

Law on oil products in FBiH, whose proposal was established by the Federal government, identifies oil products as strategic commodities. New market framework regulates supervision and regulation of relations between importers, wholesalers and retailers, transporters and buyers of oil products, as well as the issuance and revocation of licenses for carrying out energy activities.

As it was explained, the supply security of BiH Federation market with oil products will be improved by the consistent implementation of this law. This improvement will be achieved through the strategic planning of the oil sector, market regulation, assured delivery of data on the import, marketing and quality of oil products, more precisely organized control system of oil products quality, establishing of oil products reserve system and Operator for the establishment and management of these resources, the introduction of oil products operational stocks and creating the legislative basis of BiH Federation authorities for the oil sector inspection.

The law establishes Regulatory Commission, among whose responsibilities also is the supervision and regulation of relations between importers, wholesalers and retailers, transporters and buyers of oil products, as well as the issuance and revocation of licenses for carrying out energy activities. Also, the Regulatory Commission ensures non-discrimination, effective competition and the functioning of oil products market, paying particular attention to the supply security of oil products.

Regulatory Commission is funded from the proceeds of regulatory and non-recurring fees which will be charged from license holders involved in energy activities and fees for issued permits, including costs arising from arbitration. In exercising the powers and performing its functions, the Regulatory Commission will ensure, in accordance with the policy and the oil sector reform, transparent and equitable relations between all market participants. It protects the rights of the participants in the oil sector through harmonization of their interests, and creates the conditions of competition in the oil products market.

License for carrying out energy activities will be issued for a period of up to five years. It is not necessary for retail of oil products, storage of oil products and LPG used for their own purposes in an amount not to exceed the level of 100 tons per year and the LPG sale in cylinders under the authority and supervision of the energy entity that owns the license for LPG trading. The law also stipulates the circumstances under which a license may be revoked temporarily or permanently, before its validity expires.

Oil products reserves were defined and developed with the aim of ensuring the oil products supply of BiH Federation in the case of threat to energy security caused by the extraordinary disruptions in supply. This law establishes the oil products reserves operator and establishes business goals and activities, and other things. Operator operates under the name "Operator - Federation Terminals" Sarajevo, and it is wholly owned by the BiH Federation. Thus, Decision on the Establishment of the company "Federation Terminals

“Ltd. Sarajevo expires with this Law entry into force.

This is the first time a law that regulates the oil industry to be proposed in the BiH Federation, according to a statement of the FBiH Government.

Source; Serbia Energy