Operation Model

Article 99

Hotels that hold a permit for the performance of hospitality activities may change their mode of operation to a condo or mixed-use model of operation only in the event of the reconstruction of the existing one-star or two-star hotel for the purpose of upgrading the category to a minimum four stars in northern and central regions, except for the Capital City, and minimum five stars in the coastal region and in the Capital City.

X. HOSPITALITY SERVICES IN HOUSEHOLD AND RURAL HOUSEHOLDS

Hospitality Services in Households

Article 100

- (1) Hospitality services in a household shall be considered to be services of:
 - Accommodation in rooms for renting to tourists, tourist apartments, flats for renting to tourists, with a maximum of 10 rooms or 20 beds, to natural persons only;
 - The organizing of a camp on one's own land for a maximum of 15 accommodation units or 30 persons at the same time, for natural persons only.
- (2) Hospitality services in a household may be provided by business entities, other legal entities, entrepreneurs or a natural person (local or foreign) who is the owner/co-owner or a member of the family household of the owner/co-owner of the accommodation capacities or of the land referred to in paragraph 1 point 2 of this Article, under the conditions and in the manner established by this Law (hereinafter referred to as the "lessor").
- (3) Notwithstanding paragraph 2 of this Article, the services in a household may be provided by other members of the household and the co-owners of the real estate in the accommodation capacity belonging to them, or with the approval of the owner or other co-owners.
- (4) A member of the family household referred to in paragraph 2 of this Article shall be considered to be the spouse, children born within marriage, outside marriage or adopted

children, brothers and sisters, the parents of the spouse, the spouses of children and grandchildren who live in the same apartment or family residential building with the lessor.

- (5) Lessors may provide bed & breakfast services to the guests to whom they provide accommodation services, between 07:00 and 10:00.
- (6) The accommodation services in the facilities referred to in paragraph 1 of this Article with more than 10 rooms and/or more than 20 beds, or for organizing a camp on land with more than 15 accommodation units and/or more than 30 persons at the same time, may be performed by caterers.
- (7) Hospitality facilities for accommodation in a household (room, tourist apartment, house, flat for renting to tourists, camp with a maximum of 15 camp units) must comply with the minimum technical conditions and the categorization conditions referred to in Articles 79 and 84 of this Law.
- (8) Hospitality services in the household referred to in paragraph 1 of this Article may be provided on the basis of the decision on entry into the Central Tourism Register in accordance with Articles 77 and 78 of this Law.

Obligations of the Lessor

Article 101

- (1) The lessor shall:
 - 1) Display in a visible place at the entrance to the facility the indication of the type and category of the facility;
 - 2) Display in a visible place the prices of service that he offers and the amount of residential tax, and shall provide the services in accordance with the displayed prices;
 - 3) Issue a receipt to the guest in accordance with the law, with the type, quantity and price indicated for every service rendered, and the amount of residential tax and insurance charged;
 - 4) Keep on a daily basis, accurately and in a timely manner a guest book and keep a book of complaints in the hospitality facility in a visible place;
 - 5) Provide data on available accommodation capacities, the number of tourists and overnight stays to the local government authority and local tourism organization, and to the administrative authority competent for statistics, no later than the 10th of the current month for the previous month;
 - 6) Insure guests from the consequences of accidents;
 - 7) Keep the decision on entry into the Central Tourism Register in the facility.
- (2) When advertising and marketing the services, and placing messages in promotional materials, the lessor shall use the designation of the type and category of the facility in accordance with this Law.

Prohibition

Article 102

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

material, imposing one's own or someone else's accommodation services, offering prices, conditions or other actions which harm the reputation of a tourist site.

Hospitality Services in Rural Households

Article 103

- (1) A rural household which performs agricultural activity and is located in a rural area may provide hospitality services.
- (2) Hospitality services in a rural household may be provided by a business entity, other legal entity, entrepreneur or a natural person.
- (3) Hospitality services in a rural household shall include:
 - 1) The preparation and serving of hot or cold dishes, drinks or beverages predominantly from one's own production;
 - 2) The serving and tasting of wine or other alcoholic or non-alcoholic drinks, as well as local products predominantly from one's own production in a developed part of a residential or business facility, indoors, in a covered area or outdoors;
 - 3) Services of accommodation in rooms for renting to tourists, tourist apartments and katuns, for a maximum of 10 people, i.e. 20 beds, only for natural persons, only for the guests provided with services involving food, drinks and beverages (breakfast, half board or full board) predominantly from the household's own production.
- (4) The meals, drinks and beverages served in a village household must be characteristic of the region where the rural household is situated.
- (5) Hospitality facilities for accommodation in a rural household must comply with the minimum technical conditions and the conditions for the category in accordance with this Law.
- (6) Hospitality services in the rural household referred to in paragraph 1 of this Article may be provided upon obtaining a decision on entry into the Central Tourism Register under Articles 77 and 78 of this Law.
- (7) Hospitality services in the rural household referred to in paragraph 3 of this Article which has more than 10 rooms and/or more than 20 beds may be provided by caterers.
- (8) The minimum technical conditions, the conditions for the category and the manner of categorization of establishments in which services are provided in a rural household shall be prescribed by the Ministry.

Hospitality Services on a Sailing Vessel

Article 104

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

- (6) The minimum technical requirements for vessels shall be prescribed by the Ministry.

Provision of Camping Services

Article 105

- (1) Camping means the temporary stay of tourists in camps which are located on a site which is designated for such a purpose by the spatial planning documents and by the programme for the temporary facilities.
- (2) The provision of camping services outside the campsite referred to in paragraph 1 of this Article shall be prohibited.
- (3) The following services may be provided in camps:
 - 1) Accommodation services in a developed outdoor area (campsite, camp plot) by using mobile camping equipment owned by the guest (tents, trailers, mobile homes), or in rented mobile camping equipment;
 - 2) Accommodation in construction units (camping lodge, bungalow);
 - 3) The preparation and serving of food, drinks and beverages;
 - 4) The rental of mobile camping equipment (tables, chairs, sleeping bags, tents).
- (4) Business entities, other legal entities and entrepreneurs may provide hospitality services in camps if they comply with the prescribed minimum technical conditions and if they hold a permit to provide camping services.
- (5) A permit to provide the services referred to in paragraph 4 of this Article for camps with 16 or more accommodation units shall be issued by the Ministry.
- (6) The decision on entry into the Central Tourism Register for camps with a maximum of 15 accommodation units or 30 beds shall be issued by the competent local government authority.
- (7) The decision referred to in paragraph 6 of this Article shall be issued for camps that comply with the minimum technical conditions.
- (8) For the land for which spatial planning documents have not been produced, the Ministry may issue a temporary permit for the provision of services in a camp in order for that activity to be performed based on the programme for the temporary facilities, for a period of one year, with consent from the competent local government authority or the legal entity that manages the protected natural resources.
- (9) The temporary permit referred to in paragraph 8 of this Article may be extended until the adoption of spatial planning documents which elaborates in detail the area where the camp is located, at the request of the person referred to in paragraph 4 of this Article.
- (10) A minimum of 70% of the total camp capacity must be provided for the temporary parking of trailers, motor homes or other camping equipment owned by the guest, while the remaining 30% of the camp capacity may be provided for the accommodation of guests in constructed units or in the installed camping equipment (trailers or mobile homes).
- (11) The trailers and mobile homes referred to in paragraph 10 of this Article must comply with the conditions of technical validity.
- (12) The minimum technical conditions and the camp categorization conditions shall be prescribed by the Ministry.

XI. CENTRAL TOURISM REGISTER, RECORDS AND TOURISM DEVELOPMENT PLANNING

Entry into the Central Tourism Register

Article 106

- (1) The Central Tourism Register shall record data from:
 - Permits for the performance of tourism activities issued by the Ministry and competent local government authority;
 - Permits for the performance of hospitality activities issued by the Ministry and competent local government authority;
 - The decision on entry into the Central Tourism Register issued by the competent local government authority;
 - The forms for entry into the Central Tourism Register.
- (2) The Central Tourism Register shall be kept by the Ministry in electronic form.
- (3) Data from the Central Tourism Register shall be public.
- (4) The Ministry and competent local government authorities shall enter electronically into the Central Tourism Register the data from the completed forms which are submitted along with the application for the permit to perform tourism/hospitality activities or for entry into the Central Tourism Register.
- (5) The Ministry and competent local government authority shall enter the data referred to in paragraph 1 of this Article into the Central Tourism Register at the latest on the day of issuing of the permit for the performance of tourism/hospitality activities, or the day of issuing of the decision on entry into the Central Tourism Register.
- (6) If the data entered into the Central Tourism Register has been changed, the business entities, other legal persons, entrepreneurs and natural persons performing the tourism and hospitality activities shall inform the competent authority in writing about the change made to the data, within eight days of the day such a change was made.
- (7) More detailed contents and the manner of managing the Central Tourism Register and the form for entry into the Central Tourism Register depending on the type of activities and services shall be prescribed by the Ministry.

Single Register of Tourism Turnover

Article 107

- (1) The single register of tourism turnover shall be a register that is managed by caterers who provide accommodation services regarding: the number of tourists, their structure and the number of overnight stays in facilities for accommodation services and on sailing vessels of nautical tourism.
- (2) The data contained in the single register of tourism turnover may be used for statistical purposes and for monitoring tourism turnover.
- (3) The manner of keeping, the contents and use of the single register of tourism turnover shall be prescribed by the Government.

Tourist Signposting

Article 108

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

Electronic Exchange of Data

Article 109

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

Tourism Development Strategy

Article 110

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

X ENCOURAGING DEVELOPMENT OF TOURISM AND TOURISM DEVELOPMENT ZONES

Programme of Incentives

Article 111

- (1) In order to ensure high-end tourism, the Programme of Incentives is adopted in accordance with strategic documents for the purpose of:
 - Stimulating the construction of the tourist infrastructure, the tourist suprastructure, sports-recreational and other accompanying amenities that are important for improving the quality of the tourist offer;
 - Improving the existing tourism product and intensifying its use;
 - Improving knowledge and skills in tourism;
 - Stimulating tourist turnover;
 - Promoting the tourism destination more effectively.
- (2) The Programme referred to in paragraph 1 of this Article shall be adopted by the Government at the proposal of the Ministry.
- (3) The funds for financing the incentives referred to in paragraph 1 of this Article shall be allocated in the budget of Montenegro.
- (4) The Programme of Incentives in the field of tourism may be also adopted by the authority of a local government unit from the funds allocated in the budget of the local government unit.
- (5) The Programme referred to in paragraphs 2 and 4 of this Article shall contain:
 - The measures to be implemented;
 - The beneficiaries of the funds;
 - The requirements for the allocation of the funds;
 - The amount of the funds;
 - The criteria and procedure for the allocation of the funds.
- (6) The funds for incentives referred to in paragraph 1 of this Article shall be allocated by a public notice implemented by the Ministry, the National Tourism Organization of Montenegro or a local government unit.
- (7) More detailed requirements and the manner of allocation and use of the funds referred to in paragraphs 1, 2, 4 and 6 of this Article shall be prescribed by the Government and local government units.

Beneficiaries of Incentives
Article 112

The beneficiaries of incentives may be:

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

Tourism Development Zones
Article 113

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

Government Incentives
Article 114

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

Conclusion of Agreement
Article 115

- (1) Incentives and other reliefs regulated under this Law shall be stipulated in the agreement.
- (2) A decision on the awarding of incentives referred to in Article 114 of this Law shall be adopted by the Government.
- (3) The content of the decision referred to in paragraph 2 of this Law shall be prescribed by the Ministry.

Obligations of the Beneficiaries of Incentives

Article 116

- (1) The beneficiaries of the incentives referred to in Article 112 of this Law shall submit to the Ministry at least once a year, by 1 March of the current year for the previous year, a report by an independent auditor on the implementation of the project for which they received the incentive.
- (2) Where the project is not implemented in accordance with the planned timetable, i.e. within the time-limits set at the moment of awarding incentives, the beneficiaries shall return the incentive within three months of the date of submitting the report referred to in paragraph 1 of this Article.
- (3) Once a year, the Ministry shall submit to the Government a report on the implementation of the incentives referred to in Articles 111 through 115 of this Law.
- (4) The records on the awarded incentives shall be managed by the Ministry.

Priority Tourist Sites

Article 117

At the proposal of the Ministry, the Government shall designate a tourist site which is important for the development of an area, due to its outstanding natural, cultural, historic, environmental, spatial, geographical and other values, as a priority tourist site.

XIII SUPERVISION

Conducting Supervision

Article 118

- (1) Supervision of the implementation of this Law and the regulations adopted hereunder, and other regulations governing tourism and hospitality activities, shall be performed by the Ministry.
- (2) Inspection supervision of the implementation of this Law shall be performed by the administrative authority competent for inspection matters through tourist inspectors, unless the law sets out individual inspection supervision duties to be performed by other state authorities or the local government authority, in accordance with the law.
- (3) Inspection supervision of the implementation of this Law shall also be performed by local government units, through authorized inspectors (municipal inspection, traffic inspection, local tourist inspection, public revenue inspection bodies, etc.) in the part regulating the field of tourism and hospitality in accordance with the law.

Competence to Decide on Appeals

Article 119

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

Tourist Inspection

Article 120

The duties of the inspection supervision referred to in Article 118 paragraph 2 of this Law shall be performed by the tourist inspection body by direct control, unless the law sets out the individual duties of inspection supervision to be performed by other state authorities, or by local government authorities.

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

Article 121

- (1) In performing inspection supervision, a tourist inspector shall be authorized to verify/check compliance with the prescribed conditions for the performance of:
 - 1) The tourism activities of:
 - A tourist agency (Articles 9–33);
 - A tourist guide (Articles 34–39);
 - A tourist escort (Article 40);
 - An event organizer (Articles 41–43);
 - A tourist representative (Articles 44–45);
 - Tourist services in bathing areas (Articles 46–49); and
 - Tourist services in nautical tourism (Articles 50–53);
 - 2) Hospitality activities:
 - The permit to perform hospitality activities for the facilities referred to in Article 72 paragraph 1 item 1, item 2 points 3 and 6, and item 3 points 1, 2 and 3;
 - The minimum technical conditions to perform hospitality activities (Article 79);
 - The conditions for the categorization of hospitality facilities for which a decision on awarding a category is issued by the Ministry (Articles 84–87);
 - The conditions for special standards of hospitality facility for which a decision is issued by the Ministry (Article 88);
 - The obligations of caterers (Article 90 paragraph 1, except items 2, 20 and 21);
 - The prohibition from serving alcoholic drinks to persons younger than 18 years of age (Article 91); and
 - Camping services in camps with 16 or more camping units (Article 105 paragraphs 4 and 5);
 - 3) Tourism and hospitality activities:
 - Advertising and promotion of tourism and hospitality activities and services for which a licence or permit to perform the activities shall be issued by the Ministry (Article 8); and
 - Services for persons with disabilities for tourism and hospitality facilities for which a licence or permit to perform the business activities shall be issued by the Ministry (Article 82).
- (2) In conducting inspection supervision, the inspector of the competent local government authority shall be authorized to monitor compliance with the prescribed performance conditions:
 - 1) Tourism activities:
 - Tourist services that include sports, recreational and adventure activities (Articles 54–55);
 - Car rental services (Articles 58–64);
 - 2) Hospitality activities:
 - Provision of services in temporary hospitality facilities in public areas and other areas (Article 68);

- Provision of hospitality services outside hospitality facilities (Article 70),
 - Provision of hospitality services in mobile structures (Article 71),
 - A permit to perform hospitality activities for the facilities referred to in Article 72 paragraph 1 item 2 point 5 and item 4, or the decision on entry into the Central Tourism Register for the facilities referred to in Article 72 paragraph 1 item 2 points 1, 2 and 4;
 - Noise protection (Articles 80–81);
 - The conditions for the categorization of hospitality facilities for which a decision on the awarding of a category shall be issued by the competent local government authority (Articles 84–87);
 - The conditions for special standards of hospitality facilities for which a decision shall be issued by the competent local government authority (Article 88);
 - The obligations of caterers (Article 90 paragraph 1 items 2, 20 and 21);
 - Hospitality services in households (Articles 100–102);
 - Hospitality services in rural households (Article 103);
 - Hospitality services on sailing vessels (Article 104);
 - Services of camping in camps with a maximum of 15 camping units and outside the area designated for camping (Article 105 paragraphs 1,2,4 and 6);
- 3) Tourism and hospitality activities:
- Advertising and promotion of tourism and hospitality activities and services for which a permit to perform such types of activities or a decision on entry into the Central Tourism Register shall be issued by the competent local government authority (Article 8);
 - Services for persons with disabilities for the facilities for which a permit to perform the activities or decision on entry into the Central Tourism Register shall be issued by the competent local government authority (Article 82).
- (3) The activities referred to in paragraph 2 of this Article shall be performed by the local government unit as a delegated task.
- (4) In addition to the authorizations referred to in paragraph 1 of this Article, a tourist inspector shall be particularly authorized to undertake the following administrative measures and actions:
- 1) Prohibit operations of a business entity, other legal entity, entrepreneur or natural person that performs tourism and hospitality activities as set out in this Law, but does not hold a permit to perform tourism and hospitality activities, except to provide hospitality services outside a hospitality facility and to provide hospitality services in a mobile structure, or a decision on entry into the Central Tourism Register;
 - 2) Prohibit the operations of a business entity, other legal entity, entrepreneur or natural person that performs tourism activities without a licence or ceases to comply with the conditions on the basis of which the licence was issued;
 - 3) Prohibit the performance of hospitality activities of a type and category specified under this Law, if the type and organization, equipment or services in the facility do not comply with the prescribed standards for such a type and category, and the caterer has failed to file within the prescribed period a request/application for classification as a new type and category, or has failed to file an application within the period established for re-categorization;
 - 4) Prohibit the operation of a business entity, other legal entity, entrepreneur or natural person if a tourist inspector is prevented from performing supervision duties;
 - 5) Prohibit operation of a user of a developed and equipped bathing area if the bathing area is not regulated and equipped with the necessary devices and equipment in

- accordance with the regulations, and if there is no evidence of compliance with such conditions issued by the competent authority, or if it does not have the permit to provide tourism services in bathing areas;
- 6) Prohibit performance of hospitality activities in a hospitality facility in which alcoholic drinks and/or beverages containing alcohol are served to persons younger than 18 years of age, for 15 days until the irregularities which resulted in the prohibition are removed, and for 15 days in case of a repeated offence;
 - 7) May confiscate an object/objects, means for work and devices if an activity is performed without the permit to perform such an activity or without an application for entry into the Central Tourism Register being filed, or if these are intended or being used for a committed breach, or goods which have not been accounted for in a hospitality facility.
- (5) For the established irregularities referred to in paragraph 4 of this Article, the tourism inspector shall issue a decision on prohibition of the business activity until the irregularities which resulted in the prohibition are removed.
 - (6) If the tourist inspector establishes during the inspection supervision that a regulation is not being applied or is being applied improperly, he is obliged to issue a decision to order the removal of the established irregularities in the facility and/or on the premises and to set a deadline for the removal thereof.
 - (7) The tourist inspector shall issue a decision to prohibit performance of a business activity and provision of services in the facility, or work in the facility and/or on the premises if the established irregularities are not removed within the set period.
 - (8) Notwithstanding paragraph 5 of this Article, a tourist inspector shall issue a decision to prohibit activity in situ by sealing the facility, premises or devices and equipment on the premises in which the activity is performed, until the removal of the irregularities, if the irregularities are established with regard to the lack of a permit to perform tourism/hospitality activities issued by the Ministry or the competent local government authority in accordance with the authorizations under this Law.
 - (9) Notwithstanding paragraph 8 of this Article, for hotels operating based on the condo or mixed-use models which do not hold, or fail to operate in accordance with, the permit for the performance of the activity and/or the awarded category, the tourist inspector shall issue a decision to prohibit activity in situ by sealing the facility until the irregularities are removed;
 - (10) If perishable foodstuffs, etc. are kept in the sealed hospitality facility, the caterer shall file a written request to the tourist inspector, within 24 hours of the sealing of the hospitality facility, for the opening the hospitality facility and shall, in the presence of the inspector, remove the foodstuffs etc., and the hospitality facility shall be sealed again after that.
 - (11) The authorized inspector of the competent local government authority shall be particularly authorized to undertake the following administrative measures and actions:
 - 1) Prohibit the work of a business entity, other legal entity, entrepreneur or natural person that is performing hospitality activities as set out in this Law, without having a decision on entry into the Central Tourism Register;
 - 2) Prohibit hospitality activities of a type and category which are set out in this Law, if the type and organization, equipment or services in the facility do not comply with the standards prescribed for such a type and category, and the caterer has failed to file within the prescribed period a request/application for classification as a new type and category, or has failed to file the application within the period established for re-categorization;
 - 3) Prohibit the operations of a business entity, other legal entity, entrepreneur or natural person if the inspector is prevented from performing supervision duties;

- 4) May confiscate an object/objects, means for work and devices in cases where an activity is performed without a permit for the performance of such an activity or without an application for entry into the Central Tourism Register being filed, or in case they are intended or being used for a committed breach, or goods which have not been accounted for in a hospitality facility;
- 5) Order compliance with the prescribed conditions with regards to noise protection in all types of tourism and hospitality facilities;
- 6) Prohibit the use of a room and/or premises if the conditions concerning noise protection are not complied with, until such conditions are complied with;
- 7) Prohibit the use of electro-acoustic and acoustic equipment until measures are taken towards compliance with the noise protection conditions, or until volume limiters are installed;
- 8) Prohibit business and other activities which create noise and disturb rest and night-time peace if this cannot be achieved by the measure referred to in the previous item of this Article;
- 9) Order that a music device be used within the prescribed noise limits;
- 10) Prohibit the playing of music or the performance of live music if the prescribed noise-limit values inside and outside the hospitality facility are exceeded;
- 11) Prohibit the use of electro-acoustic or acoustic devices outdoors in the event of holding public events, entertainment and sports shows and other activities that lead to the exceeding of noise-limit values contrary to the decision of the local government unit on the venue and time of such events;
- 12) Prohibit the following by sealing: the use of music equipment which is not compliant with the technical standards or is not accompanied by information on the sound power; the use of excessively loud equipment until noise protection measures are taken; and the performance of an activity if the owner of the facility or hospitality service provider does not have a report from an accredited institution for noise measuring which confirms that noise protection measures have been implemented;
- 13) Prohibit the use of electro-acoustic and acoustic equipment outdoors for public gatherings, entertainment and sports events and other activities which result in exceeding the noise limits contrary to the decision of the local government unit on the venue and time of such events;
- 14) Prohibit performance of a hospitality activity in a temporary hospitality facility which is located in public areas or in another space contrary to the provisions of this Act;
- 15) Prohibit the provision of simple hospitality services outside a hospitality facility operating contrary to the provisions of this Law (terraces, gardens, etc.);
- 16) Prohibit the provision of hospitality services in a mobile and/or improvised hospitality facility contrary to the provisions of this Law;
- 17) Prohibit the provision of hospitality services in a household or rural household (accommodation in rooms, tourist apartments, houses and flats for rental to tourists with a maximum of 10 rooms or 20 beds in camps with a maximum of 15 camping units or 30 persons at the same time) which are provided contrary to this Law;
- 18) Prohibit the provision of hospitality services on a sailing vessel without holding a permit to provide such services;
- 19) Prohibit the offering and sale of transport and accommodation services and other tourism and hospitality services contrary to this Law;
- 20) Issue a misdemeanour warrant;
- 21) File a motion to initiate misdemeanour proceeding;

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

Overcharged Amounts

Article 122

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

Identification Card and Badge of Tourist Inspectors

Article 123

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

XIV. PENALTY PROVISIONS

Article 124

- (1) A fine ranging from €2,000 to €20,000 shall be imposed on a legal entity for a misdemeanour if:
 - 1) The advertising and promotion of tourism and/or hospitality services for tourism and hospitality facilities is performed contrary to Article 8 of this Law;
 - 2) Offers services for organizing travel or acts as an agent in the selling and implementing of services for the travel and stay of tourists, without a licence to perform such activities (Article 9 paragraph 1);
 - 3) It does not have an office for the performance of activities referred to in Article 9 paragraph 1 of this Law (Article 9 paragraph 2);
 - 4) It acts contrary to Article 13 paragraph 1 of this Law;
 - 5) It organizes tourist package tours or acts as an agent in providing accommodation, food and/or drinks, but fails to provide accommodation, food and/or drink in a hospitality facility which complies with the conditions for performing the business activity regulated under this Law (Article 14);
 - 6) The office or a branch office of the tourist agency does not comply with the minimum technical conditions concerning equipment and organization of space (Article 18 paragraph 1);
 - 7) It organizes tourist package tours or excursions on a non-commercial basis for persons who are not their members or beneficiaries (Article 25 paragraph 1);
 - 8) It does not carry out promotion and presentation of the tourist packages referred to in Article 25 paragraph 1 of this Law through internal media (Article 25 paragraph 2);
 - 9) Uses the services of carriers and means of transport in which the beneficiaries of the tourist services and luggage are not insured (Article 25 paragraph 3);
 - 10) Does not report travel and does not submit an itinerary with the list of travellers to the authority competent for inspection matters at the latest five days before the beginning of the travel (Article 25 paragraph 4);
 - 11) It organizes a tourist package tour or an excursion for 15 or more travellers, and fails to provide for such travel at least one tourist escort (Article 26);
 - 12) It organizes a tourist package tour or excursion, or provides a passenger transport service and does not use means of transport which have an insurance policy for accidents or loss of or damage to luggage (Article 27 paragraph 1);
 - 13) In the capacity of an agent, it offers for sale or sells tourist travel of a travel organizer, but fails to indicate in the itinerary or in the travel confirmation the capacity in which it acts, the licence number of the travel organizer, QR code, or fails to deliver an itinerary to the traveller, either in person or electronically, simultaneously with the issuing of the travel confirmation (Article 29 paragraph 1);
 - 14) In the capacity of an agent, it offers for sale or sells tourist trips of a tourist agency travel organizer with which it has not concluded an agreement on acting as an agent (Article 29 paragraph 2);

- 15) It provides tourism services in nautical tourism without being entered into the Central Tourism Register (Article 51 paragraph 1);
 - 16) It provides the services referred to in Article 54 paragraph 1 of this Law without being entered into the Central Tourism Register (Article 55 paragraph 1);
 - 17) It provides the services referred to in Article 62 paragraph 1 of this Law without holding a permit for the performance of that activity (Article 62 paragraph 2);
 - 18) Rents means of transport/vehicles without holding a permit for the performance of that activity (Article 62 paragraph 2).
- (2) For a misdemeanour referred to in paragraph 1 of this Article, the responsible person in the legal entity shall be also fined between €500 and €2,000.
 - (3) For a misdemeanour referred to in paragraph 1 items 1 through 5 and items 10 through 17 of this Article, an entrepreneur shall be fined between €300 and €6,000.
 - (4) For a misdemeanour referred to in paragraph 1 items 1 and 16 of this Article, a natural person shall be also fined between €500 and €2,000.
 - (5) For a misdemeanour referred to in paragraph 1 of this Article, the offender shall have imposed on him a protective measure involving prohibition of the performance of the activity for a period of up to six months if he was sanctioned under a final decision for the same offence over the past 12 months.

Article 125

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

- 13) An agreement on a tourist package tour has not been concluded in written or electronic form and does not contain the data referred to in Article 31 paragraph 2 of this Law;
 - 14) It fails to issue written or electronic confirmation to the traveller confirming that the agreement on the tourist package tour has been concluded (Article 31 paragraph 3);
 - 15) Operates a tourist package tour as the agent, but does not indicate the company name and head office, nor does it indicate the name and address of the tourist agency agent along with a note that the package tour is operated with its brokerage;
 - 16) Is forced to change important elements of the agreement prior to the travel and fails to inform the traveller thereof without delay and to enable him to withdraw from the agreement without paying a penalty or to accept the change to the agreement (Article 32 paragraph 1);
 - 17) In the cases referred to in Article 32 paragraphs 1, 2 and 3 of this Law, it fails to compensate damages to the traveller on the grounds of breach of agreement (Article 32 paragraph 4);
 - 18) It fails to provide services in accordance with Article 38 paragraph 1 of this Law;
 - 19) It fails to keep a register of the tourist guides it hired and/or such a register of hired tourist guides does not contain the prescribed data (Article 38 paragraphs 2 and 3);
 - 20) It hires an event organizer who does not hold the identification card of an event organizer (Article 42 paragraph 3);
 - 21) It performs representation without a concluded agreement (Article 44 paragraph 2);
 - 22) It fails to inform the traveller, in writing, about the tourist representative and his authorizations (Article 44 paragraph 3);
 - 23) It fails to submit to the Ministry the tourist representation agreement within eight days of the day of concluding the representation agreement (Article 44 paragraph 4);
 - 24) It provides tourist services in bathing areas without a permit (Article 46 paragraph 3);
 - 25) The bathing area at sea, on rivers and on lakes in which it provides tourism services does not comply with the requirements regarding development and construction and equipment in accordance with the law (Article 46 paragraph 5);
 - 26) It acts contrary to Article 49 paragraph 1 of this Law;
 - 27) It acts contrary to Article 53 of this Law;
 - 28) It acts contrary to Article 55 paragraph 5 of this Act;
 - 29) It provides car rental services contrary to Article 58 of this Law;
 - 30) It provides car rental services without holding approval for the provision of car rental services (Article 59 paragraph 1);
 - 31) It fails to inform the competent local government authority about all the changes that occurred in the performance of car rental services which affect compliance with the requirements for the issuing of a permit for the provision of car rental services within three days of the day of such a change (Article 59 paragraph 4);
 - 32) It provides car rental services without an office which complies with the conditions set out in Article 18 of this Law (Article 61).
- (2) For the misdemeanour referred to in paragraph 1 of this Article, the responsible person in a legal entity shall also be fined between €200 and €1,000.
 - (3) For the misdemeanour referred to in paragraph 1 of this Article, a natural person shall be fined between €500 and €1,000.
 - (4) For a misdemeanour referred to in paragraph 1 of this Article, the tourist inspector shall impose a fine of €150 by means of a misdemeanour warrant for the responsible person in a legal entity or for an entrepreneur.

- (5) For the misdemeanours referred to in paragraph 1 of this Article, the offender shall have imposed on him a protective measure for up to six months if he was sanctioned under a final decision for the same offence over the past 12 months.

Article 126

- (1) A fine between €200 and €2,000 shall be imposed on a natural person for a misdemeanour if he:
- 1) During provision of services does not wear visibly the tourist guide ID which confirms his capacity (Article 37 paragraph 6);
 - 2) Fails to provide services in accordance with Article 38 paragraph 1 of this Law;
 - 3) Fails to respond to a summons for regular testing of his knowledge before the commission set up by the Ministry (Article 38 paragraph 4);
 - 4) During the provision of services, he does not wear visibly the tourist escort ID which confirms his capacity (Article 40 paragraph 5);
 - 5) Performs activities referred to in Article 41 paragraph 1 of this Law and does not have a tourist escort ID (Article 41 paragraph 2);
 - 6) During the provision of services does not wear visibly the tourist event organizer ID which confirms his capacity (Article 43 paragraph 6);
- (2) For the misdemeanours referred to in paragraph 1 of this Article, offender shall have imposed on him protective measure involving the prohibition to perform activities for up to six months if he was sanctioned under a final decision for the same offence in the past 12 months.

Article 127

- (1) A fine between €2,000 and €20,000 shall be imposed on a legal entity for a misdemeanour, if:
- 1) It performs hospitality activities despite not being registered for the performance of hospitality activities (Article 66 paragraph 1);
 - 2) It provides hospitality services involving catering, when the hospitality facility has not concluded a contract for the provision of catering services (Article 69 paragraph 7);
 - 3) It provides simple hospitality services outside a hospitality facility in an area not designated by the competent local government authority (Article 70 paragraph 1);
 - 4) The areas referred to in Article 70 paragraph 1 for the provision of simple hospitality services are not compliant with the prescribed minimum technical standards (Article 70 paragraph 3);
 - 5) It provides certain hospitality services in a mobile and/or improvised facility which is not compliant with the prescribed minimum technical requirements (Article 71 paragraph 1);
 - 6) It fails to ensure the maintenance and use of accommodation units in all parts of the hospitality facility and of the land on which it is built, for the purpose of complying with the requirements for the performance of hospitality activity in accordance with the permit and requirements for the awarded category (Article 72 paragraph 4);
 - 7) It starts to perform hospitality activities, changes the conditions in which the activities are performed or expands the scope of its business activities without a permit for the performance of hospitality activities or without a decision on entry into the Central Tourism Register (Article 73 paragraph 1);
 - 8) The hospitality facility referred to in Article 72 of this Act in which hospitality activities are performed fails to meet the minimum technical requirements in terms of space, devices and equipment (Article 79 paragraph 1);

- 9) The hospitality facility in which music is played or an entertainment show is performed and in which electro-acoustic and acoustic devices are used is not compliant with the requirements set out under Article 80 paragraph 1 of this Law;
 - 10) In hospitality facilities use electro-acoustic equipment with inbuilt sound amplifiers, which is not suitable for the installation of volume limiters (Article 80 paragraph 3);
 - 11) It uses electro-acoustic and acoustic devices outdoors and in hospitality facilities outside of the period from 9:00 to 1:00 and uses electro-acoustic and acoustic devices in the period from 09:00 to 1:00 which exceed the prescribed noise limits (Article 81 paragraph 1);
 - 12) It uses acoustic equipment that has no electrical amplifiers until 03:00 without the consent of the competent local government authority (Article 81 paragraph 2);
 - 13) The hospitality facility referred to in Article 72 of this Law does not employ a person who is responsible for the operations of the hospitality facility – a manager (director, principal) who has completed a minimum of level four of qualifications, sublevel IV1 of the National Qualifications Framework (Article 83 paragraph 1);
 - 14) It acts contrary to Article 90 paragraph 1 of this Law;
 - 15) In the hospitality facility it serves alcoholic drinks, other drinks and/or beverages containing alcohol to persons below 18 years of age (Article 91 paragraph 1);
 - 16) It performs hospitality activities contrary to Article 100 of this Law;
 - 17) It acts contrary to Article 101 paragraph 1 of this Law;
 - 18) When advertising and promoting services and posting messages in advertising materials it does not use the indication of the type and category of the facility in accordance with this Law (Article 101 paragraph 2);
 - 19) Directly or through other persons who are not registered as agents in the sale of accommodation services, it offers for sale and sells accommodation services, solicits the custom of travellers or tourists outside the facilities in which such services are provided, except in the areas, under the conditions and in the manner set out in the regulations of the competent authority of the local government unit (Article 102 paragraph 1);
 - 20) The hospitality facility for accommodation in a rural household does not comply with the minimum technical conditions and conditions for the category in accordance with this Law (Article 103 paragraph 5);
 - 21) It provides hospitality services in a rural household without having a decision on entry into the Central Tourism Register (Article 103 paragraph 6);
 - 22) It provides services involving food, drinks and beverages on a sailing vessel without a permit for the performance of hospitality activities (Article 104 paragraph 1);
 - 23) It provides services referred to in Article 104 paragraph 1 of this Law in ports and on piers (104 paragraph 4);
 - 24) It provides camping services outside the camping site referred to in Article 105 paragraph 1 of this Law (Article 105 paragraph 2);
 - 25) It provides hospitality services in camps which does not comply with prescribed minimum technical conditions and without having a permit to provide camping services (Article 105 paragraph 4);
 - 26) It fails to ensure a minimum of 70% of the overall camp capacity for the temporary parking of trailers, mobile homes or other camping equipment owned by the guest;
- (2) For the misdemeanour referred to in paragraph 1 of this Article, the responsible person in a legal entity shall be fined between €200 and €2,000.
 - (3) For the misdemeanour referred to in paragraph 1 of this Article, the entrepreneur shall be fined between €300 and €6,000.

- (4) For the misdemeanour referred to in paragraph 1 items 1, 7, 8, 15, 18, 19, 20, 24, 25 and 26 of this Article, the natural person shall be fined between €200 and €2,000.
- (5) For the misdemeanours referred to in paragraph 1 of this Article, the offender shall have imposed on him a protective measure involving the prohibition to perform activities for up to six months if he was sanctioned under a final decision for the same offence in the past 12 months.

Article 128

- (1) A fine between €1,000 and €10,000 shall be imposed on a legal entity for a misdemeanour, if:
 - 1) The facilities referred to in Article 69 paragraph 4 of this Law do not display, in addition to the designation of the type of hospitality facility, also the designation "club" which is used in the advertising or promotion of services or displaying of messages in commercial business activities (Article 69 paragraph 5);
 - 2) It fails to inform in writing the Ministry or the competent local government authority about any change of data referred to in Article 75 paragraph 1 of this Law within eight days of the day of such a change (Article 75 paragraph 2);
 - 3) It fails to inform the competent authority, in writing, about a change of the data within eight days of the day of such a change (Article 78 paragraph 4);
 - 4) In a hospitality facility which serves alcoholic drinks, other drinks and/or beverages containing alcohol, there is no visibly displayed sign of the prohibition to serve such drinks to persons younger than 18 years of age (Article 91 paragraph 2);
 - 5) It provides services to naturists while failing to display, in addition to the name of the type of facility, a sign which indicates that services are provided to naturists in that facility (Article 92 paragraph 4);
 - 6) It fails to inform the Ministry or the competent local government authority which issued the permit for the performance of a hospitality activity and decision on entry into the Central Tourism Register about a temporary or permanent cessation of the hospitality activity, no later than three days prior to the temporary or permanent cessation of the hospitality activity, or recommencement of the hospitality activity (Article 93 paragraph 4);
- (2) For the misdemeanour referred to in paragraph 1 of this Article, the responsible person in a legal entity shall be fined between €200 and €1,000.
- (3) For the misdemeanours referred to in paragraph 1 of this Article, the entrepreneur shall be fined between €200 and €3,000.
- (4) For the misdemeanours referred to in paragraph 1 of this Article, the offender shall have imposed on him a protective measure involving the prohibition to perform activities for up to six months if he was sanctioned under a final decision for the same offence in the past 12 months.

Article 129

The responsible person in a state authority and local government authority shall be fined between €200 and €2,000 for committing a misdemeanour, if:

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

the tourism/hospitality activity or the decision on entry into the Central Tourism Register (Article 106 paragraph 6).

Article 130

A natural person shall be fined between €200 and €2,000 for committing a misdemeanour, if:

- 1) He starts to perform a hospitality activity/a certain hospitality activity without a permit for performance of the hospitality activity or a decision on entry into the Central Tourism Register or he does not comply with the minimum technical conditions for the performance of the hospitality activity in accordance with this Law (Article 73 paragraph 2);
- 2) He camps outside of the camping site referred to in Article 105 paragraph 2 of this Law.

XV. TRANSITIONAL AND FINAL PROVISIONS

Application of the Law and Secondary Legislation

Article 131

- (1) The provisions of the Law on Tourism (Official Gazette of Montenegro 61/10, 40/11, 53/11 and 31/14) shall apply to four-star and five-star tourist complexes which were contracted and whose construction began prior to the entry into force of the Law on Tourism and Hospitality if they are more favorable.
- (2) The secondary legislation implementing this Law shall be adopted within one year of the day of entry into force of this Law.
- (3) The secondary legislation adopted under the Law on Tourism (Official Gazette of Montenegro 61/10 and 31/14) shall apply until the secondary legislation referred to in paragraph 2 of this Article is adopted, unless they are contrary to this Law.

Harmonization of Business Activities

Article 132

- (1) Business entities, other legal entities, entrepreneurs and natural persons that performed tourism and hospitality activities up until the day of entry into force of this Law shall harmonize their business activities with this Law within 24 months of the day of the entry into force of this Law.
- (2) Business entities, other legal entities, entrepreneurs and natural persons that performed tourism and hospitality activities in illegally built facilities up until the day of entry into force of this Law shall submit evidence of commencement of the procedure for the legalization of the hospitality facility within the time-limit set in the Act on Spatial Planning and Construction of Structures (Official Gazette of Montenegro 64/17).
- (3) A permit for the performance of a hospitality activity shall be revoked for business entities, other legal entities, entrepreneurs and natural persons that fail to submit documentation in accordance with paragraph 2 of this Article.
- (4) If the procedure for legalization of the hospitality facility referred to in paragraph 2 of this Article is terminated in accordance with the Law on Spatial Planning and Construction of Structures (Official Gazette of Montenegro 64/17) and if the application for legalization is rejected in the subsequent procedure, the permit for the performance of the hospitality activity shall be revoked for the business entities, other legal entities, entrepreneurs and natural persons.
- (5) Business entities, other legal entities, entrepreneurs and natural persons that were issued a building permit or that submitted complete documentation in order to report the construction of a condo hotel before the entry into force of this Law shall obtain a permit

for the performance of the activity at the latest within 36 months of the day of entry into force of this Law.

- (6) Business entities, other legal entities, entrepreneurs and natural persons that fail to obtain the permit referred to in paragraph 4 of this Article shall harmonize the type of hospitality facility and operations with this Law.

Performance of Tourism and Hospitality Activities

Article 133

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

Validity of Permits and Licences

Article 134

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

Repeal

Article 135

The Law on Tourism (Official Gazette of Montenegro 61/10 and 31/14) and the provisions of Article 6 paragraphs 5, 6 and 7, Article 6a, Article 28 paragraph 1 item 3, Article 29 paragraph 1 item 2, and Article 30 paragraph 1 items 4a and 4b of the Law on Protection against Noise in the Environment (Official Gazette of Montenegro 28/11 and 1/14) which apply to hospitality facilities and provision of Article 19 paragraph 2 of the Law on Public Utilities (Official Gazette of Montenegro 55/16) regulating the noise produced by electro-acoustic and acoustic devices shall cease to apply from the day of the entry into force of this Law.

Entry into Force

Article 136

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