LAW

ON AIRPORT MANAGEMENT

1. **INTRODUCTORY PROVISIONS Subject Matter**

**Article 1**

This law shall govern the requirements for and manner of airport management, development of airport infrastructure, provision of airport services for air traffic as well as the construction within the airport complex and the safety zone surrounding the airport complex; it shall establish the public interest for expropriation, administrative transfer and incomplete expropriation of immovable property for the purpose of constructing the airports to which this law applies; it shall govern the manner in which the National Airport Development Programme is to be adopted and implemented, certain issues specific to granting airport concessions, as well as other issues of importance for the development, improvement of the use and management of airports.

The relevant provisions of the law governing air traffic, the law governing public-private partnerships and concessions, the law governing expropriation and the law governing planning and construction shall apply accordingly to matters not specifically regulated by this Law relating to the requirements for and mode of operation of airport operators, the functioning of the airport, the construction and functioning of the airport complex and airport infrastructure, the procedure for granting airport concessions and determining the existence of public interest.

Implementation
Article 2

The provisions of this Law shall apply to airports owned by the Republic of Serbia, the autonomous province or a local government unit or owned by an airport operator founded by the Republic of Serbia or whose majority owner is the Republic of Serbia, the autonomous province or a local government unit and that meets the requirements to be issued an airport certificate or airport licence, in accordance with the law governing air traffic.

The provisions of this Law shall not apply to airports owned by the Republic of Serbia and used by the Ministry of Defence (hereinafter referred to as: the Ministry) that are considered military airports and parts of combined airports used by the Ministry and the Army of Serbia, within the meaning of the law governing air traffic, and to military complexes – airports included in the Master Plan for Immovable Property by the relevant government documents. Military airports and military parts of combined airports shall be managed by the Ministry.

Definitions

Article 3

The terms used in this Law shall have the following meanings:

1. Airport shall mean any defined area (including all facilities, installations and equipment) on land, water or on a fixed, coastal or floating structure that is entirely or in part intended for the landing, taking-off and manoeuvring of aircraft;
2. Airport infrastructure is the basic physical, logical, technological and information-communication structure that includes manoeuvring surfaces, platforms, roads, facilities, installations, systems and equipment;
3. Airport complex is the airport space that includes the land required for airport development as defined by the relevant planning document;
4. Airport charge is the charge paid by airport users for the benefit of the airport operator to use the facilities, equipment, assets, devices and services exclusively provided by the airport operator related to landing, take-off, lighting and parking of aircraft, and processing of passengers and freight;
5. An airport operator is any legal or natural entity who manages the airport and has the certificate, licence to use or consent to use the airport, issued in accordance with the law governing air traffic;
6. Ground handling means the services provided at the airport that include: administrative tasks and control, passenger service, cargo handling, loading and unloading of mail and goods, ground handling of the aircraft on the platform, servicing of aircraft, supplying aircraft with fuel and lubricants; aircraft maintenance, flight preparation and air crew services, passenger and air crew transport from the aircraft and to the aircraft and aircraft food and drinks supply.
7. **AIRPORT MANAGEMENT**

Definition and Contents

Article 4

Airports shall be managed by airport operators, whose activities shall include strategic, organizational and financial planning, technology transfer, human resources planning, work organization and control with a view to establishing and coordinating the work of airport services, creating conditions for service provision by the airport operator at the airport and coordinating other services provided at the airport by various service providers.

Strategic, organizational and financial planning, technology transfer, human resource planning, organization of work and implementation of control referred to in paragraph 1 of this Article mean creating conditions for optimal use, development, restoration and maintenance of airport infrastructure, planning, design, construction and maintenance of the airport and airport infrastructure so as to ensure that the take-off, landing and manoeuvring of aircraft, airport services and ground handling take place in accordance with the regulations on safety and security at the airport complex.

The establishment and coordination of the work of airport services referred to in paragraph 1 of this Article mean creating conditions for safe and secure air traffic, the work of rescue and fire departments or rescue and fire security services, emergency medical services or medical security services, as well as taking measures to reduce the risk of presence of birds and other animals at the airport or its surroundings and preventing the accidental or deliberate access by an unauthorised person to airport grounds that are not public, in accordance with the law governing air traffic.

The services provided at the airport by the airport operator referred to in paragraph 1 of this Article shall include all airport services in the field of airport infrastructure management, coordination and control of the provision of airport services by third parties, as well as the services provided by the airport operator in accordance with the law governing air traffic.

Coordination of other services provided at the airport by various service providers referred to in paragraph 1 of this Article shall include the coordination of ground handling and other services provided by the airport operator and/or third parties.

No special licence will be required if the ground handling services are provided by an airport operator. These services shall be specified in the airport certificate, and/or airport licence instead.

Airport management referred to in Article 2 of this Law is an activity of general interest.

**Requirements for and Manner of Performing Airport Management Activities
and Acquiring Airport Operator Status
Article 5**

An airport can be managed by:

1. A public enterprise;
2. A limited liability company and joint-stock company (hereinafter referred to as: capital company) whose sole owner is the Republic of Serbia, the autonomous province or a local government unit, and a subsidiary whose sole owner is such capital company;
3. A capital company whose majority owner is the Republic of Serbia, the autonomous province or a local government unit;
4. Another capital company or entrepreneur entrusted by the competent body to manage the airport.

The regulations governing the legal status of companies shall apply to the business of the capital company referred to in paragraph 1, item 3 of this Article.

Airport management activities shall be entrusted to the capital company and entrepreneur referred to in paragraph 1, item 4) of this Article in accordance with the law governing public-private partnerships and concessions.

Airport management can be the subject of a concession, as well as a public-private partnership, in accordance with the law governing public-private partnerships and concessions and this law.

**Article 6**

The public enterprise, capital company and entrepreneur referred to in Article 5 of this Law can start managing the airport when the competent state authority and/or the holder of public authorisation determines that the requirements for performing this activity in terms of technical equipment, personnel training, safety and health at work, environmental protection and ecological improvement, as well as the requirements to obtain airport certificate and/or airport licence have been met.

The airport certificate, and/or airport licence shall be issued in the manner and under the terms provided for by the law governing air traffic, and the by-laws issued on the basis of that law.

An airport can be used for air traffic if the public company, capital company and entrepreneur referred to in Article 5, paragraph 1 of this Law possess an airport certificate or airport licence, and if, at the time of use, the airport meets all the requirements for safe air traffic, as well as all the requirements that ensure aviation security.

Obligations of Airport Operators
Article 7

An airport operator shall manage the airport in a manner that ensures the continuous, uninterrupted and quality maintenance and protection of the airport infrastructure as well as the unobstructed and safe use of airport infrastructure, the uninterrupted use, construction and maintenance of air traffic control facilities for authorised air navigation service providers in accordance with the law governing air traffic, to meet all other requirements in order to ensure that air traffic takes place safely and securely, to ensure environmental protection, as well as to meet other obligations in accordance with the law governing air traffic.

**Powers of the Founder and/or Majority Owner
of Airport Operator
Article 8**

In the event that airport management activities are disrupted in the manner referred to in Article 7 of this Law, the Government, the competent authority of the autonomous province or the competent authority of a local government unit shall take measures to ensure the conditions for the continuous and undisturbed management of the airport, in particular:

1. Changing the internal organization of the airport operator;
2. Appointing other representatives of the Republic, autonomous province, or local government unit to the bodies of the airport operator;
3. Restricting access to certain assets used by the airport operator for doing business;
4. Taking other appropriate measures to ensure the conditions for the continuous and undisturbed management of the airport.

If the work of an operator of an airport whose founder or majority owner is the competent body of the autonomous province or a local government unit is disrupted thus putting at risk the lives and health of people or property, and the founder’s or majority owner’s competent body fails to take the timely measures referred to in paragraph 1 of this Article, these measures shall be taken by the Government.

If airport management is the subject of a concession agreement concluded with a concessionaire, the provisions of paragraphs 1 and 2 of this Article shall not apply to the concessionaire.

If the concessionaire is no longer able to provide the conditions for continuous air traffic, the grantor of the concession shall take measures in accordance with the law governing public-private partnerships and concessions and with the concession agreement.

1. **CONSTRUCTION WITHIN THE AIRPORT COMPLEX AND**

**THE SAFETY ZONE SURROUNDING THE AIRPORT COMPLEX
Construction Requirements
Article 9**

The construction, upgrading, adaptation and reconstruction of the airport complex and airport infrastructure are in the public interest.

Construction, extension, adaptation and reconstruction of the facilities within the airport complex and in the safety zone surrounding the airport complex shall be allowed, if such facilities are provided for in the planning documents, and if documents provided for by the law governing air traffic and the law governing the construction of facilities have been obtained and issued for their construction, extension, adaptation and reconstruction.

The construction permit for the facilities referred to in paragraph 2 of this Article shall be issued by the ministry in charge of civil engineering.

**Article 10**

The safety zone surrounding the airport complex is a zone where construction is controlled and in which the construction of facilities that present an obstacle or interference can be restricted or prohibited, in accordance with the regulations governing air traffic.

The safety zone referred to in paragraph 1 of this Article shall include the land adjacent to the airport complex, the width of which shall be determined in accordance with the regulations governing air traffic and shall serve to protect the airport complex and ensure the safety of air traffic.

The construction of buildings and other facilities is prohibited in the safety zone surrounding the airport complex, as is the installation of plants, devices and installations, except the construction of buildings, traffic surfaces, plants, devices and installations used for airport operation and traffic on the access roads to the airport, after having obtained requirements from the competent authorities, special institutions, organizations, public companies or agencies.

1. **DETERMINIG PUBLIC INTEREST**

**Determining the Public Interest for Expropriation,
Administrative Transfer and Incomplete Expropriation
of Immovable Property to Construct an Airport
Article 11**

The public interest shall be determined for the expropriation, administrative transfer and incomplete expropriation of immovable property with a view to constructing an airport to which this law applies and the ancillary facilities the construction or relocation of which is related to the construction of that airport (telecommunications, electrical power and electronic facilities or communications networks and devices etc.) in the airport complex and the safety zone surrounding the airport complex, in accordance with the applicable planning documents providing for the construction of that airport.

If the construction of the ancillary facilities referred to in paragraph 1 of this Article has not been provided for in the applicable planning documents, the requirements laid down by the bodies or organizations in charge of telecommunications, and/or energy shall apply, based on the annual plans for the development of these networks in the territory of the Republic of Serbia, in accordance with the law governing planning and construction.

**Beneficiary of Expropriation, Administrative Transfer and
Incomplete Expropriation
Article 12**

For the purpose of constructing an airport and/or facilities within the airport complex and in the safety zone surrounding the airport complex, the beneficiary of expropriation or administrative transfer of immovable property and incomplete expropriation of immovable property can be a legal entity founded or majority owned by the Republic of Serbia, the autonomous province or a local government unit that manages the aforementioned facilities, and/or provides air navigation services.

The legal entity referred to in paragraph 1 of this Article shall be designated as the beneficiary of expropriation, administrative transfer and incomplete expropriation of immovable property or relocation of ancillary facilities referred to in Article 11 of this Law.

A legal entity designated as the beneficiary of expropriation, administrative transfer and incomplete expropriation to construct an airport in accordance with this Law shall have all the rights and obligations of the expropriation, administrative transfer and incomplete expropriation beneficiary in accordance with the law governing expropriation.

**Expropriation, Administrative Transfer and
Incomplete Expropriation Proposal
Article 13**

The proposal of expropriation, administrative transfer and incomplete expropriation within the airport complex and in the safety zone surrounding the airport complex shall be submitted to the administrative body of the local government unit in whose territory the immovable property that is subject to expropriation, administrative transfer and incomplete expropriation is located.

After the proposal referred to in paragraph 1 of this Article has been submitted, further procedure shall be conducted in accordance with the law governing expropriation.

**Duration of Public Interest for Expropriation,
Administrative Transfer and Incomplete Expropriation
Article 14**

The public interest for expropriation, administrative transfer and incomplete expropriation of immovable property determined by this Law shall last until the land has been used for its intended purpose in accordance with the planning document.

The land shall be used for its intended purpose within the meaning of paragraph 1 of this Article, when all facilities, and/or all public areas defined by the planning document, are constructed within the airport complex and in the safety zone surrounding the airport complex.

1. **FINANCING THE CONSTRUCTION OF AIRPORT COMPLEX AND AIRPORT INFRASTRUCTURE**

**Article 15**

The construction, extension, adaptation and reconstruction of the airport complex and airport infrastructure shall be funded from:

1. The airport operator’s income;
2. The budget of the Republic of Serbia, autonomous province or local government unit, depending on jurisdiction;
3. Private partner funds, from a public-private partnership or a concession;
4. Loans, donations, gifts and other sources of funding in accordance with the law.

Exceptionally, the funds referred to in paragraph 1, item 2) of this Article can be granted as incentives to invest in airport infrastructure and other facilities that make up the airport complex, as well as incentives to introduce new lines and increase the volume of passenger and freight traffic.

The incentives referred to in paragraph 2 of this Article shall be provided in accordance with the regulations governing investments and state aid.

Notwithstanding paragraph 1 of this Article, the construction or maintenance of facilities, installations, systems and equipment for flight control shall be financed by an authorised air navigation service provider, as specified by the law governing air traffic.

The Government shall regulate in more detail the method and criteria, i.e. the standards for the allocation of incentive funds for airports.

1. **NATIONAL AIRPORT DEVELOPMENT PROGRAMME**

**Adopting the National Programme**

**Article 16**

In order to provide the conditions for long-term development and improvement of airports in the Republic of Serbia, the National Programme for the Development of Airports in the Republic of Serbia (hereinafter: the National Programme) shall be adopted.

The national programme shall be adopted for a period of five years.

The national programme shall be adopted by the Government, at the proposal of the ministry in charge of transport.

Implementation of the National Program

Article 17

The national airport development programme shall be implemented by the ministry in charge of transport.

“Aerodromi Srbije” d.o.o. Belgrade shall carry out the operational tasks during the implementation of the National Programme.

The operational activities referred to in paragraph 2 of this Article shall include directing the development of airports in the territory of the Republic of Serbia based on the development plan of the local government or the development plan of the airport, taking measures provided for in its articles of incorporation and carrying out other tasks to implement the Government's development policy in this field.

1. **CONCESSION FOR AIRPORTS Subject of Concession**

**Article 18**

The subject of concession can include the entirety or a part of airport management activities referred to in Article 4 of this Law, including the construction of one or more facilities or public spaces, the reconstruction and/or maintenance of airport infrastructure, the establishment and coordination of airport services, the coordination of the ground handling services provision, and provision of special services at the airport (catering, transport of passengers to and from the airport, trade, etc.), as well as other activities.

The subject of the concession shall be determined specifically by the acts drafted and adopted during the concession procedure and by the concession agreement, in accordance with the law governing concessions and this law.

**Transfer of Airport Certificates and Licences
Related to the Concession
Article 19**

In the event that an airport management concession is granted, the airport operator shall promptly initiate the procedure transferring the airport certificate and/or airport licence to the concessionaire, in accordance with the law governing air traffic and the regulations adopted on the basis of that law.

The airport certificate and/or airport licence referred to in paragraph 1 of this Article shall be transferred in urgent procedure.

Contents of the Airport Management Concession Agreement

Article 20

The concession agreement shall define the rights and obligations of the concession grantor and concessionaire in accordance with the provisions of this law, the law governing public-private partnerships and concessions, tender documentation, the data referred to in the public call for concession and the decision selecting the most favourable bid.

In addition to the elements provided for by the law governing public-private partnerships and concessions, the airport management concession agreement shall contain the following elements related to:

1. The obligation of the concessionaire to meet all airport operator obligations provided for by this Law, the law governing air traffic and the regulations adopted on the basis of such law during the term of the concession agreement;
2. The obligations of the concession grantor before the date when the concession begins;
3. Regulating the issues surrounding ground handling services provided by the airport operator up to the conclusion of the concession agreement;
4. The terms of handover of the airport infrastructure after the expiry of the concession agreement, and in particular the status of the infrastructure built during the term of the concession agreement;
5. The concessionaire’s obligation to ensure the uninterrupted use, maintenance, and/or construction of flight control facilities, installations, systems and equipment for the authorised air navigation service provider in accordance with the law governing air traffic;
6. Regulating the employment and legal status of persons employed with the previous airport operator at the time when the concession agreement is concluded;
7. Regulating the issues surrounding the employment of domestic business entities, if the subject of the concession relates to construction, reconstruction, maintenance works etc. at the airport;
8. Payment terms, method and schedule for the concession fee (especially for the one-time fee payable in advance, and in particular for the percentage mechanism employed for dividing gross income).

An airport management concession agreement can also contain a provision restricting the subcontracting of the activity that is the subject of the concession by the concessionaire, as well as provisions determining the maximum airport charges allowed, however, without affecting the obligation to determine airport charges in accordance with the law governing air traffic.

1. **TRANSITIONAL AND FINAL PROVISIONS Article 21**

The founders of the airport operator and the airport operators shall harmonize their organisational documents with the provisions of this Law three months of the date of entry into force of this Law.

Airport operators shall harmonize their general policies with this Law and articles of incorporation 60 days of the date of harmonization of the organisational documents with the provisions of this Law.

Article 22

The bylaw referred to in Article 15, paragraph 5 of this Law shall be adopted 90 days of the date of entry into force of this Law.

Article 23

This Law shall enter into force on the eighth day of the day of its publication in the “Official Gazette of the Republic of Serbia”.