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EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW
(VENICE COMMISSION)

BOSNIA AND HERZEGOVINA

**DRAFT LAW ON PREVENTING THE CONFLICT OF INTEREST IN THE
INSTITUTIONS OF BOSNIA AND HERZEGOVINA¹**

¹Unofficial translation

DRAFT

Pursuant to Article IV 4. a) of the Constitution of Bosnia and Herzegovina, the Parliamentary Assembly of Bosnia and Herzegovina, at its ____ session of the House of Representatives held on _ 2021, and its _____ session of the House of Peoples held on _____ 2021, adopted the following

LAW ON PREVENTING THE CONFLICT OF INTEREST IN THE INSTITUTIONS OF BOSNIA AND HERZEGOVINA

Article 1

(Subject matter)

(1) Law on Preventing the Conflict of Interest in the Institutions of Bosnia and Herzegovina (hereinafter: the Law) shall regulate the special obligations of public officials at BiH level with the objective to prevent the conflict of interest while exercising their public office, obligation to submit and the content of their asset declarations, responsibility to implement the Law, establishment of the Conflict of Interest Committee for BiH institutions (hereinafter: the Committee), procedure before the Committee and other issues of relevance for implementing this Law.

(2) Conflict of interest exists in situations where a public official has a private interest against the public interest, which affects or may affect the legality, transparency, objectivity and impartiality as to the exercise of the public office.

Article 2

(Objective of the Law)

The objective of the Law is to prevent the conflict of interest in exercising public office, to strengthen integrity, objectivity, impartiality and transparency in exercising public office and to strengthen the public trust in the institutions of Bosnia and Herzegovina.

Article 3

(Use of personal pronouns)

Personal pronouns used in the Law shall pertain to both genders, without discrimination.

Article 4

(Definitions)

For the purpose of this Law:

- a) "Public official" means elected or appointed person, manager in a BiH institution, legal entity founded by a BiH institution, legal entity performing activities of public interest pursuant to laws of Bosnia and Herzegovina, and any person whose selection or appointment must be approved by the BiH Parliamentary Assembly, BiH Presidency and BiH Council of Ministers. Public official means also a manager in an institution, having a status of a civil servant - secretary with a special assignment;
- b) "authorized person" means a person authorized to represent a company under the Memorandum of Association or other acts of the company, including an entrepreneur or physical person who independently performs an activity at the market for profit;
- c) "close relative" means a wedded spouse or common-law spouse, child, stepchild, mother, father, adoptive parent and adopted child of a public official;
- d) "connected person" means a physical person, a close relative referred to in item c) of this Article who has a political and economic relationship with a public official, which affects objectivity in work of the public official and is conducive to gaining certain economic benefits;
- e) "capital investment" means the investment of money, assets and rights in the share capital of a company;
- f) "financial interest" for the purpose of this Law means any economic interest not allowed under a specific regulation or does not constitute an allowed compensation for the job completed;
- g) "personal interest" for the purpose of this Law means any achieved favourable position or possible benefit or favourable position for a public official or connected person, not allowed under this Law;
- h) "gift" means money, item, right and service given without compensation or any

other benefit given to a public official or connected person in relation to the exercise of their public office;

i) "private company" means any company established in accordance with law that is not a public enterprise;

j) "public office" means a job of an elected or appointed person, manager in a BiH institution, manager in an institution having the status of a civil servant - a secretary with a special assignment, legal entity founded by a BiH institution, legal entity performing activities of public interest pursuant to law of Bosnia and Herzegovina, and a person whose selection or appointment must be approved by the BiH Parliamentary Assembly, BiH Presidency and BiH Council of Ministers, unless otherwise stipulated by another law.

k) "personal favour" means any action by which one party undertakes to do a certain task and the other party undertakes to provide for such task a financial or non-financial benefit or compensation, which does not arise from a contract;

m) "institution of Bosnia and Herzegovina/BiH institution" means any institution of Bosnia and Herzegovina established under the Constitution and laws enacted by the Parliamentary Assembly of Bosnia and Herzegovina;

n) "public enterprise" means an enterprise founded in line with Law on Public Enterprises of Republika Srpska, Law on Public Enterprises of the Federation of Bosnia and Herzegovina and Law on Public Enterprises of Brčko District of BiH.

Article 5 (Conduct of Public Officials)

(1) In the exercise of public office, public officials shall act lawfully, responsibly, with due diligence, honourably and efficiently, and abide by the principles of accountability, due diligence, transparency and credibility.

(2) Public officials shall be personally responsible for their conduct in exercising their public office they are appointed or elected to, and they shall report to the authority that appointed or elected them.

(3) In exercising their office, public officials shall abide by the ethics of the profession and the office they hold.

(4) In exercising their office, public officials shall use the assets, means for work and financial assets entrusted to them in a lawful manner and only for their intended purpose.

Article 6 (Other positions and incompatibilities)

(1) Public official shall hold only one public office, unless otherwise stipulated by law and other regulations.

(2) Paragraph (1) of this Article refers to the prohibition of performing other public offices at any level of government in Bosnia and Herzegovina.

(3) During their public office, which implies full-time working hours, a public official may not have another employment or receive income on such basis.

(4) Public officials may engage in scientific, educational, cultural, artistic and sport work and receive income from copyrights, patent and similar rights, intellectual and industrial property rights.

(5) Serving on the management board, supervisory board, assembly, administration or management, or acting in the capacity of an authorised person in a public enterprise is incompatible with holding a public office.

(6) Membership in a standing or interim working body established by an institution of Bosnia and Herzegovina in which a public official holds a position, shall not be prohibited in terms of this Law.

(7) Public officials shall resign from each of the incompatible and impermissible duties and jobs, no later than 30 days after taking a public office.

(8) If the Committee finds that a public official holds another position and conducts activities contrary to this Article, it shall order the public official to terminate the other position and activity.

(9) If the public official fails to comply with the order of the Committee, within 30 days, the Committee shall initiate proceedings to impose sanctions in accordance with this Law.

Article 7

(Incompatibilities regarding private company)

(1) During their public office, public officials may not be members of the assembly, supervisory board, administration or management, act in the capacity of an authorised person, or have any financial interests, including provision of personal services, in any private company which received any incentives or benefits from the Council of Ministers of BiH, including loans, in the amount exceeding 10,000 KM annually, during their public office.

(2) Public officials cannot be members of the assembly, supervisory board, administration or management, act in the capacity of an authorised person, or have a financial interests, including provision of personal services, in any private company which concludes contracts or otherwise does business with a BiH institution funded from the BiH institutions' budget. This provision shall apply to private companies which concluded contracts or do business with a BiH institution funded from the budget in the amount exceeding 10,000 KM annually.

(3) Members of the assembly, as referred to in Article 6, paragraph (5) and paragraphs (1) and (2) of this Article, shall include shareholders owning more than 1% of private company's capital.

Article 8

(Procedure for public officials)

(1) Public official may not participate in a decision-making process or vote on any matter that directly affects the private company in which the public official or connected person has a financial interest, or any other issues that directly affect a connected person.

(2) If a public official finds himself in the situation referred to in paragraph (1) of this Article, he shall recuse himself from the decision-making and voting, and shall explain the reasons for the recusal in an open session.

(3) Public officials shall not use their public office to directly influence a private company in which the public official or a connected person has a financial interest, or actions by which the public official or connected person directly generates financial interest, including nomination or appointment of a connected person. In such situations, public officials shall refer the decision-making to another competent authority of the private company and shall state the reasons for the referral in writing.

Article 9

(Use of office and public resources for promoting a political entity)

Public officials shall not use allocated budget funds they have access to based on their public office for purposes they are not intended for, or to promote a political party or a political entity, or for personal purposes.

Article 10

(Other jobs of public officials)

(1) During their public office, public officials cannot hold a position of a president, director or a member of managing or supervisory body in a non-governmental, non-profit organization established in line with laws on associations and foundations, co-funded from the budget of BiH institutions in the amount exceeding 10,000 KM annually.

(2) Notwithstanding the provisions of paragraph (1), during their public office, public officials cannot hold a position of a president, director or a member of managing or supervisory body in cultural or sports non-governmental, non-profit organizations established in line with laws on associations and foundations, funded from the budget of any government level in BiH, in the amount exceeding 50,000 KM annually.

(3) Public official who is a member, president, director or a member of managing and supervisory body in a foundation and non-governmental, non-profit organization established in line with laws on associations and foundations, cannot receive compensation for the work in the bodies of the foundations and non-governmental, non-profit organisations, except compensation for travel and justified material costs.

Article 11

(Engagement of close relatives)

Engagement of a close relative in a manner referred to in Articles 7 and 10 of this Law shall be considered a conflict of interest of a public official if there is a direct influence by a public official on acquisition or maintenance of a benefit for the close relative related to the engagement referred to in Articles 7 and 10 of this Law or for the legal person where the engagement takes place.

Article 12

(Restrictions after termination of public office)

- (1) Within six months following the termination of the public office, a public official may not:
- a) appear before the BiH institution in which he held the public office as the representative or attorney-in-fact of a legal entity, entrepreneur or of an international or other organization which has or is establishing a contractual, i.e., business relations with the institution;
 - b) perform managing or audit tasks in the legal entity in which, at least one year before termination of the public office, his duties were connected with a supervisory or audit work;
 - c) Have contractual or other form of business cooperation with the BiH institution in which he held the public office;
 - d) become employed or start business cooperation with a legal entity, entrepreneur or international or other organization that enjoys economic benefits from the decisions of the institution of Bosnia and Herzegovina in which the public official held office;
 - e) represent a legal or natural person before the institution of Bosnia and Herzegovina in which he held public office in a case in which he, as a public official, participated in the decision-making;
 - f) use privileged information and notifications he came to know while exercising public office to gain benefits for himself or someone else or to cause harm to someone else, unless such information and notifications are available to public.

Article 13

(Activities that lead to conflict of interest)

Unless explicitly allowed by this Law, public officials shall be prohibited to:

- a) receive or demand gift or any other benefit or promise of a gift or any other benefit for the exercise of public office;
- b) receive additional compensation for exercising public office, contrary to the rules regulating these matters;
- c) demand, accept or receive a gift or service to vote on any matter;
- d) promise employment or any other right in exchange for a gift or a promise of a gift;
- e) favour someone on the basis of personal or family ties;
- f) refuse the Committee to inspect their financial situation;
- g) influence awarding of work or procurements by the State, for the purpose of obtaining material or non-material benefits for himself;
- h) use privileged information on the activities of State bodies for personal gain or gain for interest-related persons; and
- i) use his position to influence a personal gain, a privilege, a right or a legal transaction.

Article 14

(Accepting gifts)

(1) Gift is defined in accordance with Article 4, item h) of the Law. The value of the gift shall be its market value.

(2) Public officials may keep a gift the value of which does not exceed 200 KM and do not have to report it.

(3) A gift, in terms of paragraph (2) of this Article shall also mean several gifts by the same person in the course of one year. If a public official receives several gifts from the same person in the course of one year, their total value must not exceed 200 KM.

- (4) Public official cannot keep a gift the value of which exceeds 200 KM and shall report it and hand it over to the BiH institution which had elected or appointed him and on behalf of which he exercises the public office.
- (5) The BiH institution shall inform the Committee about the received gift, within 15 days from receiving the gift.
- (6) Public official may not receive money, check or other securities regardless of the amount.
- (7) If the value of the gift cannot be established, a public official shall submit an inquiry with the Committee.
- (8) Provisions of this law on accepting gifts shall also apply on persons who accept gifts on behalf of public officials.
- (9) Within 30 days from the entry into force of this Law, the Committee shall, with prior approval of the Council of Ministers of BiH, adopt the Rulebook to prescribe the procedure, method of recording, delivery and keeping of accepted gifts in the BiH institutions.
- (10) The Committee shall establish a Central Register of Gifts accepted by public officials during their public office.

Article 15

(Submission of asset declarations by public officials)

- (1) A public official shall submit his asset declaration to the Committee within 30 days from assuming the public office, for himself as per state of affairs on the day of appointment or election.
- (2) Asset declaration includes personal data of the public official, including unique personal identification number, information on position of the public official, and information on:
 - a) ownership of immovables in the country and abroad;
 - b) ownership of movables subject to registration with competent authorities in the country and abroad;
 - c) deposits in the banks and other financial organisations, in the country and abroad;
 - d) stocks and shares in a legal entity and other securities;
 - e) rights deriving from copyrights, patents and similar intellectual property rights;
 - f) debts (principal amount, interest rate and payment deadline) and receivables;
 - g) source and amount of net income from the public office;
 - h) entitlement to use an apartment for official purposes;
 - i) source and amount of other net income;
 - j) other jobs and activities he carries out in accordance with law;
 - k) membership in bodies of non-governmental, non-profit organisations;
 - l) other information and evidence that a public official finds important for application of this Law.
- (3) A public official shall state accurate and complete information in the asset declaration.
- (4) During his public office, a public official shall file:
 - a) updated asset declaration once a year and not later than 31 March of the current year for the previous year;
 - b) addendum to the asset declaration for every change referred to in paragraph (2) of this Article, and in case of changes to financial state of affairs in the declaration which pertain to asset increase on any grounds in the amount exceeding 10,000 KM, within 30 days after the change occurs;
 - c) updated asset declaration at the request of the Committee in case of initiating the proceedings to establish a violation of this Law, within 30 days from receiving the request.
- (5) Within 60 days from the entry into force of this Law, the Committee shall prescribe forms and contents of the asset declaration, and establish a Single Register of Public Officials' Assets.
- (6) The Committee shall record asset declarations in the Single Register of Public Officials' Assets.
- (7) Single Register of Public Officials' Assets shall be available on the official website of the Committee.
- (8) In order to prevent abuse, personal data of public officials, their close relatives and connected persons shall be protected in line with applicable regulations on personal data protection.

Article 16

(Verification of information from the asset declaration)

(1) The Committee shall verify accuracy and completeness of data in the asset declaration of the public official by comparing such data against collected data on assets and income of the public official from institutions, authorities and legal entities that dispose of such data, at all levels of government in Bosnia and Herzegovina.

(2) The procedure for data collection and verification shall be in line with the laws that regulate the organisation, competence and work of institutions from which such data is collected, while the Committee shall prescribe it in a Rulebook on data collection and verification from asset declaration of public officials.

(3) Institutions, bodies and legal entities referred to in paragraph (1) of this Article shall provide requested data on assets and income of public officials, i.e. present the requested documents in line with the law, within a deadline and in manner as defined by the Committee.

(4) If discrepancies are found during the verification procedure between data in the asset declaration of a public official and actual state of affairs established by the Committee, or a discrepancy between increased asset value of a public official and reported income, the public official shall present his position in writing within 30 days at the request of the Committee and submit data on grounds for acquiring assets and income.

(5) If the public official fails to submit to the Committee:

a) his position in writing within prescribed 30 days,

b) adequate evidence necessary for alignment of data in the asset declaration with data established during verification procedure, the Committee shall initiate proceedings against the public official for violation of Article 15 of this Law, and shall inform thereof the BiH institution in which the public official holds a public office and other competent bodies.

(6) Procedure of verifying the data in the asset declaration shall not be available to public until the Committee issues its final decision.

Article 17

(Establishment of the Committee)

(1) To implement this Law, a Committee for Deciding on the Conflict of Interest in the Institutions of Bosnia and Herzegovina shall be established, having the capacity of a legal person.

(2) The Committee shall be a standing and independent body established by the Parliamentary Assembly of Bosnia and Herzegovina, with its seat in Sarajevo.

(3) The Committee shall have ten members, while the Parliamentary Assembly of Bosnia and Herzegovina shall ensure that the number of Committee members from the ranks of constituent peoples and a member from the ranks of Others is in accordance with the BiH Constitution.

(4) Members of the Committee shall not sign an employment contract, but shall receive a compensation for their work determined by the Council of Ministers of Bosnia and Herzegovina, following a proposal by the Ministry of Finance and Treasury of Bosnia and Herzegovina based on the principles referred to in Article 3 of the Law on Salaries and Compensation in the Institutions of Bosnia and Herzegovina (Official Gazette of BiH, No. 50/08, 35/09, 75/09, 32/12, 42/12, 50/12, 32/13, 87/13, 75/15, 88/15, 16/16, 94/16, 72/17, 25/18 and 32/20).

(5) Members of the Committee shall be selected for a five-year term without signing an employment contract, in a manner and following a procedure set forth by the Law on Ministerial, Council of Ministers and other Appointments of Bosnia and Herzegovina (Official Gazette of BiH, 7/03 and 37/03).

(6) Members of the Committee may serve for a maximum of two terms in office, provided that the service in the duration of half of the term shall not be considered the term referred to in paragraph (5) of this Article.

(7) Members of the Committee shall be selected through a public vacancy announcement.

(8) Vacancy announcement procedure and short-listing of candidates shall be carried out by the Joint Committee on Administrative Affairs of the Parliamentary Assembly of Bosnia and Herzegovina.

- (9) Decision on the list of successful candidates shall be passed in a manner prescribed for passing decisions in the Joint Committee on Administrative Affairs of the Parliamentary Assembly of Bosnia and Herzegovina.
- (10) Six months before the end of term of Committee members, the Joint Committee on Administrative Affairs of the Parliamentary Assembly of Bosnia and Herzegovina shall initiate the procedure for selection of new Committee members.
- (11) Term of the Committee members shall start to run on the day of appointment.
- (12) Committee members shall be selected by the Parliamentary Assembly of Bosnia and Herzegovina based on the list of candidates put together by the Joint Committee on Administrative Affairs of the Parliamentary Assembly of Bosnia and Herzegovina.
- (13) Following selection, a Committee member shall submit, regularly update and publish on the official website of the Committee his/her asset declaration referred to in Article 15 of this Law.
- (14) The Committee shall carry out tasks falling under its scope of work and shall have responsibilities set forth by this Law.
- (15) Public officials may not be appointed as Committee members.
- (16) Any form of influence on the work of the Committee that might jeopardize autonomy and independence of their decision-making process shall be prohibited.
- (17) Operational funds for the Committee shall be provided for in the budget of the BiH institutions and international commitments, in the budget line for the Agency for Prevention of Corruption and Coordination of the Fight against Corruption of Bosnia and Herzegovina.
- (18) The Committee shall have its seal in line with the Law on Seal of the Institutions of Bosnia and Herzegovina (Official Gazette of BiH, 12/98), and shall be kept at the Agency for Prevention of Corruption and Coordination of the Fight against Corruption of Bosnia and Herzegovina.

Article 18

(Method of work and decision-making of the Committee)

- (1) The Committee shall adopt its Rules of Procedure unanimously and prescribe therein the method of work and decision-making on all matters not regulated in this Law.
- (2) The Committee Chair shall organize and manage the work of the Committee and convene and chair the sessions of the Committee.
- (3) The Chair shall sign the acts adopted by the Committee at its sessions.
- (4) The Chair shall prepare a proposal of funds for the work of the Committee and shall be the principal for the financial and material operations of the Committee.
- (5) Upon the Proposal of the Ministry of Finance and Treasury, the Council of Ministers of Bosnia and Herzegovina shall adopt a Decision on financial and material operations to be conducted for the Committee by the Agency for Prevention of Corruption and Coordination of the Fight against Corruption of Bosnia and Herzegovina.
- (6) Seven Committee members shall constitute a quorum.
- (7) The Committee shall pass decisions on matters of high importance unanimously at its sessions.
- (8) Decisions on matters regarding day-to-day operations shall be passed by two-thirds majority.
- (9) In case the Committee fails to reach unanimous decision in line with paragraph (7) of this Article, the decision shall be made in the second-round vote at the first next session of the Committee, if two-thirds of the Committee members vote in its favour. In case no decision is reached even during the second session, at its next session the Committee shall decide by simple majority vote, which must include vote by one representative of each of the constituents peoples.
- (10) Decisions of the Committee shall be published on the website of the Committee.
- (11) In case a Committee member is unjustifiably absent three times from the Committee sessions, the Parliamentary Assembly of Bosnia and Herzegovina shall initiate a proceeding for his removal and appointment of a new member.
- (12) Members of the Committee shall be fair in their work, follow the rules of the profession and objective criteria and moral and ethical principles.

Article 19

(Competences of the Committee)

- (1) The Committee shall conduct proceedings under the Law to establish if a conflict of interest exists in a concrete action or situation, in an impartial, responsible and objective manner and shall primarily have the competence to provide advice to public officials and prevent conflict of interest. If such approach fails to deliver results, the Committee shall be competent to initiate minor offence proceedings and impose sanctions in accordance with this Law.
- (2) The Committee shall generate, update and verify the Register of Public Officials and their Assets (hereinafter: the Register) and shall issue instructions, by-laws, directions, rulebooks and forms for declaring assets.
- (3) The Committee shall adopt the Rulebook on Method of Keeping the Register, which shall prescribe rules on keeping the Register, forms and other issues necessary for the functioning of the Register.
- (4) In keeping with the principles of the Law on Administrative Proceedings, the Committee shall adopt the Rulebook on Method of Conducting the Proceedings to Decide on Conflict of Interest in the Institutions of Bosnia and Herzegovina, delivery of decisions and drafting of the report with the prior opinion obtained by the BiH Justice Ministry and the Legislative Office of the BiH Council of Ministers.
- (5) The Committee shall issue a decision on whether an action or a situation constitutes a violation of this Law and impose sanctions pursuant to this Law.
- (6) For the purpose of implementing this Law, the Committee shall provide opinions and responses to inquiries. Deadline for providing an opinion or response to an inquiry by a public official or other interested parties shall be 15 days.

Article 20

(Selection procedure for Committee members)

- (1) A candidate for a Committee member must meet the following requirements:
 - a) be a citizen of Bosnia and Herzegovina;
 - b) have a residential address in Bosnia and Herzegovina;
 - c) have a university degree in technical or social sciences, VII level or at least 240 ECTS credits according to Bologna system of scoring.
 - d) passed administrative qualifying exam;
 - e) have a minimum of seven years of relevant work experience after university degree;
 - f) come from the ranks of prominent scientists or professionals with high moral qualities, known and recognized for their efficiency, expertise and professional impartiality;
 - g) have no prior conviction for a criminal offense or have criminal proceedings conducted against him;
 - h) cannot be a member of a managing body of a political party five years prior to applying for a public vacancy for selection of a Committee member;
- (2) Regulations pertaining to civil servants and employees in the institutions of Bosnia and Herzegovina shall apply to Committee members.

Article 21

(Selection and authorities of the Committee Chair)

- (1) The Committee shall have a Chair and two Deputies, who shall not be from the ranks of the same constituent peoples, selected from amongst its members by the Committee members in the manner prescribed by the Rules of Procedure.
- (2) The first session at which to select the Chair and two Deputies shall be convened by the eldest member of the Committee.
- (3) The Committee Chair and Deputies shall rotate in the position following an eight months rotation system.
- (4) In case the Committee Chair is prevented to perform his job or is absent, a deputy next in line to take over the chairmanship shall replace him.

- (5) The Committee Chair shall convene and chair the sessions of the Committee, sign acts issued at session, take care of proper and efficient implementation of the law, and perform other tasks stipulated by the Law and Rules of Procedure of the Committee.
- (6) The Committee Chair shall assign specific operational areas, under the competence of the Committee, to Committee members.

Article 22

(Termination of office of Committee members)

- (1) Office of the Committee members shall be terminated before the end of the term in case of their death and removal.
- (2) A Committee member shall be removed in the following cases:
 - a) at his own request;
 - b) in case of loss of legal capacity;
 - c) if the requirements for selection referred to in Article 20 of this Law cease to exist,
 - d) if he violates the provisions of this Law.
- e) if he does not respond to requests and fails to decide within 30 days from the day of receiving a request or a report,
- e) if the Parliamentary Assembly of BiH does not adopt the annual report on the work of the Committee twice in a row.
- (3) Decision on removal from position of a Committee member shall be issued by the BiH Parliamentary Assembly.
- (4) If a Committee member requests to be removed from office, and the BiH Parliamentary Assembly fails to issue a decision thereon within three months from the filing of the request, the office of the Committee member shall be terminated by force of law three months after the filing of the request.
- (5) Within 30 days from the office termination of a Committee member, the Joint Committee on Administrative Affairs of the Parliamentary Assembly of Bosnia and Herzegovina shall initiate a procedure for selection of a new Committee member for the rest of the term.

Article 23

(Selection of a new Committee member)

- (1) In case the office of a Committee Chair is terminated, the position shall be assumed by a Committee member next in rotation line as prescribed by the Rules of Procedure of the Committee for the period prescribed in Article 21, paragraph 1 of this Law.
- (2) Within 30 days from the office termination of a Committee member, the Joint Committee on Administrative Affairs of the Parliamentary Assembly of Bosnia and Herzegovina shall initiate the procedure for selection of a new Committee member.
- (3) Six months before end of term of Committee members, the Joint Committee on Administrative Affairs of the Parliamentary Assembly of Bosnia and Herzegovina shall initiate the procedure for selection of new Committee members.
- (4) Before appointing new Committee members, the Parliamentary Assembly of Bosnia and Herzegovina shall issue decision on removal of previous Committee members as soon as the requirements for removal are met. In case the Parliamentary Assembly of Bosnia and Herzegovina fails to issue decision on removal, the office of previous Committee members shall be terminated by force of law on the effective date of the decision on appointment of the new Committee members.

Article 24

(Office of the Committee)

- (1) Agency for Prevention of Corruption and Coordination of the Fight against Corruption of Bosnia and Herzegovina (hereinafter: the Agency) shall ensure the performance of professional, administrative and material/financial tasks for the Committee and other necessary organisational and technical conditions for work of the Committee. In the Rulebook on Internal Organization, the Agency shall establish an organizational unit - an

- (2) Office, and entrust it with the performance of professional and administrative tasks for the Committee with the view to implement this Law. Other professional and administrative, as well as office operations, other technical tasks and material and financial tasks for the Committee, not required for the purpose of implementing this Law, shall be performed by the Agency for the Committee.
- (3) The Rulebook on Internal Organization of the Agency shall regulate the internal organisation and the method of work of the Office of the Committee, job classification and job descriptions, number of civil servants and employees, and general and special requirements for job allocation. Regulations pertaining to civil servants and employees shall apply to employees in the Department of the Committee.
- (4) Law on Labour in the Institutions of BiH and the Law on Civil Service in the Institutions of BiH shall apply to employees in the Office of the Agency, and they shall report for their work on cases in implementing this Law to the Committee and the Agency.
- (5) In the event of a dispute regarding competence for the matters of administrative supervision over the work of the Office referred to in paragraph (1) of this Article, the final decision shall be made by the Council of Ministers of BiH at the proposal of the Ministry of Justice of BiH.

Article 25

(Professional tasks of the Committee)

Office of the Committee shall perform professional, administrative and technical tasks for the Committee which are not in conflict with the tasks that the Agency is performing for the Committee in line with Article 24 of this Law.

Article 26

(Proceedings before the Committee)

- (1) The Committee may initiate proceedings to establish violation of this Law and impose sanctions:
 - a) *ex officio*;
 - b) at the request of a public official;
 - c) at the request of a public official's line manager;
 - d) at the request of BiH institution in which he holds a public office;
 - e) based on the reported conflict of interest.
- (2) Information on person filing a report referred to in paragraph (1), item (e) of this Article shall be confidential, unless the person filing a report explicitly requests that the information be made available to public, i.e. to the public official reported and to the BiH institution in which he holds a public office.
- (3) The Committee shall decide on a case within 30 days from receiving the request referred to in paragraph (1) items b), c) and d) of this Article, i.e. the report referred to in paragraph (1) item e) of this Article and inform the person filing a report of its decision within 8 days from the day when the decision is made.
- (4) Notwithstanding paragraph (3) of this Article, in exceptionally justified cases that are objective in nature, the 30-day deadline will be extended to a period of additional 30 days.
- (5) After conducting the procedure for determining conflict of interest, if the Committee determines that the conflict of interest exists, it shall order the public official to eliminate the cause for violating the Law, if possible, within 30 days of receiving the Committee's decision.
- (6) If the causes for violating the Law referred to in paragraph (4) of this Article cannot be eliminated or the public official fails to eliminate them within the set deadline, the Committee shall initiate *ex officio* minor offence proceedings to impose a fine and shall submit an initiative for dismissal of a public official if he does not eliminate the shortcomings even after initiating the procedure.
- (7) In case a person suspects a possible Law violation, the person may request the Committee to issue an advisory opinion within 15 days that shall not be published. Advisory opinion shall also include the recommendations of measures to remove conflict of interest, if such conflict exists. In case the violation of the Law is established, a public official shall be given a deadline to undertake actions and remove causes of the Law violation, if possible. If the public official fails

to remove causes of the Law violation, or if the causes cannot be removed, the Committee shall initiate proceedings to establish the conflict of interest.

(8) The statute of limitations on initiating the proceedings for violating this Law shall be six months from learning about the violation, and four years from when the violation occurred.

(9) The Committee shall inform the public official of the initiated proceedings referred to in paragraph (1) of this Article.

(10) The Committee may invite the public official, a connected person and the person filing the report based on which the proceedings were initiated to collect information and request submission of the necessary information for the purpose of deciding on whether the Law was violated.

(11) The Committee shall request the public official against whom the proceedings referred to in paragraph (1) of this Article were initiated to submit a written response within 15 days from when he receives the request to respond in writing.

(12) If the public official fails to submit a written response, the Committee shall continue the proceedings pursuant to this Law.

(13) By application of this Law, the Law on Administrative Procedure and Committees' by-laws, the Committee shall conduct the procedure to establish facts and evidence in cooperation with other bodies.

(14) If the institutions and persons referred to in paragraph (10) of this Article fail to respond to the requests of the Committee referred to in Article 16 paragraph (2) and Article 26 paragraphs (7) and (10) of the Law, the Committee shall inform their supervising body thereof and may submit a special report to the BiH Parliamentary Assembly and its competent committees.

(15) Proceedings before the Committee shall be public, except for the voting process, or when the law provides otherwise.

(16) The Committee shall issue its decision no later than 7 days from the finalising the proceedings to collect facts and establish evidence.

(17) In case of suspicion that a criminal offense has been committed, the Committee shall suspend the proceedings and send the report to the competent prosecutor's office without delay.

Article 27

(Conflict of interest of the Committee members)

(1) The Committee members, as public officials, shall act in accordance with this Law to prevent the conflict of interest during exercise of public office.

(2) The Joint Committee on Administrative Affairs of the Parliamentary Assembly of Bosnia and Herzegovina shall decide on conflict of interest of the members of the Conflict of Interest Committee.

(3) The Joint Committee on Administrative Affairs of the Parliamentary Assembly of Bosnia and Herzegovina shall decide on conflict of interest of the Committee members pursuant to this Law.

Article 28

(Application of the Law on Administrative Procedure)

All matters relevant to the conduct of proceedings which are not regulated by this Law shall be governed by the Law on Administrative Procedure in the appropriate way (Official Gazette of BiH, 12/04, 93/09, 88/07, 41/13 and 53/16).

Article 29

(Finality)

Decisions of the Committee shall be final and no appeal shall be allowed against them. However, an administrative dispute may be initiated before the Court of Bosnia and Herzegovina.

Article 30

(Sanctions)

(1) The Committee may impose the following sanctions against a public official for violating this Law:

- a) a reprimand,
 - b) fine in the amount between 100 and 10,000 KM;
 - c) initiative seeking removal from the office;
 - d) call for resignation.
- (2) Reprimand is a written warning by the Committee in case of a breach of the procedure, that is not of such nature to result in sanctions against a public official referred to in items b), c) and d) of this Article.
- (3) When an offence, committed in violation of this Law, can be reversed or its harmful consequence can be reversed, the Committee shall always first order the offender to reverse the committed offence and shall take the measures prescribed by law to eliminate the harmful consequence.
- (4) To impose a sanction referred to in paragraph (1) item b) of this Article, the Committee shall initiate the minor offence procedure before the Court of BiH.
- (5) A public official may receive a fine in the amount between 100 and 500 KM for violating the provisions, in case of late submission of asset declaration, for violating Article 14, paragraphs (4) and (5), Article 15, paragraph (4), items a), b) and c).
- (6) A fine in the amount between 500 and 2,000 KM may be imposed on a public official for violating provisions, if a public official fails to submit requested information and notifications, i.e. fails to deliver for inspection the requested documents to institutions and legal entities referred to in Articles 15 and 16 of this Law, for violating Article 7, Article 10, paragraphs 1) and 2), Articles 11 and 12 of this Law.
- (7) A fine in the amount between 2,000 and 5,000 KM may be imposed on a public official for violating Article 6, paragraph 3), Article 10, paragraph 3), Article 12, paragraph (1), items b) and e) and Article 13, item b).
- (8) A fine in the amount between 5,000 and 10,000 KM may be imposed on a public official for violating Article 6, paragraphs 7) and 8), Article 8, paragraphs 2) and 3), Article 9, Article 12 paragraph 1), item f); Article 13 items a), c), d), e), f) and g), Article 14 paragraph 6) and Article 15, paragraph 3).
- (9) The Committee shall impose an initiative for removal referred to in paragraph (1), item b) of this Article against a public official who is not an elected official where violation of Article 6, paragraph 2, Articles 9 and 13 of this Law has been found.
- (10) The Committee shall submit the initiative for removal of a public official to the institution at the level of BiH responsible for his election or appointment. Government body responsible for the election or appointment of the public official shall inform the Committee of the measures taken with respect to the initiative for removal within 30 days from receiving the proposal.
- (11) Once the Committee finds that a public official has been sanctioned several times pursuant to this Law, taking into account the severity of the violations and damages caused, the Committee shall invite the public official to resign from public office in case he has not been removed pursuant to paragraph 8 of this Article. The Committee shall publish its call for resignation in the Official Gazette of BiH and on the website of the Committee.
- (12) When a public official continues to violate this Law following the imposed sanction by the Committee or a fine in the minor offence proceedings, the Committee shall impose prohibition of further violations of this Law and continue to impose sanctions or initiate minor offence proceedings against the public official once a month until he stops violating the Law.
- (13) Funds collected from sanctions under this Law shall be paid to the Single Treasury Account, in a manner prescribed by the Instruction of the Ministry of Finance and Treasury.

Article 31 (Work Report)

- (1) The Committee shall submit its work report to the Parliamentary Assembly of Bosnia and Herzegovina once a year, no later than 01 June of the current year for the previous year.
- (2) The report shall include number of cases, and reasons for referring the cases for decision to the Appeals Committee under the Council of Ministers of Bosnia and Herzegovina, in the case referred to in Article 18, paragraphs (3), (4) and (5) of this Law.

Article 32
(Transitional and final provisions)

- (1) Within 30 days from the entry into force of this Law, the Parliamentary Assembly of Bosnia and Herzegovina shall initiate the procedure to appoint the Committee members, which is to be finalized within 90 days from the entry into force of the Law.
- (2) Pending the selection of the Chair and the Committee members referred to in paragraph (1) of this Article, the Committee shall work in existing composition in line with this Law.
- (3) Within 30 days from the appointment, the Committee shall draft acts referred to in Article 19 of this Law and publish them on the website of the Committee.
- (4) All by-laws adopted based on the Law on Conflict of Interest in the Institutions of Bosnia and Herzegovina shall remain in force until the adoption of new ones.
- (5) Proceedings initiated before the entry into force of this Law shall be finalized in line with regulations that were in force during their initiation, if that is more favourable for the party to the proceedings.
- (6) Within 30 days from the day this Law enters into effect, the Ministry of Finance and Treasury shall issue the Instruction referred to in Article 30, paragraph (13) of this Law.
- (7) Within 30 days from the day this Law enters into effect, the Ministry of Finance and Treasury shall propose to the Council of Ministers of BiH a Decision on conducting financial and material operations for the needs of the Committee referred to in Article 18, paragraph (5) of this Law.
- (8) Within 15 days from the day this Law enters into effect, the Secretariat of the Parliamentary Assembly shall undertake all activities with the aim of establishing the Committee as a legal entity.

Article 33
(Repeal)

The Law on Conflict of Interest in the Institutions of Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina, 13/02,16/02,14/03,12/04, 63/08, 18/12, 87/13 and 41/16) shall be repealed by virtue of the entry into force of this Law.

Article 34
(Entry into force)

This Law shall enter into force on the eighth day from being published in the Official Gazette of BiH.