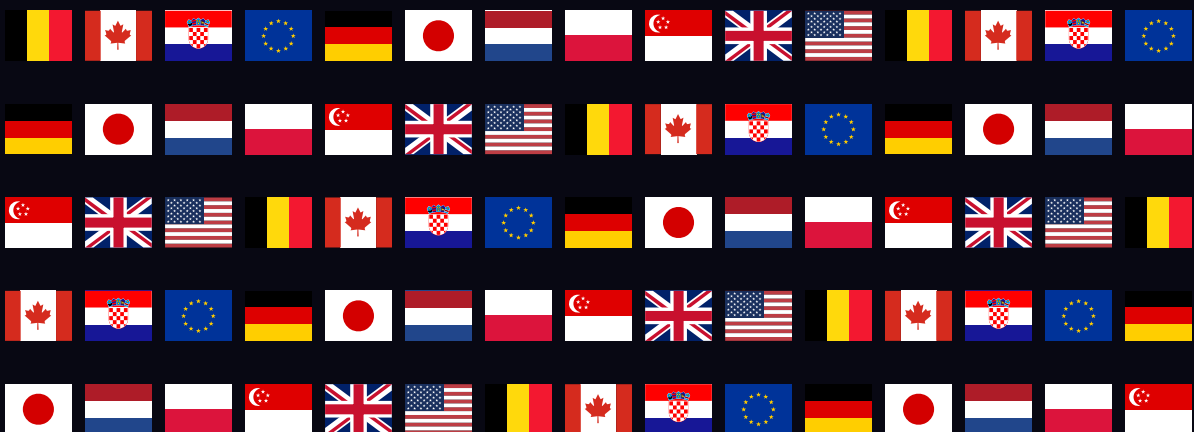


RAIL TRANSPORT

Croatia



Rail Transport

Consulting editors

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Quick reference guide enabling side-by-side comparison of local insights into industry structure and regulatory bodies: market entry; market exit; competition law; price regulation; network access; service standards; safety regulation; financial support; labour regulation; environmental regulation; and recent trends.

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Croatia



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GENERAL

Industry structure

How is the rail transport industry generally structured in your country?

The state controls and manages rail infrastructure. Access to rail infrastructure for cargo and passenger transport is free.

The state-owned company that manages and controls rail infrastructure for public use of international, national and local importance is HŽ Infrastruktura (HŽI). Rail infrastructure is public domain. Railway Act provides that infrastructure management and control is for public use. HŽI manages 2,617 km of a total of 2,988 km of railways in public use.

The remaining railways are privately owned by companies for their internal non-public use and by local authorities for commuter use.

HŽI is in charge of organising, maintaining, upgrading, constructing and regulating the use of the railways. Approximately 55 per cent of the rail infrastructure is in the international rail transport network. It functions as a crossway, connecting the rail networks of all European and Middle Eastern countries. The rail infrastructure for international connections is integrated into the Trans-European Transport Network (TEN-T).

As a member of the European Community (EC) since 2013, the national railway infrastructure gained significant importance in EC rail transportation projects as an integral part in three pan-European corridors. EC membership provides access to various financing funds available to a new member state for investment in the modernisation and development of EC railway infrastructure. At present, more than 20 modernisation and construction projects involving rail infrastructure, worth more than €2 billion, are underway, in various stages of progress.

HŽI must ensure free access to rail infrastructure for private cargo and passenger operators. To ensure that all private cargo operators receive equal treatment, general terms and conditions for access to rail infrastructure are in force and are binding for all individual contracts that HŽI concludes with rail operators. There are 15 operators who have entered into individual contracts with HŽI, comprised of 13 private operators and two state-owned: Hrvatske Željeznice Cargo, Zagreb (HŽC) and Hrvatske Željeznice Putnički Promet, Zagreb (HŽPP).

In the freight transport sector, private rail operators compete with the state-owned HŽC.

Despite the fact that passenger rail operations have been available to private operators since 2019, at the time of writing no private passenger carrier has applied for approval with the Ministry of Maritime Affairs, Transport and Infrastructure.

Passenger rail transportation is organised by the state-owned company HŽPP, which is the national passenger rail carrier.

Law stated - 04 November 2022

Ownership and control

Does the government of your country have an ownership interest in any rail transport companies or another direct role in providing rail transport services?

The rail network infrastructure is owned by the government. It was inherited from the previous political system when the rail infrastructure was under public 'social ownership'. The rail infrastructure was built by the state and made available to rail operators under social ownership. Ownership transformation that took place at the end of the twentieth century followed the previous structure and organisation of rail activity. The rail infrastructure – including freight and passenger transport – has not been privatised, but rather opened to private rail operators.

The government also has ownership interests in both rail operations (freight and passenger transportation services) as the service provider via HŽC and HŽPP. These two rail operators were formerly rail operators under social ownership and were transformed into state owned entities.

Freight and passenger operations are open to the private sector.

In cargo rail services, the state-owned HŽC competes with more successful private operators. HŽC has suffered losses for a number of years.

With regard to passenger transport, in 2018 the Ministry of Maritime Affairs, Transport and Infrastructure entered into a 10-year Public Services Agreement with HŽPP, enabling HŽPP to cover losses in passenger operations by means of state subsidies. Subsidies also enable HŽPP to invest in passenger rail transport vehicles, equipment and passenger transport in general. The grounds for the Public Service Agreement can be found in the Treaty of Accession of Croatia from 2011. The Public Service Agreement ensures that passenger transport is upheld as an activity of a national interest.

Law stated - 04 November 2022

Are freight and passenger operations typically controlled by separate companies?

Regulations applicable to freight and passenger transport differ, and from a regulatory point of view it is more convenient for the shareholders to divide freight and passenger operations into separate companies.

However, in practice there are no shareholders apart from the government that established two separate companies for both operations.

Only the government established separate companies: HŽC for freight and HŽPP for passenger operations. Others are only freight operations companies.

Law stated - 04 November 2022

Regulatory bodies

Which bodies regulate rail transport in your country, and under what basic laws?

There are three regulatory bodies: the Ministry of Maritime Affairs, Transport and Infrastructure; the Croatian Regulatory Authority for Network Industries (HACOM); and the Croatian Railway Safety Agency (CRSF).

The Ministry of Maritime Affairs, Transport and Infrastructure regulates rail carrier requirements and grants licences for cargo and passenger rail carriers. A rail carrier licence is a basic approval that a rail operator must obtain to operate in Croatia and the European Community (EC). All data on rail carriers' licences is shared within the EC members' respective regulatory bodies; they enable rail operators to operate within the EC.

HACOM is a national regulatory body which regulates the rail services market for the benefit of rail operators and for the development of the European rail market. Furthermore, HACOM ensures a free market and fair competition for rail service providers and provides rail passengers protection.

The CRSF is a state regulatory body that regulates safety of rail infrastructure, transport vehicles and equipment.

Licensing rail operators, free market access and safety are the purposes of the three rail regulatory authorities divided between three different government bodies.

The Railway Act, Rail Services Act, Rail Services Market Regulations and Passengers Protection Act, and Rail Safety and Interoperability Act are basic laws that provide regulatory structure and authorities of the Ministry of Maritime Affairs, Transport and Infrastructure, HACOM and the CRSF.

Apart from these basic laws there are number of other national laws and regulations that affect the regulatory bodies and are applicable to rail transport organisation and standards, rail service providers, freight and passengers as rail service customers, market access, pricing, security, etc. Rail activity and related operations are well regulated, not only on a national level, but also within the EC.

The EC rail rules and regulations are an integral part of the national legislation and are incorporated directly or through harmonisation processes as the *acquis communautaire*. All national basic laws are harmonised with the EC *acquis communautaire*.

Law stated - 04 November 2022

MARKET ENTRY

Regulatory approval

Is regulatory approval necessary to enter the market as a rail transport provider? What is the procedure for obtaining approval?

Regulatory approval is required to be able to enter the market as a rail transport provider.

The Ministry of Maritime Affairs, Transport and Infrastructure grants rail carriers approval for rail service providers. In order to obtain an approval, a rail carrier must meet certain requirements that may include good standing, financial and rail expertise requirements and mandatory and voluntary insurance cover requirements.

Approval granted by the Ministry of Maritime Affairs, Transport and Infrastructure to a rail carrier is effective within all European Community (EC) countries and vice versa, and the approval obtained by a rail carrier in other EC countries is recognised in Croatia as well.

The procedure is an administrative proceeding regulated by Railway Act and Rail Services Act as a *lex specialis* substantive law legislation. Administrative Proceedings Act and Administrative Trial Act are a procedural law *lex generalis*.

Law stated - 04 November 2022

Is regulatory approval necessary to acquire control of an existing rail transport provider? What is the procedure for obtaining approval?

A regulatory approval is not required to acquire control of an existing rail transport provider unless it affects an existing granted carrier's licence.

A licensed rail carrier must notify the Ministry of Maritime Affairs, Transport and Infrastructure of any change of control within 30 days from the date of change in control.

The Ministry of Maritime Affairs, Transport and Infrastructure must consider whether such change in control affects the existing granted licence. It decides whether the licence should be upheld, amended or set aside because change of control.

Certain Croatian Regulatory Authority for Network Industries (HACOM) approvals might also be required if the acquired control affects free market and competition issues supervised and regulated by HACOM.

Furthermore, general market competition protection regulations are applicable in the case of acquisition or merging of rail operators.

Law stated - 04 November 2022

Is special approval required for rail transport companies to be owned or controlled by foreign entities?

No, there is no approval requirement for rail transport companies to be owned by foreign entities. It should be noted that EC state entities are not considered foreign entities, and they have free access on the same terms and conditions as any other domestic entity.

Law stated - 04 November 2022

Is regulatory approval necessary to construct a new rail line? What is the procedure for obtaining approval?

HŽ Infrastruktura (HŽI) is the only entity which can construct a new railway line for public use. The decision on construction of a new railway line must be passed by the government, and it must be proposed to the government by the Ministry of Maritime Affairs, Transport and Infrastructure.

The Croatian Railway Safety Agency grants approval on technical and safety aspects of construction of a new railway line.

In addition, HŽI should satisfy general approval requirements for infrastructure construction projects.

Croatia has a well-developed national and regional rail network for public use, and there is no need for construction of new railway lines. However, the existing rail has not been maintained properly; it has not been upgraded or modernised. The government's rail development policy is to modernise the existing rail according to the EC standards rather than constructing and investing in new railway lines. Some new railway lines have been or will be constructed to replace the old ones that are not possible or worth it to modernise.

Law stated - 04 November 2022

MARKET EXIT

Discontinuing a service

What laws govern a rail transport company's ability to voluntarily discontinue service or to remove rail infrastructure over a particular route?

Only HŽ Infrastruktura (HŽI) can, by virtue of a government decision and a previous proposal by the Ministry of Maritime Affairs, Transport and Infrastructure, remove rail infrastructure over a particular route. It is not explicitly regulated by Railway Act, but it appears from provision on closure of rail from public use. Closure of some railway exclude it from public use, but it does not necessarily mean removal of infrastructure on the respective route.

In freight and passenger transport, a licensed rail carrier may not freely or voluntarily discontinue services if it will significantly affect its existing carrier's licence. Whether the discontinuation is significant depends on elements based on which the carrier's licence was granted. In order to ascertain the significance, the Ministry of Maritime Affairs, Transport and Infrastructure considers how the discontinuation of services would affect a previously granted licence. If the carrier's licence would be significantly affected with the discontinuation of the service, the Ministry of Maritime Affairs, Transport and Infrastructure will not allow the discontinuation.

The Railway Act governs discontinuation of services, closure of rail routes and removal of rail infrastructure.

A passenger rail carrier that is recognised as the national passenger rail carrier and bound by the Public Services

Agreement, as the case is with Hrvatske Željeznice Putnički Promet, Zagreb (HŽPP), cannot voluntarily discontinue passenger services. Continuous and uninterrupted passenger transport is of national interest, and no voluntary actions that would jeopardise this are allowed by law. The purpose of the Public Services Agreement is to prevent unilaterally voluntary actions of the rail operator in the passenger transport sector that might jeopardise regular passenger transport.

Law stated - 04 November 2022

On what grounds, and what is the procedure, for the government or a third party to force a rail transport provider to discontinue service over a particular route or to withdraw a rail transport provider's authorisation to operate? What measures are available for the authorisation holder to challenge the withdrawal of its authorisation to operate?

When the Ministry of Maritime Affairs, Transport and Infrastructure is allowed to suspend a rail carrier's licence, the rail operator is forced to discontinue services on a particular route. The ground for this lies in changes to the rail carrier's licence requirements, and when the existing carrier's licence is significantly affected by new events that were not present at the time of approval of the carrier's licence.

The procedure is administrative. No second instance administrative proceedings on appeal are provided. The carrier's licence holder may file the administrative writ with the administrative court for the court's review of the administrative act passed by the Ministry of Maritime Affairs, Transport and Infrastructure and run the administrative trail versus the Ministry of Maritime Affairs, Transport and Infrastructure.

Law stated - 04 November 2022

Insolvency

Are there sector-specific rules that govern the insolvency of rail transport providers, or do general insolvency rules apply? Must a rail transport provider continue providing service during insolvency?

General regulation on insolvency for companies in difficulties and bankruptcy apply to rail transport operators.

However, sector-specific financial and good-standing requirements are provided for obtaining and upholding the rail carrier's licence. In the case that these sector-specific financial and good-standing requirements are not satisfied any longer, a rail carrier approval might be temporarily or permanently suspended.

If a rail carrier holds approval, it must provide services even if insolvent.

In the case of bankruptcy, a rail operator must prove that financial restructuring will enable continuation of services; otherwise, the carrier's approval will be suspended. The latter may be considered a sector-specific rule. A general bankruptcy regulation is that the company in bankruptcy stops its business activities, and only the completion of contractual duties performance started before the bankruptcy is allowed.

Law stated - 04 November 2022

COMPETITION LAW

Competition rules

Do general and sector-specific competition rules apply to rail transport?

Both general and sector-specific competition rules apply to rail transport. Both are harmonised with the EC competition regulations.

The Croatian Competition Agency (CCA) is the regulatory body for general free market competition protection.

The Croatian Regulatory Authority for Network Industries (HACOM) is sector-specific free market rail transport competition regulatory body.

The exception is Hrvatske Željeznice Putnički Promet, Zagreb (HŽPP), which has a Public Services Agreement with the government for passenger transport.

Law stated - 04 November 2022

Regulator competition responsibilities

Does the sector-specific regulator have any responsibility for enforcing competition law?

HACOM must ensure, on a non-discriminatory basis, free and fair market competition and equal market access to rail infrastructure to all rail operators. HACOM also supervises tariffs and considers complaints of rail operators on violation of free and fair market access and competition.

HACOM has no responsibility for enforcing sector-specific competition law. However, HACOM's rulings are administrative acts that may be reviewed in administrative trials by administrative courts in two instances, and even further by the Constitutional Court since free market and free entrepreneurship are constitutional rights and values protected by the Constitution.

Law stated - 04 November 2022

Competition assessments

What are the main standards for assessing the competitive effect of a transaction involving rail transport companies?

HŽ Infrastruktura's (HŽI) General Terms and Conditions; individual contracts with rail operators; and operators' tariffs supervised by HACOM create standards for free and fair market access and for assessing competitive effects to all rail carriers.

Rail operators who think they are faced with unfair competition can file a complaint and apply for remedies with HACOM. HACOM must follow and apply the same non-discriminatory standards in all matters when it must act at the request of an interested party, or ex officio when provided by the rules of law.

Law stated - 04 November 2022

PRICE REGULATION

Types of regulation

Are the prices charged by rail carriers for freight transport regulated? How?

As a general rule, prices in freight transport are not regulated.

However, tariffs are supervised by the Croatian Regulatory Authority for Network Industries (HACOM) and prices should fall within standards of free and fair market competition, following the *acquis communautaire*. The majority of freight rail carriers are engaged in the international rail transport of containers and bulk cargo within neighbouring countries and within the European Community (EC).

HACOM has also an inspection and advisory role with regard to pricing. In these roles HACOM must submit annual reports, which include also prices status and which create and affect pricing standards.

Law stated - 04 November 2022

Are the prices charged by rail carriers for passenger transport regulated? How?

As a general rule, prices charged for passenger transport are not regulated. However, their prices and tariffs must meet standards for passenger transport and follow the *acquis communautaire*.

Since Hrvatske Željeznice Putnički Promet, Zagreb (HŽPP) receives subsidies for an interrupted passenger transport and is, for the time being, the sole passenger carrier, passenger prices are indirectly regulated by provisions of the Public Services Agreement.

In addition, the government has passed regulation on privileged discounted rates for passenger categories on the basis of social welfare, including students, retired people and disabled people.

Law stated - 04 November 2022

Is there a procedure for freight shippers or passengers to challenge price levels? Who adjudicates those challenges, and what rules apply?

Price levels cannot be challenged, but HACOM has a duty to supervise that a certain standard established in practice is maintained in tariffs. No procedure is provided for the adjustment of price levels.

On an individual basis, a passenger who is harmed by an operator may file a complaint with HACOM. HACOM should decide on the complaint within 30 days through an administrative proceeding.

HACOM also has inspection authorities for the protection of passengers. Fines in misdemeanour proceedings may be charged in case of the violation of passengers' rights.

The Rules of Rail Services Market Regulations and the Passengers Protection Act apply in passengers' protection as substantive law, and the Administrative Proceedings Act and Administrative Trial Act as procedural law.

Law stated - 04 November 2022

Must rail transport companies charge similar prices to all shippers and passengers who are requesting similar service?

No; as a matter of law, they must not charge similar prices to all shippers and passengers who are requesting similar services.

If the service is the same, charging different prices might constitute discriminatory action and violation of access to a free and fair market – as such, unfair competition rules may apply.

In practice, certain standards are established by HACOM's supervision and inspection authorisations. In order to be competitive, rail carriers have similar prices and service terms which may slightly vary mostly because of particularities

of transport (for instance modern and functional wagons as more advanced service).

Law stated - 04 November 2022

NETWORK ACCESS

Sharing access with other companies

Must entities controlling rail infrastructure grant network access to other rail transport companies? Are there exceptions or restrictions?

Yes – as a rail infrastructure manager, HŽ Infrastruktura (HŽI) must grant network access to all licensed rail carriers. The Railway Act and HŽI's General Terms and Conditions provide legal, administrative, technical and financial aspects of access to the rail infrastructure.

Individual contracts on access to rail infrastructure are signed by HŽI with a rail carrier granting access to the infrastructure on a non-discriminatory basis.

There are no exemptions nor restrictions on a discriminatory basis.

HACOM's regulatory and supervisory duty is to ensure equal access to infrastructure to all licensed rail carriers.

Furthermore, HACOM must resolve complaints submitted by an individual injured party concerning discriminatory actions or other actions that violate the party's right to free and equal access to rail infrastructure.

Law stated - 04 November 2022

Access pricing

Are the prices for granting of network access regulated? How?

HŽI's General Terms and Conditions set out the pricing principles that are followed in individual contracts with each rail carrier and its tariffs.

HACOM supervises the General Terms and Conditions; individual contracts of rail carriers; and their tariffs, which all must be within the main standards established not only on a national level, but also at the EU level as the *acquis communautaire*.

HACOM has also an inspection and advisory role with regard to infrastructure access and pricing. In the scope of these roles HACOM must submit annual reports, which create and affect pricing standards to infrastructure access and also include the status of prices.

Law stated - 04 November 2022

Competitor access

Is there a declared policy on allowing new market entrants network access or increasing competition in rail transport? What is it?

No, there is no declared policy on allowing new market entrants network access or increasing competition in rail transport. As a matter of national law and the EU *acquis communautaire*, all market entrants should have equal free and fair market access to the rail infrastructure network under the same competition terms.

However, technical and safety requirements on some network routes may limit new entrants or increase competition demands in access to network routes.

SERVICE STANDARDS

Service delivery

Must rail transport providers serve all customers who request service? Are there exceptions or restrictions?

Rail transport providers must serve all customers who request service.

The basic principle of the EU *acquis communautaire*, which binds Croatia either directly or via harmonisation of national legislation, provides universal European rail network and free market access on a non-discriminatory basis. There are no exemptions nor restrictions in this regard.

Law stated - 04 November 2022

Are there legal or regulatory service standards that rail transport companies are required to meet?

Yes, legal and regulatory service standards that rail transport companies are required to meet are provided in the EU *acquis communautaire* and these standards should be met directly or via implementation in national legislation.

These standards are established and maintained by the Croatian Regulatory Authority for Network Industries' (HACOM) inspection and advisory role. HACOM must submit annual reports, which deal with all aspects of HACOM's authorities, including tariffs, prices and infrastructure access.

Law stated - 04 November 2022

Challenging service

Is there a procedure for freight shippers or passengers to challenge the quality of service they receive? Who adjudicates those challenges, and what rules apply?

Shippers and passengers can complain about the quality of services they receive from carriers or HŽI to HACOM. In administrative proceedings, HACOM is obliged to decide on complaints.

Service receivers are entitled to initiate an administrative trial against HACOM's decision with the administrative court. The rules of the Administrative Litigation Proceedings Act apply in the administrative trial.

Law stated - 04 November 2022

SAFETY REGULATION

Types of regulation

How is rail safety regulated?

The Rail Safety and Interoperability Act provides that Croatian Railway Safety Agency (CRSF) is the regulatory body responsible for rail safety.

In addition, Railway Act with safety principles and number of rules and regulations on technical safety requirements regulates safety aspects that should be implemented by rail transport participants, from HŽI and rail carriers to contractors of construction works and service providers on the stations.

National safety regulation is fully harmonised with the *acquis communautaire* through the implementation of the Common Safety Methods of the European Railway Agency (CSMs RA) .

Law stated - 04 November 2022

Competent body

What body has responsibility for regulating rail safety?

The CRSF is the body responsible for regulating rail safety.

The CRSF has 4 departments, which deal with:

- the rail infrastructure;
- rail carriers;
- rail vehicles; and
- the rail inspection of safety aspects.

Each of these departments is responsible for the regulation, implementation and supervision of the safety of aspects of the rail network.

Law stated - 04 November 2022

Manufacturing regulations

What safety regulations apply to the manufacture of rail equipment?

The EU *acquis communautaire* known as the Common Safety Methods – Risks Evaluation and Assessments (the CSM-REA) is the basic guidance for national regulations on the manufacture of the rail equipment.

The CRSF regulates, provides implementation and supervises on an operative basis whether manufactured products and equipment meet regulatory requirements. Certification of manufactured products and equipment according to regulatory requirements is the activity of the CRSF's departments for rail vehicles and rail equipment.

Law stated - 04 November 2022

Maintenance rules

What rules regulate the maintenance of track and other rail infrastructure?

The CSM-REA is the basic guidance for national regulations on the manufacture of the rail equipment.

The CRSF regulates, provides implementation and supervises on an operative basis whether manufactured products and equipment meet regulatory requirements. Certification of manufactured products and equipment according to regulatory requirements is the activity of CRSF's Departments for rail vehicles and rail equipment.

Law stated - 04 November 2022

What specific rules regulate the maintenance of rail equipment?

The CSM-REA is the basic guidance for national regulations on the maintenance of the rail equipment.

The CRSF regulates, provides implementation and supervises on an operative basis the rail equipment maintenance. Upholding of certification of manufactured products and equipment according to the regulatory requirements is the activity of CRSF's Department for Rail Equipment.

Law stated - 04 November 2022

Accident investigations

What systems and procedures are in place for the investigation of rail accidents?

The Air, Maritime and Railway Traffic Accidents Investigation Agency (AIN) is a state agency, established according to the EU *acquis communautaire*, that investigates rail accidents. Their investigations are public; they explain the circumstances of an accident, its causes and deficiencies in the rail organisation and system. AIN recommends measures to prevent similar accidents. Their findings and report are published on their website and are publicly available.

HŽ Infrastruktura (HŽI) must perform internal investigations, which are primarily focused on the rail infrastructure conditions and HŽI's omissions as rail infrastructure managers. HŽI investigation should also establish the required measures and improvements for the prevention of similar accidents.

The public prosecutor is also obliged to perform investigations and press criminal charges in all cases involving severe accidents. Severe accidents are those where the material damage exceeds a value of approximately €100,000, or those that caused severe personal injuries or fatal consequences.

Law stated - 04 November 2022

Accident liability

Are there any special rules about the liability of rail transport companies for rail accidents, or does the ordinary liability regime apply?

The ordinary liability regime applies to rail transport companies and is generally applicable to other cargo and passenger transports.

National legislation requires mandatory liability insurance for damages caused to passengers in the passenger transport sector and to third persons in the case of tort liability. Furthermore, additional voluntary insurance is required to obtain the rail carriers' licence.

Law stated - 04 November 2022

FINANCIAL SUPPORT

Government support

Does the government or government-controlled entities provide direct or indirect financial support to rail transport companies? What is the nature of such support (eg, loans, direct financial subsidies, or other forms of support)?

HŽ Infrastruktura (HŽI) and Hrvatske Željeznice Putnički Promet, Zagreb (HŽPP) receive direct and indirect support for investment in rail infrastructure and passenger transport.

In general, according to free market and competition European Community (EC) policies, direct subsidies for covering the losses of companies in financial difficulties are not allowed.

However, funding, grants and even subsidies tenders of EC via the Croatian Government for a number of investment projects in the national economy open various opportunities for governmental support of rail companies and rail-related facilities. In addition, Croatia is still utilising EC access funding.

Law stated - 04 November 2022

Requesting support

Are there sector-specific rules governing financial support to rail transport companies and is there a formal process to request such support or to challenge a grant of financial support?

HŽI and HŽPP receive direct and indirect support for investment in the rail infrastructure and for passenger transport.

In general, according to free market and competition EC policies, direct subsidies for covering the losses of companies in financial difficulties are not allowed.

However, funding, grants and even subsidies tenders of EC via the Croatian Government for a number of investment projects in the national economy open various opportunities for governmental support of rail companies and rail-related facilities. In addition, Croatia is still utilising EC access funding.

Law stated - 04 November 2022

LABOUR REGULATION

Applicable labour and employment laws

Are there specialised labour or employment laws that apply to workers in the rail transport industry, or do standard labour and employment laws apply?

The Labour Act applies as the basic employment legislation for all employees in Croatia.

In addition, the Labour Act provides that collective agreements should establish employees' benefits in greater detail based on the rights and principles set out in the Labour Act.

HŽ Infrastruktura, Hrvatske Željeznice Putnički Promet, Zagreb and Hrvatske Željeznice Cargo, Zagreb traditionally have very strong union organisations that represent, negotiate and organise employees of these state-owned rail companies. Since the terms of collective agreements generally have limited effectiveness, negotiations for new collective agreement terms between rail companies' management and unions are very often connected with strikes and other legally permitted pressure tools to achieve better terms of employment for rail staff.

Law stated - 04 November 2022

ENVIRONMENTAL REGULATION

Applicable environmental laws

Are there specialised environmental laws that apply to rail transport companies, or do standard environmental laws apply?

There are no rail-sector-specific laws; standard environmental laws apply. However, rail companies run environment-friendly policies and implement specific environmental protection measures in their respective businesses.

Law stated - 04 November 2022

UPDATE AND TRENDS

Key developments of the past year

Are there any emerging trends or hot topics in your jurisdiction?

Following focus on the highway, airports and ports at the Adriatic coast, modernisation of the rail infrastructure took priority on the government's agenda last year. According to modernisation plans that will be supported by European Community (EC) funding, modernisation of the railway infrastructure will be the main infrastructure investment project in the upcoming decade.

Tourism, sea and land transportation and transportation-related services create and hold an important share in the national economy.

Modern highways, airports and Adriatic Sea ports enable a huge number of tourists and cargo, especially in containers, to arrive in the country and flow via these transportation facilities. However, a sub-standard rail network became and was finally recognised as a bottleneck for tourism, transportation and transportation-related services to be able to operate at full capacity.

Considering the EC-integrated Trans-European Transport Network; covid-19 pandemic consequences; energy crises; environment-friendly regulations; and green business requests and regulations, the modernisation of the Croatian railways is a strategic interest that will remain in focus for a longer period of time.

Law stated - 04 November 2022

Jurisdictions

	Belgium	Norton Rose Fulbright
	Canada	MLT Aikins LLP
	Croatia	Maćešić & Partners
	European Union	Herbert Smith Freehills LLP
	Germany	Norton Rose Fulbright
	Japan	Nagashima Ohno & Tsunematsu
	Netherlands	LegalRail
	Poland	CMS Cameron McKenna Nabarro Olswang LLP
	Singapore	CMS Cameron McKenna Nabarro Olswang LLP
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