The New Trade Practices Act: What Businesses Need to Know Before September 1, 2026

For businesses operating in Serbia's product supply chains, September 1, 2026, is more than just another date. The entry into force of the new Trade Practices Act for Certain Types of Products on May 1, 2026, introduced a new regulatory framework and provided market participants with four months to bring their operations into full compliance.


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Every participant in the supply chain for products specifically identified in the Act and the relevant secondary legislation that meets the applicable criteria will be required to align its contracts, general terms and conditions, internal guidelines, and business practices with the Act no later than September 1, 2026.

Why the Act Matters

The Act establishes a new legal framework governing relationships between suppliers and buyers trading in certain products (see section below) in the territory of the Republic of Serbia. Its principal focus is on relationships between supply-chain participants, in which the buyer, due to its stronger economic position, may be able to impose terms on the supplier.

The primary objective of the Act is to establish greater equality between contracting parties by promoting fair and transparent business relationships, predictable contractual terms, and effective protection against unfair trading practices .

The Act introduces a prohibition on unfair trading practices and defines what constitutes one.

Unfair trading practices are practices which, as a result of a significant imbalance in bargaining power between suppliers and buyers: (i) depart from good commercial practices contrary to the principles of good faith and fair dealing; (ii) unjustifiably and disproportionately transfer economic risk from one trading partner to another; (iii) create a significant imbalance between the rights and obligations of the parties to the detriment of one trading partner; or (iv) result in other disproportionate treatment between suppliers and buyers.

The assessment is not limited to what is written in the contract.

An unfair practice may occur before a contract is entered into, during the course of the business relationship, or after the sale of the relevant product has been completed, even where no written contract exists. In addition, any contractual provision that is contrary to the Act is null and void.

Accordingly, a formally "clean" contract will not be sufficient if the parties apply different rules in practice.

The Act assigns a central role to the Serbian Competition Authority (the "SCA"). In addition to its existing powers under the Competition Protection Act, the SCA will now, as an autonomous and independent organization, exercise the public powers conferred on it by the new Act. Among other things, the SCA is authorized to establish the existence of unfair trading practices, determine the rights and obligations of supply-chain participants, adopt secondary legislation necessary for the implementation of the Act, and impose administrative measures.

Who Is Subject to the Act

The Act applies directly to relationships between suppliers and buyers trading in products covered by the Act in the territory of Serbia. In substance, the Act does not apply to relationships with consumers (B2C); rather, it is aimed exclusively at regulating business relationships between professional market participants (B2B).

It therefore applies to B2B relationships between:

(i) a buyer, meaning any legal entity or entrepreneur that, in the course of its business, purchases the relevant products for further sale, processing, or distribution; and
(ii) a supplier, which includes any agricultural producer, natural person or legal entity, including their organizations or associations, that sells agricultural and food products, as well as any manufacturer, importer or distributor of products of particular importance for market supply.

An important feature of the Act is its expressly prescribed mandatory application, irrespective of the governing law chosen by the buyer and supplier for their contract.

In other words, the provisions of the Act will apply regardless of which law the parties have designated as governing their contractual relationship.

Which Products Are Covered
The first category comprises agricultural and food products.

For the Act, agricultural and food products are products resulting from production, processing, or farming, including harvesting, picking or gathering, milking and the rearing of animals before slaughter, as well as hunting, fishing, and the gathering of wild fruits and plants, together with products obtained through the processing of unprocessed agricultural products.

The Act separately identifies perishable agricultural and food products, meaning products that become unsuitable for sale within 30 days following harvesting, production, or processing.

The second category consists of products of particular importance for market supply.

These include:
(i) products of particular importance for consumer supply, including household chemicals, paper and kitchen products, personal hygiene products and cosmetics, and diapers; and
(ii) products of particular importance for agricultural production, including plant nutrition and plant protection products and soil improvers.

However, reliance on a product's commercial name alone is not sufficient. The Government Decision on the List of Agricultural and Food Products and Products of Particular Importance for Market Supply (the "Government Decision") contains a detailed list specifying the relevant tariff codes, product categories, and whether the products are classified as perishable.

Significant Bargaining Power
The Act introduces a rebuttable presumption that a buyer has significant bargaining power where its annual revenue [1] exceeds the relevant threshold in relation to the supplier's revenue.

The thresholds are structured so that a buyer will be deemed to have significant bargaining power where:

1. the supplier's total annual revenue does not exceed EUR 2,000,000, and the buyer's annual revenue exceeds EUR 2,000,000;
2. the supplier's total annual revenue is between EUR 2,000,000 and EUR 10,000,000 and the buyer's annual revenue exceeds EUR 10,000,000;
3. the supplier's total annual revenue exceeds EUR 10,000,000 but does not exceed EUR 50,000,000 and the buyer's annual revenue exceeds EUR 50,000,000;
4. the supplier's total annual revenue is between EUR 50,000,000 and EUR 150,000,000 and the buyer's annual revenue exceeds EUR 150,000,000; or
5. the supplier's annual revenue is between EUR 150,000,000 and EUR 350,000,000 and the buyer's annual revenue exceeds EUR 350,000,000.

Even where these thresholds are not met, the Act provides that significant bargaining power may exist in other circumstances where the supplier proves that the buyer possesses such power.

When assessing whether significant bargaining power exists, the SCA will consider, among other factors, which party initiates changes to contractual terms, whether terms are accepted without genuine negotiation, which party has in practice made financial concessions without corresponding consideration, the parties' negotiation history, applicable fees and charges, and the supplier's degree of dependence on the business relationship.

Black List / Grey List – Overview
The black list comprises practices that are prohibited in all circumstances.

These include:
(i) payment periods exceeding 30 days for perishable agricultural and food products and 60 days for other agricultural and food products;
(ii) late cancellation of orders for perishable products;
(iii) unilateral changes to key contractual terms with the supplier;
(iv) requiring payments that are unrelated to the sale of the supplier's products;
(v) charging the supplier for the costs of customer complaints for which the supplier is not responsible;
(vi) charging fees for the expansion or reorganization of the buyer's retail network;
(vii) requiring the supplier to enter into a contract with, or make a payment to, a third party where the purpose or effect is to circumvent the application of the Act; and
(viii) unlawfully acquiring, using, or disclosing the supplier's trade secrets.

The grey list comprises practices that are deemed unfair unless the buyer demonstrates that the statutory requirements for their permissibility have been satisfied.

These include the return of unsold products, warehousing, additional product display, listing, promotions and advertising, sales data, passing on penalties or personnel costs, significant reductions in orders, unilateral termination, charges for reduced turnover, non-cash compensation, and retroactive bonuses.

The key requirement is a prior, clear, and written agreement. All grey-list practices must be clearly and unambiguously agreed in writing in advance. A standard clause imposed through general terms and conditions will not, in itself, be sufficient.

The Act also specifically prohibits commercial retaliation, or threats of retaliation, by a buyer against a supplier that exercises its contractual or statutory rights or refuses the buyer's proposed terms.

Compliance Deadline and Scope
By September 1, 2026, the Act requires every participant in the relevant supply chain to bring its general terms and conditions, contracts, internal guidelines, and business practices into compliance with applicable requirements. This deadline also applies to existing business relationships, not merely to contracts entered into after that date.

2027: An important exception concerns the requirement for contracts between buyers and suppliers to be concluded in writing no later than March 31 of the relevant calendar year. This requirement will apply from January 1, 2027.

Initial Steps
Companies that may fall within the scope of the Act should assess, sufficiently in advance, whether the new rules apply to their products and business relationships, and review the compliance of both their contractual documentation and their actual business practices.

Particular attention should be paid to practices included on the black and grey lists, payment terms, and the manner in which individual commercial terms are negotiated, documented, and implemented in practice.

A timely internal review, involving all relevant business functions, can help ensure that any necessary changes are implemented before the compliance deadline.

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[1] For the Act, annual revenue is calculated as total annual pre-tax revenue. It includes operating, financial, and other income generated in the Republic of Serbia during the financial year preceding the year in which proceedings are initiated. Revenue generated through transactions between related market participants is excluded from the calculation.

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