

Disclaimer:

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**LAW ON OBLIGATIONS AND THE BASICS OF PROPERTY RELATIONS IN
AIR
TRANSPORT**

Part One

I. INTRODUCTORY PROVISIONS

Subject

Article 1

This Law shall govern the obligation relations in air transport with respect to the contracts of carriage of passengers, baggage and cargo; contracts on other commercial operations in air transport; contracts on aircraft leasing; contracts on insurance in air transport and relations occurring in case of damage caused by an aircraft in flight to the third parties and property on the ground.

This Law shall also regulate the property relations over aircraft, such as property and possessory lien over aircraft; procedure of enforcement and security concerning aircraft, and jurisdiction of courts concerning enforcement and security.

With respect to relations referred to in paragraph 1 of this Article and not covered by this Law, the relevant general regulations on obligations shall be applied.

Contracts and General Conditions of Carriage

Article 2

Obligation relations in air transport governed by the provisions of this Law may be laid down differently within the contract or general conditions of carriage, if not contrary to this Law.

By means of general conditions of carriage referred to in paragraph 1 of this Article (hereinafter referred to as: conditions of carriage) air carrier shall set out the manner of carrying out the tasks concerning the contracts of carriage.

Neither the contract nor the conditions of carriage referred to in paragraph 2 of this Article may contain provisions by which air carrier may be wholly or partly exonerated from the liability provided for by this Law; provisions of exclusion or restrictions of passengers' rights or the rights of the orderer of carriage to which they are entitled pursuant to this Law; provisions transferring the evidential burden from air carrier or foreseeing restrictions of liability more advantageous for air carrier than the ones provided for by this Law, if not otherwise specified by this Law.

Upon request, air carrier shall provide the insight into the conditions of carriage to any interested party.

Definitions

Article 3

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

1) **Airport** means any defined area (including all the facilities, installations and equipment), on land or water or any fixed, fixed off-shore or floating structure, fully or partly intended for landing, taking-off or moving of aircraft;

2) **Air carrier** means an air transport undertaking with a valid operating licence;

3) **Air carrier of the signatory state to the ECAA Agreement** means an air carrier to whom the competent licencing authority of the signatory state to the ECAA Agreement issued a valid operating licence in accordance with the provisions of Regulation (EC) No 1008/2008 of the European Parliament and the Council of 24 Septemeber 2008 on common rules for the operation of air services in the Community;

4) **Extraordinary (emergency) circumstances** are situations in which the outcome of the decision concerning administration of air transport and in particular a certain aircraft on a certain day leads to longer delay, delay of aircraft overnight or cancellation of one or more flights of such aircraft, although such air carrier has undertaken all reasonable measures to avoid such delays or cancellations;

5) **Volunteer** means a person who has presented himself for boarding under the conditions laid down in Article 8, paragraph 3 of this Law and responds positively to the air carrier's call for passengers prepared to surrender their reservation in exchange for benefits;

6) **Local carriage** means the carriage by aircraft where, according to the contract of carriage, the place of departure and the place of destination are situated in the territory of the Republic of Serbia;

7) **ECAA Agreement** means the Multilateral Agreement between the European Community and its Member States, the Republic of Albania, Bosnia and Herzegovina, the Republic of Bulgaria, the Republic of Croatia, the former Yugoslav Republic of Macedonia, the Republic of Iceland, the Republic of Montenegro, the Kingdom of Norway, Romania, the Republic of Serbia and the United Nations Interim Administration Mission in Kosovo (pursuant to the Resolution of UN Security Council, UN 1244 of 10 June 1999) on the establishment of a European Common Aviation Area

8) **Right Holder** is the person who, on the basis of the contract, has the request toward air carrier;

9) **Air service** means a flight or a series of flights carrying passengers, cargo and mail for remuneration or hire, available to general public under equal conditions;

10) **Commercial passenger air service** means a passenger air transport service operated by an air carrier through a scheduled or non-scheduled flight offered to the general public for valuable consideration, whether on its own or as part of a package;

11) **Airport user** means any legal person or entrepreneur responsible for the carriage of passengers and/or baggage and/or mail and/or cargo by air from or to the airport in question;

12) **Final destination** means the destination on the ticket presented at the check-in counter or, in the case of directly connecting flights, the destination of the last flight; alternative connecting flights available shall not be taken into account if the original planned arrival time is respected;

13) **Person entitled to compensation** means a passenger or any person entitled to claim in respect of that passenger, in accordance with applicable regulations;

14) **Disabled person or person with reduced mobility** means any person whose mobility when using transport is reduced due to any physical disability (sensory or locomotor, permanent or temporary), intellectual disability or impairment, or any other cause of disability, or age, and whose situation needs appropriate attention and the adaptation to his or her particular needs of the service made available to all passengers;

15) **International carriage** means carriage by aircraft in which, according to the contract of carriage, the place of departure and the place of destination are situated either within the territories of two countries, or within the territory of a single country if there is an agreed stopping place within the territory of another country;

16) **The Montreal Convention** means the Convention for the Unification of Certain Rules for International Carriage by Air, signed at Montreal on 28 May 1999 and ratified by the Law on Ratification of the Convention for the Unification of Certain Rules for International Carriage by Air ('Official Gazette of RS', No 38/09);

17) **Orderer of carriage** means the person who concludes the contract of carriage with contracting air carrier.

18) **Operating licence** means an authorisation permitting to its holder to provide air services as stated in the operating licence;

19) **Airport operator** means an undertaking, a legal person or an entrepreneur operating an airport, registered to provide airport services and holding an airport certificate for the operation of an airport entered on Airport Register;

20) **Tour operator** means, with the exception of an air carrier, the person who regularly organizes packages and sells or offers them for sale, whether directly or through a retailer;

21) **Orthodromic distance** is a geodetic line, the shortest distance between any two points on the surface of a sphere measured along a path on the surface of the sphere, the great circle route distance

22) **Cancellation of a flight** means the non-operation of a flight which was previously planned and on which at least one place was reserved;

23) **Package (tour)** means the pre-arranged combination of services by which the tour operator obliges himself to offer to a passenger at least two of the following services that include transport, accommodation or other tourist services forming the package and covering a period of more than twenty-four hours, or includes at least one overnight, while the passenger obliges himself to pay one fixed price;

24) **Airport car park** means a car park, within the airport boundaries or under the direct control of the managing body of an airport, which directly serves the passengers using that airport;

25) **Consignor** means the person on whose behalf, pursuant to the contract, cargo are being delivered for carriage;

26) **Consignee** means the person authorized to receive the cargo delivered for carriage at final destination;

27) **Baggage**, unless otherwise specified, means both checked baggage and unchecked baggage, in accordance Article 17, paragraph 4 of the Montreal Convention;

28) **Passenger** means the person who, on the basis of the contract of carriage, is entitled to the carriage by aircraft;

29) **Ticket** means a valid document giving entitlement to transport, or something equivalent in paperless form, including electronic form, issued or authorised by the air carrier or its authorised agent;

30) **Reservation** means the document confirming the fact that the passenger has a ticket, or other proof, which indicates that the reservation has been accepted and registered by the air carrier or tour operator;

31) **Committee** means the Committee of the air carriers which use the airport services and consists of representatives of airport users or the organizations acting on their behalf;

32) **Special Drawing Rights** is the calculation unit determined by International Monetary Fund. The rate of Special Drawing Rights in RSD is calculated according to estimation method defined by International Monetary Fund;

33) **Cargo** means the goods delivered for the carriage, and not included in the provisions of this Law dealing with the contract of carriage of passengers;

34) **Operating (actual) air carrier** means an air carrier that performs or intends to perform a flight under a contract with a passenger or on behalf of another person, legal or natural, having a contract with that passenger;

35) **Managing body of the airport** means an undertaking, a legal person or an entrepreneur which notably has as its objective under national legislation the administration and management of airport infrastructures, and the coordination and control of the activities of the various operators present in an airport or airport system;

36) **Contracting air carrier** means a person who concluded a contract of carriage with a passenger, orderer of carriage or Consignor;

37) **Successive air carrier** means the person who, on the basis of the contract of carriage concluded by the first air carrier, performs a part of the carriage concerned with the consent of passengers, i.e. the orderer of carriage;

38) **Denied boarding** means a refusal to carry passengers on a flight, although they have presented themselves for boarding under the conditions laid down in Article 8, paragraph 3 of this Law, except where there are reasonable grounds to deny them boarding, such as reasons of health, safety or security, or inadequate travel documentation;

39) **Warsaw Convention** means the Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed at Warsaw on 12 October 1929, or the Warsaw Convention as amended at The Hague on 28 September 1955 and the Convention supplementary to the Warsaw Convention done at Guadalajara on 18 September 1961 – whichever is in force with respect to the contracts of carriage of passengers, together with other international legal instruments relating to it and still in force;

Terms contained in this Law which are not defined in paragraph 1 of this Article shall be equivalent to those used in the Montreal Convention.

Part Two OBLIGATIONS IN AIR TRANSPORT

Chapter One CONTRACT OF CARRIAGE OF PASSENGERS, BAGGAGE AND CARGO

1 Carriage of Passengers and Baggage a) Contract of Carriage of Passengers

Conclusion of the contract of carriage of passengers
Article 4

The conditions of carriage shall be mutually regulated by the contract of carriage of passengers, concluded between an air carrier and a passenger, or between an air carrier and orderer of carriage.

Contract between the air carrier and the passenger
Article 5

By the contract of carriage of passengers, concluded between the air carrier and the passenger, the air carrier shall bind itself to perform carriage of the passenger concerned from the place of departure to final destination at the time provided for by the flight time-table, i.e. agreed time, while the passenger shall pay the appropriate remuneration.

The contracting air carrier may entrust the carriage of the passenger to operating air carrier if the latter provides equivalent or similar conditions of carriage, unless otherwise provided for in the contract of carriage of passengers.

The relationship between contracting and operating air carrier referred to in paragraph 2 of this Article shall be governed by the contract.

Ticket
Article 6

Air carrier shall issue to a passenger a single or group ticket.

The ticket shall represent the proof of the concluded contract of carriage of passengers, though the existence of such contract may also be verified in other way.

The ticket shall bear the name of the passenger and shall not be transferable without the consent of the air carrier. Air carrier shall be entitled to refuse to give such consent only for justifiable reasons.

The ticket shall contain information on the place of departure and place of final destination, time of departure as provided for by the time-table, i.e. by the contract of carriage of passengers.

Contract between the air carrier and the Orderer of Carriage
Article 7

By the contract of carriage concluded between the air carrier and the orderer of carriage, the air carrier shall perform carriage, under the contract conditions, of one or more passengers as determined by the orderer of carriage.

The Contract referred to in paragraph 1 of this Article may be concluded for one or more journey or for a certain period of time, for entire aircraft capacity or a part thereof, and may concern one or more passengers.

The contract of carriage of passengers between the air carrier and the orderer of carriage further specifying the conditions of carriage shall be considered as valid if concluded in written or electronic form.

b) Passengers' rights in the event of denied boarding, cancellation or long delay of flights

Minimum passengers' rights Article 8

In accordance with the ratified international agreements and under the conditions laid down by this law, the passengers shall be granted the minimum rights in the cases where:

- 1) the boarding is denied against passenger's will;
- 2) the flight is cancelled;
- 3) there is a long delay of the flight.

The rights guaranteed to passengers in the events laid down in paragraph 1 of this Article shall apply:

1) to passengers departing from an airport located in the territory of a signatory state to ECAA Agreement, to which ECAA Agreement applies (hereinafter referred to as: ECAA Area);

2) to passengers departing from an airport located in a third country to an airport situated in the territory within ECAA Area, unless they received benefits or compensation and were given assistance in that third country, if the operating air carrier of the flight concerned is an air carrier of a signatory state to ECAA Agreement.

Provision of paragraph 2 of this Article shall apply on the conditions that passengers:

1) have a confirmed reservation on the flight concerned and, except in the case of cancellation referred to in Article 10 of this Law, present themselves for check-in:

(1) as stipulated and at the time indicated in advance and in written or electronic form by the air carrier, the tour operator or an authorised travel agent, or if no time is indicated

(2) not later than 45 minutes before the published departure time;

2) have been transferred by an air carrier or tour operator from the flight for which they held a reservation to another flight, irrespective of the reason.

The right for compensation and assistance shall not be granted to passengers travelling free of charge or at a reduced fare not available directly or indirectly to the public.

The right for compensation and assistance shall be granted to passengers having tickets issued under a frequent flyer programme or other commercial programme by an air carrier or tour operator.

The right for compensation and assistance shall be granted only to passengers transported by motorised fixed wing aircraft.

The right for compensation and assistance shall be ensured by any operating air carrier providing carriage of passengers covered by paragraphs 2 and 3 of this Article. Where an operating air carrier which has no contract with the passenger performs obligations stipulated by the provisions of the Articles 8 to 20 of this Law, it shall be regarded as doing so on behalf of the person having a contract with that passenger.

The provisions of the Articles 8 to 20 of this Law shall not affect the rights of passengers under regulation governing rights and obligations from a package tour.

The provisions of this Articles 8 to 20 of this Law shall not apply in cases where a package tour is cancelled for reasons other than cancellation of the flight.

Denied boarding Article 9

When an operating air carrier reasonably expects to deny boarding on a flight, it shall first call for volunteers to surrender their reservations in exchange for benefits under conditions to be agreed between the passenger concerned and the operating air carrier.

The Volunteers shall be assisted in accordance with Article 13 of this Law, such assistance being additional to the benefits mentioned in paragraph 1 of this Article.

If an insufficient number of volunteers come forward to allow the remaining passengers with reservations to board the flight, the operating air carrier may then deny boarding to passengers against their will.

If boarding is denied to passengers against their will, the operating air carrier shall immediately compensate them in accordance with Article 12 of this Law and assist them in accordance with Articles 13 and 14 of this Law.

Cancellation of a flight Article 10

In case of cancellation of a flight, the passengers concerned shall:

1) be offered assistance by the operating air carrier in accordance with Article 13 of this Law;

2) be offered assistance by the operating air carrier in accordance with Article 14, paragraph 1, point 1) and paragraph 2 of this Law, as well as, in event of re-routing when the reasonably expected time of departure of the new flight is at least the day after the departure as it was planned for the cancelled flight, the assistance specified in Article 14, paragraph 1, points 2) and 3) of this Law.

3) have the right to compensation by the operating air carrier in accordance with Article 12 of this Law, unless:

- (1) the passengers are informed of the cancellation at least two weeks before the scheduled time of departure;
- (2) the passengers are informed of the cancellation between two weeks and seven days before the scheduled time of departure and are offered re-routing, allowing them to depart no more than two hours before the scheduled time of departure and to reach their final destination less than four hours after the scheduled time of arrival;
- (3) the passengers are informed of the cancellation less than seven days before the scheduled time of departure and are offered re-routing, allowing them to depart no more than one hour before the scheduled time of departure and to reach their final destination less than two hours after the scheduled time of arrival.

When passengers are informed of the cancellation, an explanation shall be given concerning possible alternative transport.

An operating air carrier shall not be obliged to pay compensation in accordance with Article 12 of this Law, if it can prove that the cancellation is caused by extraordinary circumstances which could not have been avoided even if all reasonable measures had been taken.

The burden of proof concerning the questions as to whether and when the passenger has been informed of the cancellation of the flight shall rest with the operating air carrier.

Delay of a flight

Article 11

When an operating air carrier reasonably expects a flight to be delayed beyond its scheduled time of departure:

- 1) for two hours or more in the case of flights of 1 500 kilometres or less;
- 2) for three hours or more in the case of all intra-ECAA Area flights between 1 500 and 3 500 kilometres;
- 3) for four hours or more in the case of all flights not falling under points 1) or 2) of this paragraph, passengers shall be offered by the operating air carrier:

- (1) the assistance specified in Article 14, paragraph 1, point 1) paragraph 2 of this Law;
- (2) the assistance specified in Article 14, paragraph 1, points 2) and 3) of this Law, when the reasonably expected time of departure is at least the day after the time of departure previously announced;
- (3) the assistance specified in Article 13, paragraph 1, point 1), when the delay is at least five hours.

In any event, the assistance shall be offered within the time limits set out above with respect to each distance bracket.

Right to compensation

Article 12

Where, in this Law, reference is made to this Article, the passengers shall receive the compensation amounting to:

- 1) EUR 250 (converted in RSD), for all flights of 1 500 kilometers or less;
- 2) EUR 400 (converted in RSD), for all intra-ECAA Area flights of more than 1 500 kilometers, and for all other flights between 1 500 and 3 500 kilometers;
- 3) EUR 600 (converted in RSD), for all flights not falling under points 1) and 2) of this paragraph.

In determining the distances referred to in paragraph 1 of this Article, the basis shall be the final destination at which the denial of boarding or cancellation will delay the passenger's arrival after the scheduled time.

When passengers are offered re-routing to their final destination on an alternative flight in accordance with Article 13 of this Law, the arrival time of which does not exceed the scheduled arrival time of the flight originally booked by:

- 1) two hours, in respect of all flights of 1 500 kilometers or less;
- 2) three hours, in respect of all intra-ECAA Area flights of more than 1 500 kilometers, and all other flights between 1 500 and 3 500 kilometers;
- 3) four hours in respect of all flights not falling under points 1) and 2) of this paragraph, the air carrier may reduce the compensation provided for in paragraph 1 of this Article by 50%.

The compensation referred to in paragraph 1 of this Article shall be paid in cash, by electronic bank transfer, bank orders or bank cheques or, with the signed agreement of the passenger, in travel vouchers and/or other services.

The distance shall be measured by great circle route method.

Euros shall be converted to RDS per middle exchange rate of the National Bank of Serbia on the day of the payment, and if the court procedure has been raised concerning the right to compensation – on the day when the court decision becomes legally binding.

Right to reimbursement or re-routing

Article 13

Where, in this Law, reference is made to this Article, the passengers shall be offered the choice between:

1) - reimbursement within seven days, by the means provided for in Article 12, paragraph 4 of this Law, of the full cost of the ticket at the price at which it was bought, for the part or parts of the journey not made, and for the part or parts of the journey already made if the flight is no longer serving any purpose in relation to the passenger's original travel plan, together with, when relevant,

- a return flight to the first point of departure, at the earliest opportunity;

2) re-routing, under comparable transport conditions, to their final destination at the earliest opportunity;

3) re-routing, under comparable transport conditions, to their final destination at a later date at the passenger's convenience, subject to availability of seats.

Paragraph 1, point 1) of this Article shall also apply to passengers whose flights form part of a package, except for the right to reimbursement where such right arises under separate regulation governing the rights and obligations with respect to packages.

When, in the case where a town, city or region is served by several airports, an operating air carrier offers a passenger a flight to an airport alternative to that for which the booking was made, the operating air carrier shall bear the cost of transferring the passenger from that alternative airport either to that for which the booking was made, or to another closeby destination agreed with the passenger.

Right to care

Article 14

Where, in this Law, reference is made to this Article, the passengers shall be offered free of charge:

1) meals and refreshments in a reasonable relation to the waiting time;

2) hotel accommodation:

(1) where a stay of one or more nights are necessary;

(2) where a stay additional to that intended by the passenger becomes necessary;

3) transport between the airport and the place of accommodation (hotel or other).

In addition to the rights laid down in paragraph 1 of this Article, passengers shall be offered free of charge two telephone calls, telex or fax messages, or e-mails.

The operating air carrier shall pay particular attention to the needs of persons with reduced mobility and any persons accompanying them, as well as to the needs of unaccompanied children.

Upgrading and downgrading

Article 15

If an operating air carrier places a passenger in a class higher than that for which the ticket was purchased, it may not request any supplementary payment.

If an operating air carrier places a passenger in a class lower than that for which the ticket was purchased, it shall within seven days, by the means provided for in Article 12, paragraph 4 of this Law, reimburse:

- 1) 30 % of the price of the ticket for all flights of 1 500 kilometres or less;
- 2) 50 % of the price of the ticket for all intra-ECAA Area flights of more than 1 500 kilometres and for all other flights between 1 500 and 3 500 kilometres;
- 3) 75 % of the price of the ticket for all flights not falling under points 1) or 2) of this paragraph.

Persons with reduced mobility or special needs

Article 16

An operating air carrier shall give priority to carrying persons with reduced mobility and any persons or certified service dogs accompanying them, as well as unaccompanied children.

In cases of denied boarding, cancellation and delays of any length, persons with reduced mobility and any persons accompanying them, as well as unaccompanied children, shall have the right to care in accordance with Article 14 of this Law as soon as possible.

The rights of persons with reduced mobility or special needs in the event of denied boarding, cancellation or long delay of a flight are further governed by Articles 37 to 51 of this Law.

Further compensation

Article 17

Passengers shall have right to further compensation, as stipulated by separate regulations. The compensation granted under Article 12 of this Law may be deducted from such compensation.

The provisions of paragraph 1 of this Article shall not apply to passengers who have voluntarily surrendered a reservation under Article 9, paragraph 1 of this Law.

Right of redress

Article 18

In cases where an operating air carrier pays compensation or meets the other obligations incumbent on it under this Law, no provision of this Law may be interpreted as restricting its right to seek compensation from any person, including third parties, in accordance with the applicable regulations.

This Law shall in no way restrict the operating air carrier's right to seek reimbursement from a tour operator or another person with whom the operating air carrier has a contract.

No provision of this Law may be interpreted as restricting the right of a tour operator or a third party, other than a passenger, with whom an operating air carrier has a contract, to

seek reimbursement or compensation from the operating air carrier in accordance with applicable relevant regulations.

Obligation to inform the passengers of their rights

Article 19

The operating air carrier shall ensure that at check-in a clearly legible notice containing the following text is displayed in a manner clearly visible to passengers: ‘If you are denied boarding or if your flight is cancelled or delayed for at least two hours, ask at the check-in counter or boarding gate for the text stating your rights, particularly with regard to compensation and assistance’.

An operating air carrier denying boarding or cancelling a flight shall provide each passenger affected with a written notice setting out the rules for compensation and assistance in line with this Law. It shall also provide each passenger affected by a delay of at least two hours with an equivalent notice.

The contact details of the national designated body in front of which he can claim its rights shall also be given to the passenger in written form.

In respect of blind and visually impaired persons, the provisions of this Article shall be applied using appropriate alternative means.

Exclusion of waiver and protection of passengers’ rights

Article 20

Obligations vis-à-vis passengers pursuant to Articles 8 to 19 of this Law may not be limited or waived, notably by a derogation or restrictive clause in the contract of carriage.

If, nevertheless, any of the passenger’s rights under Articles 8 to 19 of this Law has been violated concerning the flights with the place of departure at the airport situated in the territory of the Republic of Serbia or an airport situated in the territory of the state not listed in the Article 8, paragraph 2, point 1) of this Law, where the place of the final destination is an airport situated in the territory of the Republic of Serbia and operating air carrier is an air carrier of the signatory state to the *ECAA* Agreement, the passenger may submit the complain to the operating air carrier in accordance with Article 97 of this Law, or initiate the proceedings before the competent court.

If a derogation or restrictive clause is applied in respect of a passenger, or if the passenger is not correctly informed of these rights and for that reason has accepted compensation which is inferior to that provided for in this Law, the passenger shall still be entitled to take the necessary proceedings before the competent courts or bodies in order to obtain additional compensation.

c) Execution of the contract of carriage

Responsibility of the orderer of carriage

Article 21

Orderer of carriage shall be liable to air carrier for obligations stemming from the contract of carriage of passengers, unless otherwise specified by such contract.

In case that the orderer of carriage referred to in paragraph 1 of this Article is liable to air carrier for obligations stemming from the contract of carriage of passengers, passenger may exercise its rights in respect of denied boarding, cancellation or long delay of flight only toward the orderer of carriage.

Orderer of carriage shall provide passenger with services of air carrier, unless otherwise specified in the contract between the orderer of carriage and the passenger.

Entrusting carriage of passengers to operating air carrier

Article 22

Unless otherwise specified by the contract of carriage of passengers, contracting air carrier shall be entitled to entrust the carriage of passengers to an operating air carrier if such carrier provides equivalent or not substantially worse carriage conditions. If such operating air carrier provides better carriage conditions, the contracting air carrier shall not be entitled to ask for the difference of higher price of transport.

When contract of carriage for a specific period by entire aircraft is concerned, contracting air carrier may entrust such transport to operating air carrier only if it is either provided for by the contract or if the orderer of carriage subsequently expressed its consent in writing.

Contract of carriage of passengers for a specific period

Article 23

If the carriage of passengers is contracted for a specific time period using the entire capacity of an aircraft, contracting air carrier may replace contracted type of aircraft only upon obtaining a written consent of the orderer of carriage. If contracting air carrier replaces the contracted type of aircraft without obtaining the consent of the orderer of carriage, such air carrier shall be held responsible for any damage caused to the orderer of carriage.

In case of the contract of carriage of passengers for a specific time period by entire aircraft, contracting air carrier shall fulfil the orders of the orderer of carriage within the limits defined by the contract of carriage and in compliance with the purpose of aircraft.

Orderer of carriage referred to in paragraph 2 of this Article may not establish a journey which would put in danger the safety of aircraft, crew or passengers that could not have been anticipated at the time of concluding the contract, nor the journey for which it may be expected to last much longer than the period for which the contract has been concluded.

Contract of carriage of passengers by use of entire capacity of aircraft

Article 24

If the carriage of passengers by use of entire capacity of aircraft is contracted, contracting air carrier is entitled to the availability of unused aircraft capacity only upon obtaining written consent of the orderer of carriage.

If the carriage of passengers by use of entire capacity of aircraft is contracted, and contracting air carrier has used the unused capacity of aircraft without obtaining written consent of the orderer of carriage, the remuneration for contracted carriage shall be proportionally reduced.

If contracting air carrier has used the unused capacity of aircraft without obtaining written consent of the orderer of carriage, such air carrier is also liable for the compensation of any damage caused to the orderer of carriage as a result of that.

Carriage of passengers by aircraft used for carriage of mail

Article 25

The provisions of Articles 9 to 11 of this Law shall not apply to the carriage of passengers by aircraft used for carriage of mail.

When carriage of mail is concerned, an air carrier shall be liable only to respective Postal Administration, in accordance with the rules applicable to the relationship between the air carrier and Postal Administration.

d) Air carrier liability

Implementation of provisions of the Montreal Convention

Article 26

In respect of the air carrier liability for carriage of passengers and their baggage by air, in addition to the provisions of this Law, the relevant provisions of the Montreal Convention shall be applicable. These provisions shall also be applicable in respect of carriage by air within the airspace of the Republic of Serbia.

Air carrier shall be liable for damage under paragraph 1 of this Article caused by a person who has performed the carriage by aircraft pursuant to its order or on its behalf.

If the air carrier proves that the damage was caused or contributed to by negligence or other wrongful act or omission of the person claiming compensation, or the person from whom he or she derives his or her rights, the air carrier shall be wholly or partly exonerated from its liability in respect of the claim, to the extent that such negligence or wrongful act or omission caused or contributed to the damage.

When by reason of death or injury of a passenger compensation is claimed by a person other than the passenger, the air carrier shall likewise be wholly or partly exonerated from its liability to the extent that it proves that the damage was caused or contributed to by negligence or other wrongful act or omission of that passenger.

The provisions relieving the air carrier of liability or fixing the lower limit of liability than that laid down in the Montreal Convention or in this Law are null and void, but the nullity of such provisions does not involve the nullity of the whole contract of carriage, which shall remain subject to the provisions of the Convention.

Compulsory insurance of air carriers

Article 27

The liability of an air carrier from the Republic of Serbia in respect of passengers and their baggage shall be governed by the provisions of the Montreal Convention relevant to such liability.

An air carrier that holds a valid operating licence issued by the Republic of Serbia shall have adequate insurance in air transport that covers its liability for damage, in compliance with the provisions of the Montreal Convention.

The evidence on maintaining the adequate insurance in air transport covering the liability for the damage in compliance with the provisions of the Montreal Convention must also be submitted by any other air carrier intending to operate air services in the Republic of Serbia.

The obligation of insurance set out in Article 4 1) (h) of the Regulation (EC) No 1008/2008 of the European Parliament and the Council of 24 September 2008 on common rules for the operation of air services in the Community, as far as it relates to liability for passengers shall be understood to require that an air carrier be insured up to a level that is adequate to ensure that all persons entitled to compensation receive the full amount to which they are entitled to in accordance with this Law.

Compensation for damage

Article 28

The amount of the compensation, as well as the lowest limit of liability for the damage caused by death or bodily injury of passenger in case of accident, for the damage caused by destruction, loss or damage of hand baggage and checked (registered) baggage, as well as for the damage caused by destruction, loss or damage of cargo, or delayed delivery of cargo shall be determined in compliance with Articles 21 and 22 of the Montreal Convention.

The Government shall define the manner of publishing the revisions of the limit of liability of air carriers, established under Articles 21 and 22 of the Montreal Convention.

Supplementary sum for delivering checked (registered) baggage at final destination

Article 29

Passenger shall have the right to, at the time of delivering the checked (registered) baggage to air carrier, specifically determine the value of delivery at final destination and pay supplementary sum, if so required.

The supplementary sum which, in accordance with Article 22, paragraph 2 of the Montreal Convention, may be demanded by an air carrier when a passenger makes a special declaration of interest in delivery of their baggage at destination, shall be based on a tariff which is related to the additional costs involved in transporting and insuring the baggage concerned over and above those for baggage valued at or below the liability limit.

The tariff referred to in paragraph 1 of this Article shall be made available to passengers on request.

Advance payment

Article 30

The air carrier shall without delay, and in any event not later than 15 days after the identity of the natural person entitled to compensation has been established, make such advance payments as may be required to meet immediate economic needs on a basis proportional to the hardship suffered.

Without prejudice to paragraph 1, an advance payment shall not be less than the equivalent in Euro of 16 000 Special Drawing Rights per passenger in the event of death.

An advance payment shall not constitute recognition of liability and may be offset against any subsequent sums paid on the basis of the air carrier liability. The advance

payment is not returnable, except that in the cases where the air carrier proves that the damage was caused or contributed to by the negligence or other wrongful act or omission of the person claiming compensation, or the person who received the advance payment was not the person entitled to compensation, the air carrier may be returned the advance payment.

Availability of the summary of the main provisions governing air carrier liability Article 31

All air carriers shall, when selling carriage by air, ensure that a summary of the main provisions governing liability for passengers and their baggage, including deadlines for filing an action for compensation and the possibility of making a special declaration for baggage, is made available to passengers at all points of sale, including sale by telephone and via the Internet. In order to comply with this information requirement, the air carriers shall use the notice contained in the Article 32 of this Law.

The summary or notice from paragraph 1 of this Article cannot be used as a basis for a claim for compensation, nor to interpret the provisions of this Law or those of the Montreal Convention.

Information notice of air carrier liability for passengers and their baggage Article 32

The air carrier shall be obliged to provide passengers with the Information notice of air carrier liability for passengers and their baggage, which shall read as follows:

“This information notice summarizes the extracts from the rules on air carrier liability under the provisions of the Law governing the obligations and the basics of property relations in air transport and the Montreal Convention, as follows:

1) Compensation in the case of death or injury

There are no financial limitations to the liability for passenger injury or death. For damages up to 113 100 Special Drowning Rights the air carrier cannot contest claims for compensation. Above that amount, the air carrier can defend itself against a claim by proving that it was not negligent or otherwise at fault.

2) Advance payments

If a passenger is killed or injured, the air carrier must make an advance payment, to cover immediate economic needs, within 15 days from the identification of the person entitled to compensation. In the event of death, this advance payment shall not be less than 16 000 Special Drowning Rights.

3) Passenger delays

In case of passenger delay, the air carrier is liable for damage unless it took all reasonable measures to avoid the damage or it was impossible to take such measures. The liability for passenger delay is limited to 4 694 Special Drowning Rights.

4) Baggage delays

In case of baggage delay, the air carrier is liable for damage unless it took all reasonable measures to avoid the damage or it was impossible to take such measures. The liability for baggage delay is limited to 1 131 Special Drowning Rights.

5) Destruction, loss or damage to baggage

The air carrier is liable for destruction, loss or damage to baggage up to 1 131 Special Drowning Rights. In the case of checked baggage, it is liable even if not at fault, unless the

baggage was defective. In the case of unchecked baggage, the carrier is liable only if at fault.

6) Higher limits for baggage

A passenger can benefit from a higher liability limit by making a special declaration at the latest at check-in and by paying a supplementary fee.

7) Complaints on baggage

If the baggage is damaged, delayed, lost or destroyed, the passenger must write and complain to the air carrier as soon as possible. In the case of damage to checked baggage, the passenger must write and complain within seven days and in the case of delay within 21 days, in both cases from the date on which the baggage was placed at the passenger's disposal.

8) Liability of contracting and operating (actual) air carriers

If the air carrier actually performing the flight is not the same as the contracting air carrier, the passenger has the right to address a complaint or to make a claim for damages against either. If the name or code of an air carrier is indicated on the ticket, that air carrier is the contracting air carrier.

9) Time limit for action

Any action in court to claim damages must be brought within two years from the date of arrival of the aircraft, or from the date on which the aircraft ought to have arrived.

10) Basis for the information

The basis for the rules described above is the Montreal Convention of 28 May 1999, and the Law governing the obligations and basics of property relations in air transport.

Information to passengers of air carriers' liability

Article 33

In addition to the information requirements set out in Article 31 of this Law, all air carriers providing or selling carriage by air shall provide each passenger with a written indication of:

1) the applicable limit for that flight on the carrier's liability in respect of death or injury, if such a limitation exists,

2) the applicable limitation for that flight on the carrier's liability in respect of destruction, loss of or damage to baggage and a warning that baggage greater in value than this figure should be brought to the airline's attention at check-in or fully insured by the passenger prior to travel;

3) the applicable limitation for that flight on the carrier's liability for damage occasioned by delay.

Air carrier liability limitations

Article 34

In the case of all carriage performed by air carriers of the signatory states to the ECAA Agreement under Article 8, paragraph 2, point 1) of this Law, the limitations indicated in accordance with the information requirements of Articles 32 and 33 of this Law shall be those established by this Law unless the air carrier applies higher limitations by way of voluntary undertaking.

In the case of all carriage performed by air carriers that are not the air carriers of the signatory state to the ECAA Agreements under Article 8, paragraph 2, point 1) of this Law,

article 32 and 33 of this Law shall apply only in relation to carriage to, from or within the ECAA Area.

e) Carriage of baggage
Hand baggage on board the aircraft
Article 35

On the basis of the contract of carriage, passenger is entitled to take into the passengers' cabin and transport without any additional charge the hand baggage for which he/she is responsible.

The term hand baggage, within the meaning of paragraph 1 of this Article, is the cargo that passenger carries with him/herself or on him/herself.

Cargo that by its nature or size may present danger or obstacle on board the aircraft to passengers or other cargo, or that do not belong to passengers' cabin, may not be taken on board the aircraft.

Air carrier independently determines the weight and size of the hand baggage that passengers are allowed to take into the passengers' cabin.

The time of transport of hand baggage is the time beginning with the passenger's boarding the aircraft before the take-off, up to the moment of passenger's disembarking upon landing.

Transport of checked (registered) baggage
Article 36

Air carrier shall accept checked (registered) baggage for carriage and issue a written receipt thereof.

Certain carriage of cargo requiring a special permit, cargo to be transported under special conditions, cargo that by its nature may produce danger to aircraft or passengers or cause damage to other baggage, and the cargo that by its nature, weight or size do not belong to the space designated for the baggage may not be handed over as checked (registered) baggage.

Air carrier shall determine which baggage is considered to be checked (registered) baggage, the limits in terms of weight and size for the baggage to be allowed as checked (registered) baggage and the weight allowed for such baggage to be transported without charging an additional fee.

f) The rights of disabled persons and persons with reduced mobility
Purpose and scope
Article 37

Disabled persons and persons with reduced mobility, using or intending to use commercial passenger air services on departure from, on transit through, or on arrival at an airport, when the airport is situated in the territory of the Republic of Serbia, shall have the right for provision of assistance provided by this Law.

The provisions of the Articles 38, 39 and 45 of this Law shall also apply to passengers departing from an airport situated in a third country to an airport situated in the territory of

the Republic of Serbia, if the operating air carrier is an air carrier of the signatory state to the ECAA Agreement under Article 8, paragraph 2, point 1) of this Law.

The right to assistance referred to in paragraph 1 of this Article shall not affect the rights of passengers established in Articles 8 to 11 of this Law and in special regulations on provision of groundhandling services.

In so far as the provisions on the right to assistance established in the Article 1 of this Law conflict with those established in the separate regulation on provision of groundhandling services, the provisions of this Law shall prevail.

Prevention of refusal of carriage **Article 38**

An air carrier or its agent or a tour operator shall not refuse, on the grounds of disability or of reduced mobility:

- 1) to accept a reservation for a flight departing from or arriving at an airport defined in the Article 37 of this Law;
- 2) to embark a disabled person or a person with reduced mobility at such an airport, provided that the person concerned has a valid ticket and reservation.

Derogations, special conditions and information **Article 39**

Notwithstanding the provisions of Article 38 of this Law, an air carrier or its agent or a tour operator may refuse, on the grounds of disability or of reduced mobility, to accept a reservation from or to embark a disabled person or a person with reduced mobility:

- 1) in order to meet applicable safety requirements established by ratified international agreements or national law or in order to meet safety requirements established by the authority that issued the air operator's certificate (AOC) to the air carrier concerned;
- 2) if the size of the aircraft or its doors makes the embarkation or carriage of that disabled person or person with reduced mobility physically impossible.

In the event of refusal to accept a reservation on the grounds referred to under points 1) and 2) of this paragraph, the air carrier, its agent or the tour operator shall make reasonable efforts to propose an acceptable alternative to the person in question.

A disabled person or a person with reduced mobility who has been denied embarkation on the grounds of his or her disability or reduced mobility and any person accompanying this person pursuant to paragraph 4 of this Article, shall be offered the right to reimbursement or rerouting as provided for in Article 13 of this Law. The right to the option of a return flight or rerouting shall be conditional upon all safety requirements being met.

Under the same conditions referred to in paragraph 1, point 1) of this Article, an air carrier or its agent or a tour operator may require that a disabled person or person with reduced mobility be accompanied by another person who is capable of providing the assistance required by that person.

An air carrier or its agent shall make publicly available, in accessible formats and in at least the same languages as the information made available to other passengers, the safety rules that it applies to the carriage of disabled persons and persons with reduced mobility, as

well as any restrictions on their carriage or on that of mobility equipment due to the size of aircraft.

A tour operator shall make such safety rules and restrictions available for flights included in package travel, package holidays and package tours which it organises, sells or offers for sale.

When an air carrier or its agent or a tour operator refuse to accept the reservation of disabled person or person with reduced mobility, i.e. the request that a disabled person or person with reduced mobility be accompanied by another person who is capable of providing the assistance required by that person, it shall immediately inform the disabled person or person with reduced mobility of the reasons therefor.

Upon request of disabled person or person with reduced mobility, an air carrier, its agent or a tour operator shall communicate these reasons in writing to the disabled person or person with reduced mobility, within five working days of the request.

Designation of points of arrival and departure **Article 40**

In cooperation with airport users, through the Airport Users Committee where one exists, and relevant organisations representing disabled persons and persons with reduced mobility, the managing body of an airport shall, taking account of local conditions, designate points of arrival and departure within the airport boundary or at a point under the direct control of the managing body, both inside and outside terminal buildings, at which disabled persons or persons with reduced mobility can, with ease, announce their arrival at the airport and request assistance.

The points of arrival and departure referred to in paragraph 1 of this Article, shall be clearly signed and shall offer basic information about the airport, in accessible formats.

Transmission of information **Article 41**

Air carriers, their agents and tour operators shall take all measures necessary for the receipt, at all their points of sale in the ECAA Area, including sale by telephone and via the Internet, of notifications of the need for assistance made by disabled persons or persons with reduced mobility.

When an air carrier or its agent or a tour operator receives a notification of the need for assistance at least 48 hours before the published departure time for the flight, it shall transmit the information concerned at least 36 hours before the published departure time for the flight:

- 1) to the managing bodies of the airports of departure, arrival and transit;
- 2) to the operating air carrier, if a reservation was not made with that carrier, unless the identity of the operating air carrier is not known at the time of notification, in which case the information shall be transmitted as soon as practicable.

In all cases other than those mentioned in paragraph 2 of this Article, the air carrier or its agent or tour operator shall transmit the information as soon as possible.

As soon as possible after the departure of the flight, an operating air carrier shall inform the managing body of the airport of final destination, if situated in the ECAA Area, of the number of disabled persons and persons with reduced mobility on that flight requiring assistance specified in Article 49 of this Law, and of the nature of that assistance.

Right to assistance at airports

Article 42

When a disabled person or person with reduced mobility arrives at an airport for travel by air, the managing body of the airport shall be responsible for ensuring the provision of the assistance specified in Article 49 of this Law in such a way that the person is able to take the flight for which he or she holds a reservation, provided that the notification of the person's particular needs for such assistance has been made to the air carrier or its agent or the tour operator concerned at least 48 hours before the published time of departure of the flight. This notification shall also cover a return flight, if the outward flight and the return flight have been contracted with the same air carrier.

Where use of a recognised assistance dog is required, this shall be accommodated provided that notification of the same is made to the air carrier or its agent or the tour operator in accordance with applicable regulations governing the carriage of assistance dogs on board aircraft.

If no notification is made in accordance with paragraph 1 of this Article, the managing body of the airport shall make all reasonable efforts to provide the assistance specified in Article 49 of this Law in such a way that the person concerned is able to take the flight for which he or she holds a reservation.

The provisions of paragraph 1 of this Article shall apply on condition that:

- 1) the person presents himself or herself for check-in;
 - (1) at the time stipulated in advance and in writing (including by electronic means) by the air carrier or its agent or the tour operator, or
 - (2) if no time is stipulated, not later than one hour before the published departure time;
- 2) the person arrives at a point within the airport boundary designated in accordance with Article 40 of this Law:
 - (1) at the time stipulated in advance and in writing (including by electronic means) by the air carrier or its agent or the tour operator, or
 - (2) if no time is stipulated, not later than two hours before the published departure time.

When a disabled person or person with reduced mobility transits through an airport in the territory of the Republic of Serbia, or is transferred by an air carrier or a tour operator from the flight for which he or she holds a reservation to another flight, the managing body of the airport shall be responsible for ensuring the provision of the assistance specified in Article 49 of this Law in such a way that the person is able to take the flight for which he or she holds a reservation.

On the arrival by air of a disabled person or person with reduced mobility at an airport in the territory of the Republic of Serbia, the managing body of the airport shall be responsible for ensuring the provision of the assistance specified in Article 49 of this Law in such a way that the person is able to reach his or her point of departure from the airport as referred to in Article 40 of this Law.

The assistance provided shall, as far as possible, be appropriate to the particular needs of the individual passenger.

Responsibility for assistance at airports

Article 43

The managing body of the airport shall be responsible for ensuring the provision of the assistance specified in Article 49 of this Law without additional charge to disabled persons and persons with reduced mobility.

The managing body of the airport may provide such assistance itself, or alternatively, in keeping with its responsibility, and subject always to compliance with the quality standards referred to in Article 44 of this Law, the managing body of the airport may contract with one or more other parties for the supply of the assistance.

In cooperation with airport users, through the Airport Users Committee where one exists, the managing body of the airport may enter into such a contract or contracts referred to in paragraph 2 of this Article on its own initiative or on request, including from an air carrier, and taking into account the existing services at the airport concerned, and in the event that it refuses such a request, the managing body of the airport shall provide written justification.

The managing body of the airport may, on a nondiscriminatory basis, levy a specific charge on airport users for the purpose of funding this assistance which shall be shared among airport users in proportion to the total number of all passengers that each carries to and from that airport

This specific charge referred to in paragraph 4 of this Article shall be reasonable, costrelated, transparent and established by the managing body of the airport in cooperation with airport users, through the Airport Users Committee, where one exists, or any other appropriate entity.

The managing body of the airport shall separate the accounts of its activities relating to the assistance provided to disabled persons and persons with reduced mobility from the accounts of its other activities, in accordance with the applicable law and current commercial practice.

The managing body of the airport shall make available to airport users, through the Airport Users Committee, where one exists, or any other appropriate entity, as well as to the enforcement body or bodies referred to in Article 173, paragraph 2 of this Law, an audited annual overview of charges received and expenses made in respect of the assistance provided to disabled persons and persons with reduced mobility.

Quality standards for assistance

Article 44

With the exception of airports whose annual traffic is less than 150 000 commercial passenger movements, the managing body shall set quality standards for the assistance specified in Article 49 of this Law and determine resource requirements for meeting them, in cooperation with airport users, through the Airport Users Committee, where one exists, and organisations representing disabled passengers and passengers with reduced mobility.

In the setting of such standards, full account shall be taken of internationally recognised policies and codes of conduct concerning facilitation of carriage of disabled persons or persons with reduced mobility, notably the ECAC Code of Good Conduct in Ground Handling for Persons with Reduced Mobility.

The managing body of the airport shall publish its quality standards.

An air carrier and the managing body of the airport may agree that, for the passengers whom that air carrier transports to and from the airport, the managing body of the airport shall provide assistance of a higher standard than the standards referred to in paragraph 1 of this Article or provide services additional to those specified in Article 49 of this Law.

For the purpose of funding the measures referred to in this Article, the managing body of the airport may levy a charge on the air carrier additional to that referred to in Article 43 of this Law, which shall be transparent, cost related and established after consultation of the air carrier concerned.

Assistance by air carriers

Article 45

An air carrier shall provide the assistance specified in Article 50 of this Law, without additional charge to a disabled person or person with reduced mobility departing from, arriving at or transiting through an airport to which this Law applies provided that the person in question fulfils the conditions set out in Article 42, paragraphs 1, 2 and 4.

Training

Article 46

An air carrier and managing body of the airport shall:

- 1) ensure that all their personnel, including those employed by any sub-contractor, providing direct assistance to disabled persons and persons with reduced mobility have knowledge on how to meet the needs of persons having various disabilities or mobility impairments;
- 2) provide disability-equality and disability-awareness training to all their personnel working at the airport dealing directly with the travelling public;
- 3) ensure that, upon recruitment, all new employees attend disability-related training and that personnel receive refresher training courses when appropriate.

Compensation for lost or damaged wheelchairs, other mobility equipment and assistive devices

Article 47

Where wheelchairs or other mobility equipment or assistive devices are lost or damaged whilst being handled at the airport or transported on board aircraft, the passenger to whom the equipment belongs shall be compensated, in accordance with the ratified international agreement, and provisions of this Law.

Exclusion of waiver

Article 48

Obligations in respect of disabled persons and persons with reduced mobility pursuant to this Law shall not be limited or waived.

If any of a passenger's right referred to in Articles 37 to 48 of this Law has been violated, disabled person or person with reduced mobility may submit the complain to the

operating air carrier in accordance with Article 97 of this Law, or initiate the proceedings before the competent court.

An air carrier and the managing body of the airport shall provide disabled persons and persons with reduced mobility with relevant information about their rights under this Law, as well as the information about national designated body in front of which he/she can claim his/hers rights.

Assistance under the responsibility of the managing bodies of airports

Article 49

The managing body of the airport shall provide assistance and arrangements necessary to enable disabled persons and persons with reduced mobility to:

- 1) communicate their arrival at an airport and their request for assistance at the designated points inside and outside terminal buildings mentioned in Article 40 of this Law;
- 2) move from a designated point to the check-in counter;
- 3) check-in and register baggage;
- 4) proceed from the check-in counter to the aircraft, with completion of emigration, customs and security procedures;
- 5) board the aircraft, with the provision of lifts, wheelchairs or other assistance needed, as appropriate;
- 6) proceed from the aircraft door to their seats;
- 7) store and retrieve baggage on the aircraft;
- 8) proceed from their seats to the aircraft door;
- 9) disembark from the aircraft, with the provision of lifts, wheelchairs or other assistance needed, as appropriate;
- 10) proceed from the aircraft to the baggage hall and retrieve baggage, with completion of immigration and customs procedures;
- 11) proceed from the baggage hall to a designated point;
- 12) reach connecting flights when in transit, with assistance on the air and land sides and within and between terminals as needed;
- 13) move to the toilet facilities if required.

Where a disabled person or person with reduced mobility is assisted by an accompanying person, this person must, if requested, be allowed to provide the necessary assistance in the airport and with embarking and disembarking.

The managing body of the airport shall provide ground handling services with all necessary mobility equipment, including equipment such as electric wheelchairs subject to advance warning of 48 hours and to possible limitations of space on board the aircraft, and subject to the application of relevant legislation concerning dangerous goods.

The managing body of the airport shall perform temporary replacement of damaged or lost mobility equipment, albeit not necessarily on a like-for-like basis.

The managing body of the airport shall enable ground handling of recognised assistance dogs, when relevant.

The managing body of the airport shall provide communication of information needed to take flights in accessible formats.

Provisions on responsibilities of the managing body of the airport providing ground handling services for persons referred to in this Article, shall also be binding for other ground handling services providers respectively.

Assistance by air carriers

Article 50

The air carrier shall allow the carriage of recognised assistance dogs in the cabin, subject to separate regulations.

In addition to medical equipment, the air carrier shall allow transport of up to two pieces of mobility equipment per disabled person or person with reduced mobility, including electric wheelchairs, subject to advance warning of 48 hours and to possible limitations of space on board the aircraft, and subject to the application of relevant legislation concerning dangerous goods.

The air carrier shall provide communication of essential information concerning a flight in accessible formats.

The air carrier shall make all reasonable efforts to arrange seating to meet the needs of individuals with disability or reduced mobility on request and subject to safety requirements and availability.

The air carrier shall provide assistance in moving to toilet facilities if required.

Where a disabled person or person with reduced mobility is assisted by an accompanying person, the air carrier will make all reasonable efforts to give such person a seat next to the disabled person or person with reduced mobility.

2. Carriage of Cargo

a) Contract of carriage of cargo

Form and contents

Article 51

By the contract of carriage of cargo by an aircraft, the contracting air carrier shall bind itself to the orderer of carriage to perform the carriage of cargo by the aircraft while the orderer of carriage shall bind itself to pay for the service of transport.

The contract of carriage of cargo may concern provision of one or multiple carriage services, carriage for a certain period of time, the entire aircraft capacity, certain quantity of cargo or a single item.

The contract of carriage of cargo by entire aircraft capacity for a certain period of time or for multiple carriages shall be concluded in writing.

If the contract referred to in paragraph 3 of this Article is not concluded in writing, it shall not be legally binding.

Determining the quantity of cargo

Article 52

The quantity of cargo delivered for carriage may be determined by number of items, weight, volume, dimensions or by combination of those.

In cases where there are grounds for concern, the quantity of the cargo shall be determined by the measure that is commonly used at the point of delivering cargo for carriage to the air carrier.

Carriage of other than the contacted cargo
Article 53

When transporting cargo by entire capacity of aircraft, the cargo other than contracted cargo may be delivered for carriage, if the conditions of carriage shall not change to the disadvantage of air carrier, if as a consequence the aircraft shall not be withheld, if the aircraft safety shall not be jeopardized and if the Consignor on the request of the air carrier provides security for debt-claim that may arise due to replacement of the cargo.

Third party as a Consignor
Article 54

The orderer of carriage may authorize the third party to deliver for carriage the contracted quantity of the cargo or the part thereof, if so provided in the contract of carriage of cargo.

The orderer of carriage, who has authorized the person referred to in paragraph 1 of this Article to deliver the cargo for carriage, shall be liable to air carrier for the obligations stemming from the contract of carriage of cargo, if not otherwise agreed between the orderer of carriage and the air carrier.

Air carrier shall not be liable to the person referred to in paragraph 1 of this Article for obligations exceeding the ones already undertaken by the contract with the orderer of carriage.

**Liability of the orderer of carriage, i.e. Consignor for obligations undertaken taken
by the contract of carriage**
Article 55

If the contract between the orderer of carriage and the person referred to in Article 54, paragraph 1 of this Law does not stipulate otherwise, such person shall be liable to the air carrier for the obligations undertaken by the contract of carriage of cargo concerning specific cargo that he delivered to air carrier for transport.

The orderer of carriage shall only obtain the services provided by an air carrier to the Consignor, if the contract between the orderer of carriage and the person referred to Article 54 paragraph 1 of this Law does not stipulate otherwise.

Respective application of provisions
Article 56

Provisions on carriage of passengers referred to in Articles 22 to 24 of this Law shall be respectively applicable to carriage of cargo.

b) Air waybill

Making out and delivering the air waybill

Article 57

The air carrier has the right to require the Consignor to make out and deliver to it an air waybill (hereinafter referred to as: air waybill), and the Consignor has the right to require from the carrier to accept such document.

Any provisions of the contract of carriage of cargo contrary to the paragraph 1 of this Article shall not be legally binding.

The air waybill may be made out for multiple packages.

The air carrier has the right to require from the Consignor to make out and deliver to him separate air waybill for each package, and the Consignor has the right to require from the air carrier to accept such separate air waybills for each package.

If the air carrier makes out the air waybill on the request from the Consignor, it shall be assumed that he has made it out on behalf of the Consignor.

The absence and irregularity of the air waybill shall not affect the existence and validity of the contract of carriage of cargo by aircraft.

The air waybill shall be made out by the Consignor in three original parts and delivered to the air carrier along with the cargo. The first part shall be retained by air carrier, the second part shall accompany the cargo, and the third one shall be signed by the carrier and handed by him to the Consignor.

Contents of air waybill

Article 58

The air waybill shall include:

- 1) an indication of the place and date of air waybill issue;
- 2) an indication of the places of departure and final destination (if applicable, an indication of one of intermediate points, if the place of departure and final destination are in the territory of the same country, and one or more agreed intermediate points being in the territory of another country);
- 3) name or title and address of Consignor, Consignee and air carrier;
- 4) amount of the fee charged for the carriage;
- 5) an indication of the type, contents and quantity of cargo; 6) list of documents attached to the air waybill.

The air waybill may contain the delivery period, value of the consignment and other information.

The first part of the air waybill shall be marked “for the air carrier” and the second “for the Consignee”.

The first part of the air waybill shall be signed by the Consignor, the second one shall be signed by the Consignor and the air-carrier, and the third one shall be signed by the aircarrier.

The air carrier has to sign the air waybill before the loading of cargo on the aircraft.

The signature of the air carrier may be replaced by a stamp, and the signature of the Consignor may be printed beforehand or replaced by a stamp.

Responsibility of a Consignor

Article 59

The Consignor is responsible for the correctness of the information and the statements contained in the air waybill inserted by him or by the air carrier on his behalf.

The Consignor is responsible for any damage suffered by the air-carrier, or by any other person to whom the air carrier is liable, incurred due to the irregularity, inaccuracy or incompleteness of the information and the statements furnished by the Consignor.

Consignor shall furnish all the information to the air carrier, attach them to the air waybill and make all the documents required for the customs control and other actions available to the air carrier.

Air carrier does not have to check the correctness and accuracy of the information of documents referred to in this paragraph.

Consignor is responsible for the damage that might occur due to lack, incorrectness, and inaccuracy of the information and documents referred to in paragraph 3 of this Article.

Consignor is responsible for the damage incurred to persons, vehicles, and other goods as a consequence of properties of the cargo delivered for carriage, if the air carrier has not been informed of such properties or if the air carrier did not have to be informed of such properties.

Delivering the cargo for carriage

Article 60

By handing over the third part of the air waybill to the Consignor, it is assumed that the contract of carriage of cargo is concluded and the cargo is received for transport, subject to the conditions specified in the air waybill.

It is assumed that information specified in the air waybill relating to the weight, volume, dimensions and packaging, as well as those relating to the number of packages are accurate. If the air carrier checked the information relating to the weight, condition of the cargo and packaging specified in the air waybill in the presence of Consignor, and noted its findings in the air waybill, it is assumed that the information, i.e. the condition of the cargo are accurate.

The air carrier may state its objections concerning the apparent conditions of the cargo and packaging in the air waybill.

It is assumed that the cargo and packaging have not had any outer defects, if the objections referred to in paragraph 3 of this Article are not specified in the air waybill.

c) Negotiable (transferable) air waybill

Issuance of negotiable air waybill

Article 61

The Consignor and the air carrier may agree that the third part of the air waybill (the part for the Consignor) may be issued as “the order” air waybill or “the bearer” air waybill (herein after referred to as: negotiable (transferable) air waybill)

If the negotiable air waybill is issued, that has to be explicitly stated in the other parts of the air waybill.

The negotiable air waybill must be signed by the air carrier and by the Consignor or by the persons authorized by them. If it is not explicitly specified that the air waybill is negotiable (transferable), it is assumed that the regular (non-transferable) air waybill has been issued

The Consignor and the air carrier may request the transcript of the negotiable air waybill to be made for their needs. If the transcript of the negotiable air waybill has been made, each transcript must be clearly marked and contain the warning that the holder of the transcript cannot exercise the right of disposition of cargo.

The mode of transfer of negotiable (transferable) air waybill

Article 62

The order air waybill shall be transferred by endorsement, and the bearer air waybill shall be transferred by delivery.

The law that governs the bill of exchange shall apply to the form and legal effects of the endorsement, with the exception of the provisions related to the redemption.

If the Consignee is not indicated in the order air waybill, such air waybill shall be transferred by the order of the Consignor.

Responsibilities of authorized holder of negotiable air waybill

Article 63

Conditions of the contract of carriage shall be obligatory for the authorized holder of the negotiable air waybill, who is neither the orderer of carriage nor the Consignor, only if they are contained in the negotiable air waybill.

Contract of carriage and the conditions of carriage of the contracting carrier are obligatory for the authorized holder of the negotiable air waybill, who is neither the orderer of carriage nor the Consignor, if the negotiable air waybill explicitly refers to them.

Conditions of carriage of the actual carrier are not obligatory for the authorized holder of the negotiable air waybill, even if the negotiable air waybill refers to them.

Respective application of provisions

Article 64

The provisions of this Law regarding the air waybill shall respectively be applicable to the negotiable air waybill as well, with the exception of the provisions of Article 60, paragraph 1 of this Law.

d) Carriage

Responsibilities of an air carrier

Article 65

The air carrier shall perform carriage of cargo by air, along the agreed route. If the route has not been agreed, the air carrier must perform carriage of cargo by air along the established route.

The air carrier may perform carriage of cargo by air, along another route, for the reasons of aviation safety or other justifiable reasons.

Carriage Period

Article 66

The air carrier shall perform carriage of cargo in the agreed period (hereinafter referred to as: carriage period).

If carriage period has not been agreed, the air carrier shall perform carriage within the period considered as usual, taking into account the length of the route, type of the aircraft and other circumstances affecting carriage period.

Carriage period starts from the moment of the acceptance of the cargo, unless otherwise agreed.

Carriage period does not include the retention period of the cargo caused by the reasons that prevent the beginning or resumption of carriage, if the air carrier is not responsible for them. It is assumed that carriage period expired the moment the air carrier notifies the Consignee that the cargo has arrived at the place of destination, or from the moment the air carrier has attempted to deliver the cargo to such Consignee.

Failing to execute a contract of carriage

Article 67

If the air carrier is not able to execute the contract of carriage in accordance with the agreed terms, and the duration of the impediment that prevents its performance may be quite long or unknown, the air carrier shall request instructions from the Consignee.

If the air carrier is not able to act in accordance with the manner referred to in paragraph 1 of this Article, it shall, depending on the circumstances, reload the cargo or bring it back to the place of departure or act in another manner, while taking care of the interests of the right holder.

e) Disposition of cargo during transport

Right of Consignor to dispose of cargo if negotiable air waybill has not been issued

Article 68

If the negotiable air waybill has not been issued, the Consignor, which carried out all obligations arising from the contract of transport, has the right to dispose of the cargo in the following manner:

- 1) to withdraw such cargo from the airport of departure or destination;

- 2) to detain such cargo in the course of the journey at any point of landing;
- 3) to request such cargo to be delivered at the place of final destination in the course of the journey to a person other than the one originally designated as Consignee in the air waybill;
- 4) to request such cargo to be returned to the place of departure.

The Consignor submits the request for the disposition referred to in paragraph 1 of this Article to the contracting carrier, and to the person the air carrier has authorized if so stipulated by the contract.

The Consignor shall reimburse air carrier for any expenses incurred by the performance of the request referred to in paragraph 1 of this Article.

The Consignor, at whose disposal is the cargo under the paragraph 1 of this Article, must submit the third part of the air waybill to the contracting air carrier or to the person he has authorized.

The air carrier or the person he has authorized has the right to require from the Consignor to enter the request for disposition of cargo in the first part of the air waybill, and to deliver such request in writing.

Exclusion or restriction in disposition of the cargo **Article 69**

The parties may restrict or exclude disposition of cargo provided for in Article 68 of this Law, if so stipulated by the contract.

If not entered in the air waybill,, the contract referred to in paragraph 1 of this Article shall not be legally binding.

Liability of air carrier concerning request for disposition of cargo **Article 70**

If the air carrier complies with the request of the Consignor for the disposition of the cargo without requiring the production of the third part of the air waybill under the Article 68, paragraph 4 of this Law, he shall be liable for reimbursement of any damage incurred by following such order to any person lawfully in possession of the third part of the air waybill.

The application of provision referred to in paragraph 1 of this Article is without prejudice to the right of air carrier to redemption from the Consignor.

In case it is not possible to comply with the request of the Consignor concerning the disposition of the cargo, or if such compliance could cause damage to the air carrier or other holders of requests for disposition of the other cargo, the air carrier shall inform the Consignor thereof.

The right of air carrier to refuse to comply with the request for disposition of cargo **Article 71**

The air carrier may refuse to comply with the request by the Consignor for disposition of cargo:

- 1) if it is impossible to comply with the request;

- 2) if the Consignor, within the meaning of the provisions of Article 68, paragraph 4 of this Law, has failed to submit the third part of the air waybill to the contracting air carrier;
- 3) if the damage should occur to the holder of request for disposition of another cargo;
- 4) if the damage should occur to the air carrier or if the sustained damage should be greater than the value of the cargo;
- 5) if the performance should be contrary to the customs and other regulations.

In cases referred to in point 4), of this Article, the air carrier may not refuse to comply with the request if he is provided with appropriate security.

If the air carrier refuses to comply with the request he shall without delay inform the Consignor and proceed in compliance with the provisions of Article 67 of this law.

Liability of air carrier for damage in case the request has not been complied with Article 72

If an air carrier fails to comply with the request referred to in Article 68, paragraph 1 of this Law, or fails to act in compliance with the provision of Article 71, paragraph 3 of this Law, he shall be liable for the damage caused in this way.

The amount of reimbursement for the damage referred to in paragraph 1 of this Article, and in Article 70, paragraph 1 of this Law, may not be higher than the amount that the air carrier will have to reimburse in case of loss of the cargo delivered for transport.

Termination of the right of Consignor to dispose of cargo Article 73

The right of disposition of the Consignor ceases at the moment the cargo arrives at the point of final destination and the Consignee requires the delivery of cargo or the air waybill.

The air carrier shall deliver the cargo or the air waybill to the Consignee, if the Consignee fulfilled its obligations referred to in Article 83 of this Law, unless otherwise stipulated by the Consignor's request.

If the Consignee, upon the request referred to in paragraph 1 of this Article, declines to accept the cargo or the air waybill, the Consignor may resume its right of disposition of the cargo.

If the Consignee declines to accept the cargo or the air waybill, the Consignor may resume its right of disposition of the cargo without submitting the third part of the air waybill. If the air carrier has admitted the loss of the cargo, or if the cargo has not reached the point of final destination seven days after the date on which it ought to have arrived, the Consignee has the right to act pursuant to appropriate provisions stemming from the contract of carriage.

The right of authorized holder of the document concerning the disposition of cargo if the negotiable air waybill has been issued Article 74

If the negotiable air waybill is issued, only the authorized holder of the negotiable air waybill, who has fulfilled its obligations arising from the negotiable air waybill, may exercise its right of disposition of the cargo, as follows:

- 1) to withdraw it from the point of departure;

- 2) to retain it or to require it to be returned to him in the course of the journey on any point of landing;
- 3) to require it to be returned to the point of departure.

The authorized holder of the negotiable air waybill who, on the basis of paragraph 1 of this Article, requires the delivery of cargo, has to return the original negotiable air waybill to the air carrier during the taking over of the cargo, and in all other cases, he shall enter the request for disposition in the negotiable air waybill and sign it.

Respective application of provisions

Article 75

Provisions of Article 68, paragraph 3, Article 69 and Article 70, paragraph 3 of this Law shall respectively be applicable to negotiable air waybill as well.

f) Delivery of the cargo

Place and manner of delivery

Article 76

The air carrier shall deliver the cargo at the place of final destination specified in the contract, air waybill or negotiable air waybill, or at the place designated by the Consignee.

The air carrier shall deliver the cargo to the Consignee at the airport of the place of final destination, unless otherwise stipulated in the contract.

The air carrier shall deliver the cargo to the Consignee specified in the air waybill, or to the authorized holder of the negotiable air waybill; but if the air waybill has not been issued, he shall deliver it to the person appointed for the reception of the consignment either in the contract of carriage or in some other way

If the Consignor, in compliance with the provisions of Article 66 of this Law, designates a person other than the Consignee originally specified in the air waybill, the air carrier shall deliver the cargo to such other person.

Unless it is otherwise agreed, it is the duty of the air carrier to give notice to the Consignee as soon as the cargo arrives at the point of final destination.

The holder of the negotiable air waybill shall return the original negotiable air waybill to the air carrier upon taking over of the cargo.

The air carrier has the right to request the receipt concerning the condition and quantity of delivered cargo from the person to whom the cargo has been delivered and who is not the holder of the negotiable air waybill.

Complaints and the period for making the complaints

Article 77

If the Consignee does not make a written complaint concerning the damage to cargo during the acceptance of cargo, it is assumed that the cargo has been delivered in good condition, i.e. in compliance with the air waybill.

If the damage to cargo could not be detected during the acceptance, the Consignee can make the complaint to the air carrier immediately after detecting the damage, and at the latest, within fourteen days from the date of taking over.

If damage has been caused by delay, the complaint shall be submitted within twenty-one days from the date on which the cargo has been delivered, at the latest.

If the written complaint has not been submitted within the time limit referred to in this Article, the air carrier is not liable for damage, except if the damage incurred due to an action or failure of air carrier or the person that has performed carriage upon its request or on its behalf, and such actions or failures were caused deliberately or by utmost negligence.

Failing to deliver the cargo to Consignee Article 78

If the communication with Consignee cannot be established, or if he declines to accept the cargo or the air waybill, the air carrier shall without delay ask the Consignor for the instructions.

If the air carrier does not receive the instructions from the Consignor in the appropriate period, or if the received instructions cannot be complied with, the air carrier may deliver the cargo to the public warehouse, or to the other appropriate person, or to keep the cargo himself, at the expense and risk of the Consignor, provided that he without delay notifies the Consignor or the Consignee thereof.

If the cargo has been delivered for storage to a third party, the air carrier is liable for the selection of such third party.

If the air carrier has acted in accordance with paragraph 2 of this Article, it is assumed that carriage is completed.

Failing to take over the cargo in the period provided for and the sale of the cargo Article 79

If the Consignor or the Consignee does not take over the cargo within the 30 days from the date of putting such cargo at the storage place, the air carrier is entitled to sell such cargo.

The air carrier is entitled to sell the cargo before the expiration period referred to in paragraph 1 of this Article if:

- 1) the cargo is damaged or if there is an immediate danger of damage;
- 2) the storage expenses are likely to be un-proportionally high compared to the value of the cargo;
- 3) the delay of sale would decrease the amount necessary for the settlement of the air-carrier's receivables and the cargo storage costs.

The sale is public, unless the cargo consists of perishable goods or goods the price of which is fixed at the stock exchange.

The air carrier shall deposit the amount received by the sale, reduced for receivables of carriage and the amount of storage and sale costs, to the court in charge, at the place of sale, to the advantage of the Consignee and to inform him thereof.

g) Rates and charges

Cargo rates

Article 80

Cargo rate is the price for the performed carriage of cargo.

The amount and the modes of payment are stipulated by the contract.

If the carriage is performed farther than the contracted point of final destination, either on Consignor's request or in the interest of Consignee, the cargo rate shall be proportionally increased.

Payment of cargo rate

Article 81

Cargo rate shall be paid only for the transported cargo and at the point of final destination when it is placed to the disposition of Consignee.

The air carrier has a right on the cargo rate even if the cargo is not transported or placed at the disposal of the Consignee, if such situation has been caused by the orderer of carriage, Consignor, a person with the right of disposition, or a person they are responsible for, or if the reason for delivery failure is the cargo itself.

With the exception of paragraph 2 of this Article, the air carrier has a right on the cargo rate proportional to the carriage actually performed, if the cargo was carried only through a section of the route.

Payment of cargo rate in special cases

Article 82

If the cargo, other than the agreed cargo has been delivered for carriage, the cargo rate of which is higher than that of the agreed cargo, the cargo rate shall be paid for the cargo delivered for carriage.

If fewer articles of the cargo than agreed have been delivered for carriage or no articles at all, the cargo rate shall be paid for the total quantity agreed.

If fewer articles of the cargo than agreed have been delivered for carriage, and the cargo rate for the cargo delivered for carriage is higher than the agreed cargo rate, the entire agreed cargo rate, as well as the difference between the agreed cargo rate and the higher one, shall be paid.

Responsibilities of Consignee

Article 83

The Consignee entitled to require delivery of the cargo and the air waybill shall settle the receivables and fulfil all conditions specified in the air waybill or the negotiable air waybill, if it is not explicitly stated that the Consignor or the orderer of carriage should settle them.

If the negotiable air waybill has been issued, the Consignee shall settle the receivables arising from the moment of issuance of such negotiable air waybill, if the air carrier enters such receivables in its part of the air waybill.

The Consignee requiring the cargo delivery shall pay the cargo rate and all other receivables of the air carrier relate to carriage of cargo, if carriage has been performed without the air waybill.

Payment of cargo rate pursuant to contracts of carriage for a specific period **Article 84**

Concerning carriage for a specific period, the orderer of carriage shall be paying the cargo rate in advance, in equal monthly amounts, and the air carrier shall be receiving the cargo rate only during the contract period.

If the impediments in the use of the aircraft occur during the validity of the contract of carriage for specific period, the orderer of carriage shall pay the cargo rate during the period of impediments if he has caused such impediments or if their occurrence has resulted from carrying out of its orders.

The air carrier may waive the contract of carriage for specific period if the cargo rate has not been paid in the period stipulated by the contract.

Failing to fulfil the obligations of Consignee **Article 85**

If the Consignee fails to fulfil its obligations, the air carrier may deliver the cargo to the public warehouse, or to the other appropriate person, or to keep it himself, provided that he has without delay informed the Consignor or the Consignee thereof.

If the receivables of the air carrier are not settled within the 15 days from the day of the delivery of the information referred to in paragraph 1 of this Article, it is entitled to sell the cargo.

The storage and sale of the cargo referred to in paragraph 1 and 2 of this Article are governed by the provisions of Articles 78 and 79 of this Law.

The right of air carrier to receivables **Article 86**

The air carrier that delivers the cargo to the Consignee who failed to fulfil its obligations referred to in Article 85 of this Law, does not have the right to claim such obligation fulfilment from the Consignor or the orderer of carriage, unless the Consignor or the orderer of carriage have gained unjustified profit from it.

If the air carrier that acted in compliance with the provisions of Article 85 of this Law recovers the part of its receivables, he may request the payment of the remaining part of the receivables from the persons referred to in paragraph 1 of this Article.

In order to secure its receivables specified in the contract of carriage of cargo, the air carrier has the right of pledge over the cargo that he has received for carriage.

3. Carriage involving more than one Air Carrier

a) Successive carriage

Contract of successive carriage in air transport

Article 87

Contract of successive carriage in air transport is the contract of carriage of passengers, baggage or cargo by which the air carrier is bound to perform the carriage (first air carrier) with the participation of more than one air carriers (successive air carriers), and the passenger, or the orderer of carriage gives its consent to this.

The relationship between successive air carriers is governed by their mutual agreement.

Unless otherwise stipulated by the agreement, the provisions of this Law shall be applicable to the relationship of successive air carriers.

Liability of air carrier for damage in case of death or bodily injury of passengers and for damage occasioned by delays

Article 88

For damage sustained in case of death, bodily injury of passengers, as well as for damage occasioned by delays, the first air carrier and the successive air carrier on whose section of the route the damage occurred shall be deemed liable jointly and severally.

The first air carrier may be exonerated from the liability for the damage referred to in paragraph 1 of this Article, which was sustained on the successive carriers' section of the route, in compliance with the contract.

If the damage sustained in case of death or the bodily injury of a person or such person's heirs has been compensated by the first air carrier, it shall have the right of redress from the successive air carrier on whose section of the route the damage was sustained.

Liability of air carrier for loss or damage to baggage and cargo, and for damage occasioned by delays and in delivery of cargo to Consignor

Article 89

In the case of baggage or cargo loss and damage, including damage occasioned by delays and delivery to the Consignor, apart from the air carrier on whose section of the route the damage took place, the first air carrier shall be also jointly and severally liable to the Consignor, while the last air carrier shall be liable to the Consignee.

If the section of the route where the loss and/or damage took place cannot be established, all air carriers shall be jointly and severally liable.

b) Combined carriage

Article 90

If so agreed, air carriers may perform the agreed carriage also by using other modes of transport (combined transport).

The air carrier which has concluded the contract of combined carriage shall be liable for the sustained damage in accordance with those regulations on indemnification applicable to the carrier on whose section of the route the damage occurred.

The carrier which has performed combined carriage without consent of the Consignor shall be liable for the damage sustained, in accordance with the provisions of that law most favourable for the orderer of carriage, regardless of section of the route where the damage occurred.

4. Other Provisions on Liability of Air Carrier in respect of Cargo

Limits of liability

Article 91

The amount of the indemnification, and the limits of liability for the damage sustained in the case of destruction, loss, damaging or delay in carriage of cargo, laid down in the Montreal Convention, pursuant to Article 28 of this Law is limited to a sum of 19 Special Drawing Rights per kilogram, unless the Consignor has made, at the time when the cargo was handed over to air carrier, special declaration of interest in delivery at the final destination and has paid to the air carrier supplementary sum, if requested, in which case the air carrier shall pay the sum not exceeding the declared sum, unless it proves that such sum is greater than the Consignor's actual interest in delivery at the final destination.

In case of destruction, loss, damage or delay in carriage of a part of the cargo or any article thereof, the weight to be taken into consideration in determining the amount up to which the liability of air carrier is limited shall be the total weight of the cargo.

In case that destruction, loss, damage or delay in carriage of the cargo or a part thereof affects the value of other articles covered by the same air waybill or the same receipt or appropriate document that is being kept, in determining the limit of liability the total weight of such articles shall be taken into consideration.

5. Responsibility for Ground Handling Services

a) Ground handling of passengers, baggage and cargo

Article 92

Contract of carriage shall also include ground handling services of passengers, baggage and cargo rendered during carriage by air.

Ground handling services of passengers, baggage and cargo, within the scope of this Law, shall mean the provision of services of boarding and disembarkment of passengers, loading and unloading of baggage and reception and dispatching of cargo.

Provisions on ground handling services laid down in the Air Transport Law, in particular provisions on boarding and disembarkment of passengers, loading and unloading of baggage and reception and dispatching of cargo, as well as provisions laid down in other regulations governing the access to the ground handling market at airports destined for commercial air services shall be respectively applicable to everything that is beyond the scope of this Law and concerns ground handling of passengers, baggage and cargo.

Liability of air carrier
Article 93

An air carrier shall be deemed liable to the providers of services of boarding and disembarkment of passengers, loading and unloading of baggage and reception and dispatching of cargo, for the damage occasioned by handling with dangerous goods or handling with the goods transported under special conditions, if it failed to provide the information on the nature of such goods to such person or failed to provide all necessary instructions, except if such person was informed or must have been informed about the nature of such goods.

Air carriers shall be deemed liable to providers of services of boarding and disembarkment of passengers, loading and unloading of baggage and reception and dispatching the cargo for the damage incurred due to incorrect, inaccurate or incomplete information or statements furnished by the Consignor, or due to incorrect, inaccurate or incomplete documents necessary for completion of customs and other procedures.

Liability for damage occasioned by ground handling services
Article 94

For the damage occasioned by the provision of ground handling services, a provider of services of boarding and disembarkment of passengers, loading and unloading of baggage, and reception and dispatching of cargo shall be deemed liable to air carrier pursuant to the rules on liability of air carriers while executing the contract of carriage.

Notwithstanding the provision referred to in paragraph 1 of this Article, the provider of services of boarding and disembarkment of passengers, loading and unloading of baggage and reception and dispatching of cargo shall also be deemed liable to passengers, i.e. Consignee, if it caused the damage deliberately, or by utmost negligence or if it has overstepped its authorizations.

b) Contract of carriage by which air carrier takes upon it increased liability
Article 95

The provision of contract of carriage by which an air carrier undertakes increased liability than that laid down in this Law shall also be binding for the provider of services of boarding and disembarkment of passengers, services of loading and unloading of baggage and reception and dispatching of cargo, solely upon its explicit consent.

c) Contract of carriage by which liability is reduced
Article 96

The provisions of contract on rendering the services of boarding and disembarkment of passengers, loading and unloading of baggage and reception and dispatching of cargo stipulating reduced liability of providers of such services than that laid down in this Law, or reduced liability of air carrier referred to in Article 93 of this Law or amending provisions on liability against third party disadvantageous to the third party, shall not be legally binding.

Submission of claims

6 CLAIMS

Article 97

A passenger who believes that some of the rights set out in this Law regarding denied boarding, cancellation of a flight or long delay of a flight, have been violated shall submit the complaint in writing to the air carrier.

Disabled person and person with reduced mobility who believe that some of the rights set out in this Law have been violated may, depending on the case, submit the written complaint to either air carrier or managing body of the airport, enclosing appropriate evidence.

Air carrier or a tour operator shall, during the reservation, inform the passenger on the manner in which the complaint referred to in the paragraphs 1 and 2 of this Article is to be submitted, as well as on the contact addresses, including the electronic addresses.

The complaint referred to in the paragraphs 1 and 2 of this Article shall be submitted within 90 days from the date on which the flight was performed, or should have been performed.

If the air carrier, i.e. the managing body of the airport fail to act upon the complaints referred to in paragraphs 1 and 2 of this Article within 60 days from the date of the submission of the complete complaint documentation, or fail to respond to it, the person submitting the complaints referred to in this Article shall have the right to report the violation of this Law to the Civil Aviation Directorate of the Republic of Serbia (hereinafter referred to as: the Directorate).

Without the prejudice to the rights referred to in paragraphs 1 and 2 of this Article, a passenger, disabled person or person with reduced mobility shall have the right to protect his/her rights by initiating the proceedings before a competent court.

Chapter II

OTHER COMMERCIAL ACTIVITIES IN AIR TRANSPORT

1. Contracts on Other Commercial Activities in Air Transport

Contract

Article 98

By means of the contract on performing other commercial activities in air transport, an undertaking, other legal person, state administration body or entrepreneur owning appropriate evidence of competence for performing such activities (hereinafter referred to as: services provider) shall bind itself to provide the services with an aircraft not used for carriage of passengers or cargo, while the ordered of service shall bind itself to pay the adequate charge for the service provided..

Services referred to in paragraph 1 of this Article shall mean services in agriculture or forestry, areal photography (geological photography, filming etc), calibration from air, areal

advertising (banner towing, sky writing, dropping of advertising material), surveillance and reporting from the air, and other aerial work services;

Respective application of provisions

Article 99

Provisions of Article 7 paragraphs 2, 23 and 25 of this Law shall respectively be applicable to contracts on performing other commercial activities in air transport.

Execution of order by an orderer of service

Article 100

Service provider shall carry out orders of the orderer of service arising from the provisions of the contract, and in compliance with the intended purpose of an aircraft.

Service provider may refuse to execute the order of the orderer of service if such order execution would put in danger safety of aircraft or persons on board the aircraft, or would cause damage to third parties.

Liability for damage

Article 101

Service provider shall be deemed liable for the damage sustained by the orderer of service during the execution of the contract on other commercial activities in air transport caused by a person who upon its request and on its behalf directly renders such services.

The contract referred to in paragraph 1 of this Article may not exonerate from liability for the damage caused deliberately or by utmost negligence by a person who upon the request of the services provider and on its behalf directly renders such services.

Respective application of provisions

Article 102

Provisions of this Law on liability for the damage referred to in the contract of carriage of passengers and cargo shall be respectively applicable to the damage sustained in the case of death or bodily injury of the orderer of services, person for whom the orderer of service is responsible or user of such service on board the aircraft, and to the damage occasioned by the loss or damaged cargo of the orderer of service which is taken on board for the purpose of performing such services.

Respective application of provisions of other regulations

Article 103

Unless otherwise stipulated by this Law, the provisions of the law governing compulsory insurance in transport are respectively applicable to the damage caused by the aircraft in flight during execution of the contract on other commercial activities in air transport, as well as to the damage caused to third parties on the ground.

Chapter III

AIRCRAFT LEASING

1 Aircraft Lease Agreement

1. Obligations arising from an aircraft lease agreement

Article 104

By means of an aircraft lease agreement, within the scope of this Law, Lessor shall bind itself to deliver an aircraft for use to the Lessee, and the Lessee shall bind itself to pay agreed rent to the Lessor.

The aircraft lease agreement specifying in detail the terms of lease shall be deemed valid if concluded in writing.

Unless otherwise specified by this Law, provisions of the Law governing obligations and the Law governing air transport shall respectively be applicable to the aircraft lease agreement and substantive elements thereof, types of aircraft leasing, and the rights and obligations of the Lessee and the Lessor.

Obligations of Lessor and aircraft crew

Article 105

The aircraft shall be delivered to the Lessee by the Lessor in such a condition so that it may be used for contracted or usual purposes.

If the aircraft lease agreement stipulates that Lessor shall provide the crew, the crew shall follow the orders given by the Lessee, except in those cases where the order would put in danger the safety of aircraft, passengers, baggage, cargo, or third parties.

Maintenance of aircraft and expenses during the period of agreement

Article 106

The Lessee shall maintain the aircraft in the course of the agreement period, and upon the expiry of the said period it shall return the aircraft in the same condition, but shall not be deemed responsible for normal wear of the aircraft.

The Lessee shall bear maintenance expenses unless otherwise set out in the agreement.

The Lessee shall not bear maintenance expenses required for eliminating any hidden aircraft defect that existed at the time when the aircraft was delivered to the Lessee for use, nor shall the Lessee bear expenses for the damage caused by the loss of the aircraft due to vis maior.

Liability due to defects

Article 107

The Lessor shall be held liable for the damage caused due to the defect making the aircraft unserviceable or decreasing its usability for the agreed or usual purpose, and if such defect existed at the time of delivery of the aircraft to the Lessee.

Rent

Article 108

Unless otherwise specified, the rent shall be paid in monthly instalments in advance, calculating from the day when the leased aircraft is delivered.

The rent does not belong to the Lessor for such period during which the Lessee is prevented from operating the aircraft in question due to the flaw of the Lessor or due to hidden aircraft defect, if such defect existed at the time the aircraft in question was delivered to the Lessee.

The Lessor may terminate the agreement by its statement if the rent has not been paid within 15 days upon maturity, without prejudice to its right to indemnification for the damage.

In case referred to in paragraph 3 of this Article, the agreement shall remain in force if the Lessee pays the due rent before receiving the statement on termination of the agreement.

2. Duration and termination of lease agreement and termination notice

Article 109

The lease agreement may be concluded for a specific or indefinite period.

The lease agreement may be extended or terminated in writing only.

The lease agreement concluded for an indefinite period may be terminated in advance, with at least three months' termination notice, in writing only.

The lease agreement shall be terminated in case of aircraft destruction and permanent impossibility to operate the aircraft, as well as in cases which could not have been foreseen, nor prevented, and which make it impossible for the Lessee to operate the aircraft within the leasing period.

Cancellation of agreement

Article 110

If repair of an aircraft, expenses of which are borne by the Lessor, last or is likely to last a longer period than the period of the validity of the lease agreement or the purpose of the agreement, the Lessee may cancel the contract with the statement in writing.

The Lessee has the right to request the refund of the part of the paid rent for the time he was not able to use the aircraft, regardless of whether or not he has cancelled the agreement.

Delay in returning the aircraft

Article 111

If the Lessee fails to return the aircraft following the expiration date specified in the lease agreement, it shall pay the appropriate indemnification equal to the amount of double agreed lease rental for the overstepped period.

If the Lessee is responsible for delay in returning of the aircraft, apart from the amount in paragraph 1 of this Article, he shall be held liable for any damage sustained by the Lessor caused by such delay.

Awards for search and rescue operations carried out by the leased aircraft
Article 112

Any awards granted for search and rescue operations carried out by the leased aircraft during the validity of the lease agreement shall belong to the Lessee.

Doubt concerning the type of agreement concluded
Article 113

In case of any doubt on whether the agreement concluded concerns the lease or carriage for specific period, it is assumed that the agreement for carriage for specific period is concluded.

3. Sub-lease
Article 114

The Lessee may give aircraft for hire to another party (sub-lease) only on the basis of Lessor's written consent.

Chapter IV
Insurance Contracts in Air Transport
1 Compulsory Insurance

Article 115

Unless otherwise stipulated by the law governing compulsory insurance in transport, the insurance in air transport, in compliance with the provisions of this Law, shall cover the insurance of the following:

- 1) aircraft and the its equipment, cargo being carried by such aircraft or cargo placed on board such aircraft;
- 2) passengers and baggage against the consequences caused by an accident;
- 3) aircraft owner, i.e. aircraft operator against the liability for damage caused by the aircraft to third parties on the ground.

In addition to insurance referred to in paragraph 1 of this Article, the cargo rate, insurance expenses, expected profit, possessory lien and other rights, as well as material benefits that exist or can be expected in relation to the air transport, and can be assessed in currency, may be insured.

Contract with a fixed-duration period or for a specific flight
Article 116

The insurance contracts in air transport shall be concluded with the fix-duration period and may also be concluded for a specific flight.

Liability for the damage caused by an aircraft in-flight, for a specific flight, begins at the moment the engines are started for the purpose of taking-off at the starting point specified in the insurance contract, up to the moment when the aircraft is stopped immediately after

the landing and the engines are switched off, at the point of destination specified in the insurance contract.

Exclusion Article 117

Excluded from the insurance in air transport are damages caused either directly or indirectly due to aircraft defects that affect the safety of air operations, if the insured person was informed of them or may have been informed with due attention, and he/she did not prevent the damage event though he/she was able to.

The provision of paragraph 1 of this Article does not apply to the damages caused due to the aircraft defects that affect the safety of air operations of which the insurer was informed or of which he found out in other way when concluding the insurance contract.

Within the scope of this Article, aircraft defects that affect the safety of air operations are technical defects, insufficient equipment, inappropriate crew or incorrect loading of aircraft.

Respective application of provisions of other regulations Article 118

The provisions of the law governing compulsory insurance in transport shall respectively be applicable to the contracts on insurance in air transport, not governed by this Law.

2 Liability

a) Liability for the damage caused by an aircraft in flight to third parties and property on the ground Article 119

Aircraft owner, or the aircraft operator (hereinafter referred to as: responsible person) shall be liable for the damage caused by an aircraft in flight to third parties and property on the ground, as a consequence of which death or bodily injury of such persons occur, or the damage to property on the ground, except if such responsible person proves that the death or the bodily injury of person or the damage of the property on the ground has not occurred as a result of aircraft operation.

The third party referred to in paragraph 1 of this Article is every person, except passengers and crew, or ancillary flight staff on duty during the flight.

Responsible person shall be liable for the damage referred to in paragraph 1 of this Article caused by the person who has, upon its request or on its behalf, performed the carriage.

The Lessee of the aircraft shall also be liable for the damage referred to in paragraph 1 of this Article, if the damage is incurred as a consequence of the use of the leased aircraft.

The provision of paragraph 1 of this Article relates also to the damage incurred by mere passing of the aircraft through the air space, if the damage was caused by the air space users failing to comply with appropriate aviation safety regulations.

Exoneration from liability
Article 120

Responsible person referred to in Article 119 of this Law shall be exonerated from liability for damage if he/she proves that the damage was incurred:

- 1) by an action of the damaged person or other person acting upon the request of or on behalf of the damaged person;
- 2) by an action of the third party,
- 3) by some circumstances that occurred outside the aircraft which could not have been foreseen, avoided or eliminated.

Partial exoneration from liability
Article 121

If the liable person proves that the damaged person or other person acting upon the request of or on behalf of the damaged person has partly contributed to the damage, liability of the responsible person shall be reduced in proportion to which the damaged person contributed to the damage.

If the responsible person proves that the third party has partly contributed to the damage, such third person shall be jointly and severally liable for the damage, in proportion to which he/she contributed to the damage.

Unlawful seizure of aircraft
Article 122

If the aircraft has been unlawfully seized from the responsible person, and such person is not responsible for the seizure of the aircraft, such person shall not be liable for the damage caused by the use of such aircraft, but the person who has unlawfully seized the aircraft .

**Liability for the damage occasioned as a consequence of aircraft collision or
other event in which two or more aircraft are involved**
Article 123

If the damage referred to in Article 119 of this Law has been incurred as a consequence of aircraft collision or some other event of importance for aviation safety, in which two or more aircraft have taken part, liability shall be joint and several, as well as for the damage jointly incurred by two or more aircraft.

b) Limits of liability
Article 124

Responsible person is liable for the damage caused by the aircraft to property on the ground up to the limit of the value (price) of a new aircraft at the time of accident, and not more than to the amount of actually incurred damage.

If the indemnification for the damage is adjudicated in the form of annuity, total amount of such annuity may not be higher than the amount referred to in paragraph 1 of this Article.

The provisions of the law governing compulsory insurance in transport shall be respectively applicable to everything that has not been covered concerning liability limits for the damage incurred by aircraft in air to third parties and property on the ground.

Cases in which the responsible person may not invoke the limits of liability
Article 125

If it is proved that the damage has been incurred deliberately or by utmost negligence, the responsible person may not invoke the limits of liability provided for by this Law.

The responsible person may not invoke the limits of liability if the damage has been deliberately or by utmost negligence incurred by the person who performed the carriage upon the request of such responsible person or on its behalf, even if the responsible person proves that such person acted beyond its authorisation.

The person who has unlawfully used the aircraft by which the damage has been incurred, does not have the right to invoke the liability limits provided for by this Law

c) Respective application of provisions to foreign aircraft
Article 126

On the basis of reciprocity, the provisions on limits of liability in this Law shall be applicable also to foreign aircraft.

Respective application of provisions to state aircraft and foreign state aircraft
Article 127

The provisions of Articles 119 to 126 of this Law shall be applicable also to state (military, customs and police) aircraft.

On the basis of reciprocity, the provisions of this Law shall be applicable to foreign state aircraft.

Chapter V
Statute of Limitation for Claims

Statutes of limitations and start of the running of the statutes of limitations
Article 128

The claims arising from the contract of carriage, as well as the refund claims related to the contract of carriage shall expire in two years.

The claims arising from the contract on performing other commercial activities in air transport, the claims arising from the aircraft lease agreement and the claims for indemnification of the damage concerning the liability referred to in 119 of this Law, as well as refund claims related to such contract shall expire in one year.

The limitation period shall start to run:

- 1) in the case of the contracts of carriage of passengers:
 - (1) in case of death, or injury of passengers or delay in transport - from the date when aircraft arrived or should have arrived to the point of final destination;

- (2) in case of death, which occurred after the disembarking of passengers as a consequence of injury suffered during carriage - from the day of death, considering that the complaint shall have to be submitted not later than three years from the date when aircraft arrived or should have arrived to the point of final destination;
- 2) in the case of carriage of hand baggage - from the date when aircraft arrived or should have arrived to the point of final destination;
- 3) in the case of carriage of registered baggage and cargo:
 - (1) in case of loss or damage – from the date when they were delivered or should have been delivered at the point of final destination;
 - (2) in case of other claims – from the date when the claims should have been settled.
- 4) in case of refund claims – from the date when the obligation of paying the claim became valid, according to the court decision or any other document on which the right of refunding was based;
- 5) in the case of contract on provision of ground handling services to passengers, baggage and cargo – from the date stated in points 1) to 3) of this paragraph;
- 6) in the case of contract on performing other commercial activities in air transport and the aircraft lease agreement – from the date of maturity of claims;
- 7) in the case of the liability referred to in Article 119 of this Law – from the date when the damaged party found out about the damage and about the person who caused the damage, but not later than three years after the damage was incurred.

The provisions of the law governing the obligations shall respectively be applicable to the claims arising from the contracts on insurance, as well as to the calculation of the expiration of claim period, i.e. for all the other claims on these grounds.

Part Three

PROPERTY RELATIONS OVER AIRCRAFT

Chapter I

COMMON PROVISIONS

1. Properties of Aircraft

Article 129

An aircraft is a movable object.

In legal transactions, an aircraft has the status of a real estate and the regulations governing the real estates trade shall be respectively applicable to aircraft trade, in particular concerning legal form of the contracts stipulating such trade, unless otherwise provided for by this Law.

The provisions of the paragraph 2 of this article shall not be applicable with reference to tax regulations.

Property right

Article 130

It is possible to obtain the property right over an aircraft as well as other in rem rights. The aircraft owner has the right to keep, use and dispose with the aircraft concerned within the limits laid down by the law.

When the property and other in rem rights over aircraft are acquired pursuant to legal act, such legal act is valid only if concluded in writing.

The property right over the aircraft may be acquired also on the basis of the court decision, or decision of other competent authority, by inheritance or on other grounds, in compliance with the law.

The object of ownership right may also be the aircraft under construction, as well as the objects incorporated in the aircraft under construction.

Unless otherwise stipulated in the Aircraft Register of the Republic of Serbia, the property right over the aircraft under construction comprises the parts that are in manufacturing stage or on maintenance and which have not been installed in the aircraft, if, by their design, they have been intended for the aircraft and its accessories, or if visibly marked and set aside for the installation in that particular aircraft.

Co-ownership

Article 131

An aircraft and an aircraft under construction can be co-owned, and the co-ownership is deperiodined by shares.

Every co-owner, in compliance with the provisions of this Law, may dispose of its share or encumber it.

Registration of property right and other rights in rem

Article 132

Property right and other rights in rem in aircraft shall be entered into Aircraft Register of the Republic of Serbia and the Aircraft Records of the Republic of Serbia (hereinafter referred to as: the Register).

Notwithstanding the provision of paragraph 1 of this Article, the rights exercised on the basis of a leasing agreement shall not have to be entered into the Register.

The provisions of the law governing air transport and regulations passed on the basis of this law shall respectively be applied with respect to entry of the aircraft into the Register, to the grounds for entry of the property right and possessory lien, to the manner of Register keeping and acting of responsible bodies in charge of Register keeping.

2. POSSESSORY LIEN OVER AIRCRAFT

Article 133

Possessory lien over aircraft may be established as legal possessory lien (on the basis of the law), contractual possessory lien (on the basis of legal action) and court possessory lien (on the basis of court decision).

a) Legal possessory lien

Establishment of legal possessory lien

Article 134

Legal possessory lien over aircraft shall be applicable to:

- 1) the court expenses incurred by the mutual interest of all creditors during the enforcement procedure, concerning security, or during the compulsory sale;
- 2) the claims related to unpaid expenses incurred on the grounds of search for the aircraft or its rescue;
- 3) the claims related to additional costs necessary for the aircraft preservation.

Registration of legal possessory lien

Article 135

The person acquiring legal possessory lien shall have the right to register such possessory lien in the Register, in compliance with the law governing air transport and regulations passed on the basis of that law.

Settlement of claims secured by legal possessory lien

Article 136

The claims secured by legal possessory lien over an aircraft shall be settled before all other claims, following the order laid down in Article 134 of this Law.

If the claims referred to in Article 134 of this Law have equal priority rights, and cannot be completely settled, they shall be settled proportionally.

In relation to the claims specified in Article 134, point 2) of this Law, the claim later established has the priority over the earlier one, and in case of doubt, it is assumed that both claims occurred at the same time.

Compulsory sale of an aircraft

Article 137

In case of compulsory sale of the aircraft, claims for the damage caused by the aircraft in flight to third parties on the ground, as a result of which death or bodily injury of such parties have occurred, as stipulated in Article 119 of this Law shall be settled immediately after the settlement of claims secured by legal possessory lien.

Termination of legal possessory lien

Article 138

Legal possessory lien over aircraft shall terminate:

- 1) upon the settlement of claims secured by legal possessory lien, including interest rates and expenses;
- 2) after the expiration period of one year from the date of the occurrence of such claim,
- 3) by compulsory sale during the execution or bankruptcy procedure; 4) by voluntary sale, if:
 - (1) the transfer of property right, i.e. the transfer of disposition has been registered in Register of companies, and that such registration has been published in the way as the entry in Business Register is published; as well as posted on the bulletin-board of the court under whose jurisdiction the relevant Register of Aircraft is;
 - (2) the creditor holding the legal possessory lien does not initiate the court procedure for the settlement of its claims, within 90 days of publishing the registration of the transfer of ownership, but not later than one year from the date when the claim occurred.

Legal possessory lien over aircraft which has not been entered into the Register shall not be terminated by de-registration of the aircraft from the Register.

Cases when the legal possessory lien shall not terminate

Article 139

Notwithstanding the provisions of Article 138, points 2) and 3) of this Law the claims secured by legal possessory lien shall not terminate, if within one year from the date when such claim occurred:

- 1) the claim is entered in the Register in which the aircraft in question has been entered;
- 2) the parties reach the agreement concerning the amount of claim;
- 3) the court procedure for acknowledgment of this claim is initiated, in which case the court deperiodines if there are reasonable grounds for returning to former status.

Calculation of expiration period

Article 140

In the case of legal possessory lien for claims for expenses and award for search and rescue, and for extraordinary expenses necessary for preserving the aircraft, the expiration period referred to in Article 138, paragraph 1, point 2) of this Law shall be calculated, starting from the date when such actions are undertaken, while in the case of all the other claims, starting from the day of their maturity.

Interruption of expiration period

Article 141

The period referred to in Article 138, paragraph 1, point 2) of this Law shall be interrupted by filing the lawsuit for settlement of the claim, provided that the aircraft has been detained or the filed lawsuit has been noted in the Register that the aircraft has been entered in.

When the judgement based on the filed lawsuit becomes final, legal possessory lien ceases to exist within 60 days from the date when the judgment becomes final, if the creditor does not demand compulsory sale or detention of the aircraft in the said period.

The creditor has the right to demand from the court to register the claims of this legal possessory lien as the claims of contractual possessory lien with the order of priority deperiodined according to the hour when the submitted claim for settlement of legal possessory lien has been entered in the Register.

The case when the claim is not ceased and ceding of claims

Article 142

The claims secured by legal possessory lien does not cease to exist in case of termination of the legal possessory lien.

By ceding the claims secured by legal possessory lien, the contractual possessory lien shall be ceded as well.

Unlawful appropriation of aircraft

Article 143

The provisions of this Law on legal possessory lien shall not be applicable in the case where the aircraft has been unlawfully appropriated from the owner, or the user, while the creditor is negligent.

b) Contractual possessory lien over the aircraft

Possessory lien

Article 144

Contractual possessory lien over an aircraft is the right that entitles the creditor to compensate its claims from the amount obtained by court sale of the aircraft, if the claims secured by contractual possessory lien have not been compensated upon the date of maturity.

The cargo rate, remuneration for aeral work, and the lease, as well as the award for search and rescue belong to the possessory debtor, unless otherwise agreed.

Contractual possessory lien to the benefit of capital sum shall also apply to three-years' contracted or legal interest rates, which reached the date of maturity before introducing the execution procedure, to the interests which reached maturity during the procedure, as well as to the costs of registration of the contractual possessory lien, and costs of contentious and execution procedure.

Application of possessory lien to indemnification from insurance
Article 145

Contractual possessory lien shall apply to the indemnification from insurance of the aircraft, which belongs to the owner, i.e. the user of the aircraft, unless otherwise agreed.

If the insurer has been informed of the contractual possessory lien, he is not allowed to pay the insurance indemnification to the person insured without the consent of the possessory lien creditor.

Possessory lien over the indemnification from the insurance ceases if the insurer pays the indemnification before being informed on existence of possessory lien over the aircraft by the possessory lien creditor.

Permanent withdrawal from operations of an aircraft burdened with possessory lien
Article 146

The aircraft burdened with the contractual possessory lien cannot be permanently withdrawn from the air transport operations without previous mutual consent of all possessory lien creditors.

The possessory lien debtor can demand from the court the public sale of the aircraft, even if all the possessory lien creditors have not given their consents.

Sub-possessory lien
Article 147

Sub-possessory lien to the benefit of third parties may be based on the contractual possessory lien over aircraft.

If the sub-possessory lien to the benefit of third parties has been established, the contractual possessory lien debtor may settle its debt to the contractual lien possessory creditor only if the sub-possessory lien creditor agrees to that or if the possessory lien debtor gives deposit with the court.

Contractual possessory lien shall be valid for sub-possessory lien claims, if the contractual possessory lien debtor fails to act according to the provision of the paragraph 2 of this Article.

Contractual possessory lien over co-owner's share
Article 148

For the establishment of contractual possessory lien over the co-owner's share, it is necessary to obtain the consent of the co-owners whose shares comprise more than a half of the aircraft value.

If the contractual possessory lien burdened co-owner's shares, which comprise more than a half of the aircraft value, the possessory lien may demand the sale of the whole aircraft, but its claims can be compensated only from the value related to shares burdened by that contractual possessory lien.

The provision of paragraph 2 of this Article shall also apply to the maintenance costs.

Joint contractual possessory lien
Article 149

Contractual possessory lien can be entered for one and the same claim, undividedly, for two or more aircraft or it can be registered for two or more separate claims (joint contractual possessory lien).

In the case referred to in paragraph 1 of this Article, the creditor shall be entitled to demand the compensation of a total claim of each aircraft burdened with contractual possessory lien.

Order of priority
Article 150

Contractual possessory lien and its order of priority, acquired by entering into the Register shall not cease to exist if the aircraft was de-registered from the Register, even if such de-registration was the result of aircraft uselessness, disappearance, or withdrawal from the air transport operations for other reasons.

Termination of contractual possessory lien
Article 151

Contractual possessory lien shall be terminated:

- 1) by de-registration of the aircraft from the Register;
- 2) by sale of the aircraft during the execution or bankruptcy procedure.

Possessory lien entered into a foreign register
Article 152

Contractual possessory lien, entered into a foreign register, over aircraft which subsequently acquired nationality marks of the Republic of Serbia, shall be entered into the Register as preliminary registration of contractual possessory lien, if stated in the document of de-registration from the foreign register, and its order of priority shall be acknowledged according to the hour that was applicable for establishing such order of priority in the foreign register.

Contractual creditor referred to in paragraph 1 of this Article shall submit the evidence for this preliminary registration within 30 days from the day of preliminary registration.

Respective application of provisions
Article 153

Unless otherwise stipulated in this Law, provisions of the law governing mortgage shall respectively be applicable to contractual possessory lien over an aircraft.

c) Court possessory lien

Forceful court possessory lien Article 154

Forceful court possessory lien shall be acquired on the basis of court decision passed in the procedure of forceful securing of claims.

The conditions for the court to decide to establish forceful possessory lien are provided for by the provisions of the law governing court procedure of securing monetary claims.

The beneficiary of the right referred to in paragraph 1 of this Article shall be authorised to ensure the entry of such right in the Register.

Compensation for the damage on the ground caused by an aircraft in flight in case of compulsory sale of aircraft Article 155

In the case of compulsory sale of aircraft, claims for the damage caused by aircraft in flight to third parties and property on the ground, due to which death or bodily injury of such party occur, or the damage or destruction of property on the ground, in accordance with Article 119 of this Law, shall be settled before the demands of lien creditors, but up to maximum of 20% of the achieved price of the aircraft.

Entering court possessory lien which has been entered into a foreign aircraft register Article 156

Court possessory lien over aircraft, which subsequently acquired nationality marks of the Republic of Serbia, and which was previously entered into a foreign aircraft register, shall be entered into the Register as preliminary registration of court possessory lien, if stated in the document of de-registration from the foreign register, and its order of priority shall be acknowledged according to the hour that was applicable for establishing such order of priority in the foreign register.

Creditor referred to in paragraph 1 of this Article shall justify such preliminary registration in 30 days from its entry.

Court possessory lien over two or more aircraft Article 157

For one and the same claim, court possessory lien may be entered simultaneously over two or more aircraft.

In the case referred to in paragraph 1 of this Article, the creditor shall be entitled to demand the compensation of a total claim from each aircraft burdened by the court possessory lien.

Part Four

PROCEDURE OF ENFORCEMENT AND SECURITY OVER AIRCRAFT

When enforcement and security may be allowed

Article 158

Compulsory enforcement of court decision ordering that the obligations have to be fulfilled and that the claims have to be secured may be enforced if the aircraft is in the territory of the Republic of Serbia.

Enforcement and security may be also allowed over the aircraft outside the territory of the Republic of Serbia if such aircraft is entered into the Register.

Exemption

Article 159

The following may not be objects of enforcement or security:

- 1) state aircraft, aircraft used for medical transport and aircraft used for fire-fighting;
- 2) foreign aircraft, which over flights the territory of the Republic of Serbia in accordance with valid regulations, or which lands at the airport in the territory of the Republic of Serbia for reasons of force majeure or aviation safety (aircraft in the state of necessity) until their duration, and which lands upon the orders of the competent bodies.

Aircraft referred to in paragraph 1, point 2) of this Article may be the object of enforcement or security if the procedure is conducted for the purpose of enforcement and security of claims incurred at the time of its overflying of or landing in the territory of the Republic of Serbia.

Protection of activities

Article 160

The object of compulsory sale shall not be the aircraft that represents capital asset necessary for performance of basic activities of the company or other legal persons or entrepreneur against whom the enforcement takes place.

The provision referred to in paragraph 1 of this Article shall not apply to the enforcement by compulsory sale if the claims arise from the contractual possessory lien or legal possessory lien.

The provision of paragraph 1 of this Article shall not apply to the enforcement by compulsory sale if the claims arise from:

- 1) the damage on the ground sustained in the event of death, or injury of persons caused by the aircraft in flight, which is the object of enforcement, or from the damage sustained by the persons onboard the aircraft due to the usage of that aircraft;
- 2) search and rescue, or providing help, or preservation of aircraft;
- 3) contract of carriage or the other contact of usage of the aircraft, which is the object of enforcement.

4) supply, maintenance of the aircraft and aircraft equipment, which is the object of enforcement.

Temporary measure of stopping and detaining of an aircraft
Article 161

Temporary measure of stopping and detaining of an aircraft shall not be allowed in the course of public transport operations, if such aircraft is to take off immediately, or resume a previously commenced carriage.

Stopping and detaining of the aircraft referred to in paragraph 2 of this Article may be allowed if the procedure is conducted for the purpose of enforcement that arose in relation to that carriage.

The provisions of this Article shall also be applicable to foreign aircraft on the basis of reciprocity.

Exemption from stopping or detaining of an aircraft
Article 162

If the temporary measure has been enforced in order to secure financial claims, the aircraft shall be released from stopping and detaining if the air carrier provides the security to the amount of the claim that has caused stopping and detaining, provided that the security is available and transferable to the creditors.

The amount of security referred to in paragraph 1 of this Article may not exceed the amount of limited liability, in the case of the claims for which the debtor can limit its liability.

If one of the national courts, in compliance with the provision of paragraph 1 of this Article, releases the aircraft from being stopped and detained, there shall be no other national court that shall allow the stopping of the aircraft concerned, or any other aircraft related to the same claim and the same creditor, provided that the given security is available and transferable to the creditor.

Jurisdiction of courts for decision making on proposal concerning enforcement and security
Article 163

The competent court to decide upon the proposal on enforcement shall be the one in the territory of which the Register where the aircraft is entered is kept.

The court that actually executes the enforcement shall be the court in the territory of which is located the aircraft that is the object of enforcement,.

The actually competent court, in the territory of which is located the object of enforcement at the time when proposal for enforcement is submitted, shall decide on the proposal on enforcement and execution of enforcement over a foreign aircraft and domestic aircraft not entered into the Register.

Jurisdiction of courts to decide upon temporary measures and security over cargo
Article 164

The actually competent court in the territory of which the aircraft is located during the submission of the proposal for introduction of temporary measures, i.e. during the enforcement of temporary measures, shall decide on and enforce the temporary measures over the aircraft.

The court that executes the enforcement and security over the aircraft shall exclusively be competent for the security over the cargo carried by the aircraft which is the object of enforcement or security.

Competent body to which proposals are submitted
Article 165

The proposal for compulsory sale of an aircraft entered into the Register, the proposal for the establishment of compulsory contractual possessory lien or for pre-registration, or over contractual possessory lien thereof should be submitted to Civil Aviation Directorate of the Republic of Serbia.

Directorate referred to in paragraph 1 of this Article shall promptly deliver the proposals to the competent court.

The time of proposal submission to Directorate shall be considered as the time of submission of proposals to the competent court.

Respective application of other regulations
Article 166

Unless otherwise stipulated by this Law, the provisions of the law governing the procedure of enforcement and security in inland waterway transport shall respectively be applied to the the procedure of enforcement and security over the aircraft used air transport, as well as on security over cargo.

Part Five
APPLICABLE LAW

Application of provisions of this Law to relations in international air transport
Article 167

The provisions of this law on the contracts of carriage of passengers and cargo, shall not apply to the relations that occur in the international transport, if the contracting parties agreed on the application of another law.

The contracts referred to in paragraph 1 of this Article may not contain provisions contrary to the provisions of Montreal Convention and *ECAA* Agreement.

Selection of the law applicable to insurance contracts
Article 168

To insurance contract in air transport and to the relations arising from such contract, the law of the country where the principle place of business of the insurer is situated shall be applied, provided that:

- 1) the parties have not exclusively decide upon law which is to be applied to the contract, and their intention of application of certain law cannot be established on the basis of circumstances;
- 2) the law the application of which the parties have selected may not be applied to a part of such contract, or to a relation arising from such contract – or only to a part of such contract, or to a relation arising from such contract .

Notwithstanding the provisions of paragraph 1 of this Article, national law shall be applied to the relations arising from the insurance contracts in air transport if the stakeholders referred to in such contracts are the citizens of the Republic of Serbia, with residence in the Republic of Serbia, or if legal entities referred to in such contracts have the principal place of business in the Republic of Serbia – and if the objects liable to covered risks are insured only in the territory of the Republic of Serbia.

Selection of applicable law pursuant to which the form of contract is assessed
Article 169

The contract and every other legal action on the implementation of such contract shall be considered as valid if the contract has been concluded and the action carried out in the form provided for by the law of the country in which the contract was concluded, i.e. the action was carried out, or by the law pursuant to which major rights or major obligations of the concluded contract are assessed.

Selection of the law applicable to litigations on ownership, possessory lien and other rights over aircraft
Article 170

The law of the country in which the aircraft is registered shall apply to the litigation concerning the ownership, possessory lien and other rights over the aircraft.

Selection of the law applicable to determination of liability for damage caused to the ground by the aircraft in flight Article 171

The law of the country in the territory of which the damage was sustained shall be applied to the damage referred to in Article 119 of this Law.

Cases when foreign law shall not be applicable
Article 172

The provisions of foreign law are not applicable if the effect of such application would apparently be contrary to public order of the Republic of Serbia.

Part Six
SUPERVISION

Chapter I

**SUPERVISION ON THE BASIS OF RATIFIED INTERNATIONAL
AGREEMENTS**

Authorisations of Directorate concerning supervision

Article 173

The Directorate shall be the body in the Republic of Serbia that, based on the European Union Regulations, shall carry out the supervision over the implementation of the provisions of this Law regarding compliance with the rights granted to the passengers for the flights departing from an airport in the territory of the Republic of Serbia or an airport situated in the country not specified in Article 8, paragraph 2, point 1) of this Law, provided that the point of final destination is an airport in the territory of the Republic of Serbia and that the flight is performed by an air carrier of a signatory state to the ECAA Agreement.

The Directorate shall be the body in the Republic of Serbia that, based on the European Union Regulations, shall carry out the supervision over the implementation of the provisions of this Law on the rights granted to disabled persons and persons with reduced mobility in the case of airport referred to in Article 37, paragraph 1 of this Law and shall take all necessary measures to ensure that the rights of disabled persons and persons with reduced mobility are respected, and that those persons are being informed about their rights arising from this Law.

In accordance with undertaken international obligations, the European Commission shall be informed about the Directorate's authorizations laid down in paragraphs 1 and 2 of this Article.

Chapter II
INSPECTION OVERSIGHT

Inspection oversight and authorisations of aviation inspectors

Article 174

The Directorate shall, through its aviation inspectors, perform inspection oversight over the implementation of this Law, relevant international regulations and by-law passed on the basis of this Law, in a part dealing with passengers' rights in the event of denied boarding, cancellation or long delay of flights and rights of disabled persons and persons with reduced mobility.

Part Seven

PENALTY PROVISIONS

Offences

Article 175

An undertaking – operating air carrier shall be fined by 100.000 to 400.000 RSD for the offence, if:

- 1) it fails to immediately compensate passengers to whom he has denied boarding against their will in compliance with Article 12 of this Law, and fails to render them the assistance referred to in Articles 13 and 14 of this Law (Article 9, paragraph 4);
- 2) in case of flight cancellation, it fails to render assistance to passengers, or fails to compensate them in compliance with Article 10, paragraph 1 of this Law;
- 3) it fails to inform the passengers about alternative means of carriage (Article 10, paragraph 2);
- 4) in case of delayed flight, it fails to render the passengers appropriate assistance (Article 11, paragraph 1);
- 5) in case of passenger's referring to Article 12 of this Law, it fails to compensate the passengers in accordance with the conditions and up to the amounts laid down in that Article;
- 6) in the case of passenger's referring to Article 13 of this Law, it acts contrary to the provisions of that Article;
- 7) in the case of passenger's referring to Article 14 of this Law, it acts contrary to the provisions of that Article;
- 8) within seven days it fails to compensate the passenger whom he has placed in a class lower than that for which the ticket was purchased (Article 15, paragraph 2);
- 9) it fails to give priority in transport to persons with reduced mobility, and all persons or certified service dogs accompanying them, as well as unaccompanied children in accordance with Article 14 of this Law (Article 16);
- 10) it fails to ensure that at check-in clearly legible notice is displayed in a manner clearly visible to passengers, it fails to provide each passenger affected by denied boarding or cancelled flight and each passenger affected by delay of at least two hours with a written notice setting out the rules for compensation and assistance in accordance with this Law, as well as if it fails to use appropriate alternative means for application of the provisions of that Article in respect of blind and visually impaired persons (Article 19);
- 11) not later than 15 days after the identity of a natural person entitled to compensation has been established, it fails to make advance payment proportional to material damage suffered (Article 30, paragraph 1);
- 12) when selling carriage, it fails to ensure that a summary of main provisions governing liability for passengers and their baggage, including deadlines for filing an action for compensation and the possibility of making special declaration for baggage is made available to passengers at all sale points, including sale by telephone and via the Internet (Article 31);
- 13) it fails to provide each passenger with a written information about the applicable limit on air carrier's liability for that flight (Article 33);

- 14) on the grounds of disability or reduced mobility, it refuses to accept a reservation for a flight , i.e. refuses to embark a disabled person or a person with reduced mobility , provided that the person concerned has a valid ticket and reservation (Article 38);
- 15) it fails to make available to the public all safety rules applicable to carriage of disabled persons and persons with reduced mobility, and all other restrictions on their carriage or mobility equipment due to the size of aircraft (Article 39, paragraph 5);
- 16) within five working days of the request, it fails to inform in writing the disabled person or person with reduced mobility of the reasons for refusing to accept the reservation of disabled person or person with reduced mobility, i.e. for refusing the request that such a person is accompanied by another person capable of providing adequate assistance (Article 39, paragraph 8);
- 17) it fails to provide assistance and other actions necessary to disabled persons and persons with reduced mobility, in compliance with Article 50 of this Law.

An undertaking – operating air carrier shall be fined by 100.000 to 400.000 RSD for the offences referred to in paragraph 1 of this Article

For the offences referred to in paragraph 1 of this Article, responsible person of an operating air carrier shall also be fined by 50.000 to 100.000 RSD.

Article 176

An undertaking – managing body of an airport shall be fined by 100.000 to 400.000 RSD

if:

- 1) it fails to designate points of arrival and departure within the airport boundary or at a point under the direct control of the managing body, both inside and outside terminal buildings, at which disabled persons or persons with reduced mobility can, with ease, announce their arrival at the airport and request assistance (Article 40, paragraph 1);
- 2) it fails to separate the accounts of its activities relating to the assistance provided to disabled persons and persons reduced mobility, from the accounts of its other activities, in accordance with current business practice (Article 43, paragraph 6);
- 3) it fails to provide assistance and other actions required by disabled persons and persons with reduced mobility in accordance with Article 49 of this Law.

An undertaking – managing body of an airport shall be fined by 100.000 to 400.000 RSD for the offences referred to in paragraph 1 of this Article.

For the offences referred to in paragraph 1 of this Article, the person responsible on behalf of the managing body of the airport shall also be fined by 50.000 to 100.000 RSD.

Notification on penalty provisions

Article 177

European Commission shall be notified on penalty provisions laid down for violation of the provisions of this Law concerning the rights of disabled person and persons with reduced mobility, as well as of subsequent amendments to those provisions.

Part Eight

TRANSITIONAL AND FINAL PROVISIONS

Applicability

Article 178

Regulations that were in force at the time of establishment of certain relations before entering into force of this Law shall be applicable to such relations.

Expiry of validity of other regulations

Article 179

By entering into force of this Law, the Law on Obligations and Basics of Proprietary Rights in Air Traffic ("Official Gazette of FRY", No. 12/98 and 15/98) and Decision on monetary amounts up to which the liability of air carriers in air traffic is limited shall be terminated.

Entering into force

Article 180

This Law shall enter into force on the eighth day from the day of its publishing in the "Official Gazette of the Republic of Serbia".