Please note that the translation provided below is only provisional translation and therefore does NOT represent an official document of the Republic of Croatia. It confers no rights and imposes no obligations separate from those conferred or imposed by the legislation formally adopted and published in Croatian language.

Please note that this translation is a purified text version published in the Official Gazette no. 49/2003.

Pursuant to Article 54 of the Act on Changes and Amendments to the Crafts Act (Official Gazette of the Republic of Croatia »Narodne novine«, No. 64/01), the Committee for Legislation of the Croatian Parliament adopted at its 106th session held on 14th March 2003 the consolidated text of the Crafts Act.

The consolidated text of the Crafts Act includes the Crafts Act (Official Gazette of the Republic of Croatia »Narodne novine«, No. 77/93) and changes and amendments to the Crafts Act published in the Official Gazette of the Republic of Croatia »Narodne novine« No. 90/96, 102/98, 64/01 and 71/01 with the indications of their coming into force.

Class: 311-01/00-01/01 Zagreb, 14th March 2003 President of the Committee for Legislation of the Croatian Parliament Josip Leko, dipl. iur.

THE CRAFTS ACT

I. GENERAL PROVISIONS

Article 1

(1) For the purposes of this Act, crafts businesses refer to permitted economic activities performed independently and permanently in accordance with Article 3 of this Act that are carried out by natural persons with the objective of generating profits by means of activities performed in the market in the field of production, traffic or services.

(2) As an exception to the provision from paragraph 1 of this Article, a crafts business can be run by a company carrying out one or more activities from Article 3 paragraph 1 items 2 & 3 of this Act, unless the respective activities are performed in an industry-like manner.

(3) For the purposes of this Act, a craftsman is a natural person performing one or more activities from paragraph 1 of this Act in its own name and for its own account, who can employ other persons for carrying out such activities.

(4) Every economic activity not prohibited by the law is permitted.

(5) A crafts business is considered to be permanently run in the case when crafts activities are temporarily interrupted with the intention of resuming them.

Article 2

(1) Crafts businesses can be run as seasonal crafts businesses lasting for six months in a single calendar year at most.

(2) Persons running crafts businesses from paragraph 1 of this Article have the status of insured persons while running their seasonal crafts businesses.

(3) Running a seasonal crafts business is permanently entered into the Crafts Register. (4) Activities that can be carried out in the form of seasonal crafts businesses are determined by the Minister of Crafts, Small and Medium Enterprises after having previously obtained the opinion of the Croatian Chamber of Trades and Crafts accompanied by the consent of the minister in charge depending on the activity carried out.

Article 3

(1) For the purposes of this Act, crafts businesses are as follows:

1. free crafts businesses which do not require the certificate evidencing necessary qualifications or the master craftsman's examination,

2. associated crafts businesses which require the certificate evidencing necessary qualifications or associated crafts businesses which require the master craftsman's examination,

3. privileged crafts businesses which can be run by craftsmen or companies only on the basis of the privilege certificate issued by the ministry in charge of the respective crafts businesses.

(2) The list of associated crafts businesses, the degree and the kind of qualifications necessary for their running as well as the list of privileged crafts businesses and the manner of issuing the privilege certificates are determined by the Minister of Crafts, Small and Medium Enterprises after having previously obtained the opinion of the Croatian Chamber of Trades and Crafts accompanied by the consent of the minister in charge depending on the activity carried out.

II. RUNNING A CRAFTS BUSINESS

1. Preconditions for Running a Crafts Business

Article 4

(1) A crafts business can be run by a natural person fulfilling the following general criteria:

1. meeting special health requirements, if prescribed by the law,

2. no security measure or protection measure of forbidding the crafts business has been introduced by means of an effective court verdict, misdemeanour verdict or decision of the Court of Honour for as long as the measure is in force.

(2) A craftsman is entitled to the employment rights that result from working for the crafts business, unless such rights are acquired on some other basis.

Article 5

(1) An associated crafts business can be run by a natural person fulfilling in addition to the general criteria from Article 4 of this Act also special criteria requiring necessary qualifications or the master craftsman's examination.

(2) An associated crafts business can be run by a natural person fulfilling the general criteria from Article 4 of this Act but not fulfilling the special criteria requiring necessary qualifications or the master craftsman's examination provided such a person hires an employee fulfilling the aforementioned criteria to work for the very business.

Article 6

(1) Associated crafts businesses can be run by persons having the adequate high school or higher education degrees in accordance with the provision of Article 3 paragraph 2 of this Act.

(2) After having previously obtained the opinion of the Croatian Chamber of Trades and Crafts and of the ministry in charge of a case, the Ministry of Crafts, Small and Medium Enterprises determines which high school or higher education degree from paragraph 1 of this Article is

adequate.

(3) Associated crafts businesses can be run by natural persons – innovators on the basis of patent rights on the respective patented products or services if they fulfil criteria from Article 4 of this Act.

(4) Associated crafts businesses can be run by natural persons with adequate secondary school education if the seat of a crafts business is located within the territory determined by the Act on Areas of Special State Concern and by the Islands Act.

(5) Natural persons from paragraph 4 of this Act are obliged to pass the master craftsman's examination for the master craftsman's profession within the period of one year after having fulfilled the preconditions stipulated in Article 56 of this Act.

Article 7

Crafts business premises and the equipment have to meet the requirements determined by regulations concerning technical equipment, protection at work, protection and improvement of environment, protection from noise and by other regulations referring to respective economic activities.

Article 8

A crafts business can be run in housing facilities under conditions and in the field of activities determined by the Minister of Crafts, Small and Medium Enterprises with the consent of the minister in charge of spatial planning, construction and housing.

(1) The company from Article 1 paragraph 2 of this Act must hire at least one employee that fulfils preconditions from Article 4 and Article 5 paragraph 1 of this Act.

(2) If the company from Article 1 paragraph 2 of this Act runs a crafts business within the territory determined by the Act on Areas of Special State Concern and by the Islands Act, it must hire at least one employee that fulfils preconditions from Article 4 of this Act and has adequate secondary school education.

(3) The employee from paragraph 2 of this Article is obliged to pass the master craftsman's examination for the master craftsman's profession within the period of one year after having fulfilled preconditions stipulated in Article 56 of this Act.

(4) The company from Article 1 paragraph 2 of this Act can start running its crafts business after the County Office has issued a certificate confirming that all preconditions from paragraphs 1 and 2 of this Article have been fulfilled.

(5) The county office in charge, i.e. the Office of the City of Zagreb, shall keep a register of companies and employees from paragraph 1 of this Article.

(6) The ministry in charge shall issue a privilege certificate to the company from paragraph 1 of this Article that runs a crafts business from Article 3 paragraph 1 item 3 of this Act.

(7) The ministry in charge shall keep a register of issued certificates from paragraph 6 of this Article.

II. Starting a Crafts Business

Article 10

(1) For running a free, associated and privileged crafts business a craftsman is obliged to have a crafts licence.

(2) For running a privileged crafts business a craftsman is obliged to have also a privilege certificate.

(3) A crafts licence is issued by the county office in charge, i.e. the Office of the City of Zagreb, within the territory of which the crafts business shall have its seat, whereas a privilege certificate is issued by the ministry in charge of the respective crafts businesses.

(4) The content and the form of the crafts licence and privilege certificate are prescribed by the Minister of Crafts, Small and Medium Enterprises.

(5) The Minister of Crafts, Small and Medium Enterprises determines the price of the crafts licence by a decree.

(6) The crafts licence is issued in two formats and the craftsman is obliged to display the bigger format in the seat of the crafts business at a place where it can easily be seen.

(1) A crafts business is entered into the Crafts Register kept by the county office in charge, i.e. the Office of the City of Zagreb. The Crafts Register is open to the public.

(2) The form and the manner of keeping the Crafts Register and the form and the manner of keeping the register from Article 9 of this Act as well as possibilities of their utilisation shall be determined by the Minister of Crafts, Small and Medium Enterprises.

Article 12

(1) The county office in charge, i.e. the Office of the City of Zagreb, shall issue a crafts licence to the natural person who fulfils preconditions from Articles 4, 5 and 6 of this Act.

(2) The body from paragraph 1 of this Article shall be obliged in the line of its duty to gather evidence of the fulfilment of preconditions from Article 4 paragraph 1 item 2 of this Act.

Article 13

(1) The county office in charge, i.e. the Office of the City of Zagreb, shall issue a crafts licence, i.e. a crafts licence refusal certificate within 15 days after the date of duly submitted crafts licence

application.

(2) Upon entering a crafts business into the Crafts Register, the craftsman is obliged to start the crafts business within one year after the crafts licence issuance date.

(3) Not later than eight days before the start of the crafts business, the craftsman is obliged to register the crafts business at the county office in charge, i.e. the Office of the City of Zagreb that will accordingly and promptly notify the inspectorate bodies in charge.

Article 14

Should the county office in charge, i.e. the Office of the City of Zagreb not issue a crafts licence, i.e. a crafts licence refusal certificate within the period prescribed in Article 13 paragraph 1 of this Act, a natural person can, if he/she considers that he/she fulfils the preconditions prescribed by this Act, start running the crafts business upon prior written notice to the county office in charge, i.e. the Office of the City of Zagreb.

Article 15

(1) The county office in charge, i.e. the Office of the City of Zagreb shall issue a crafts licence also to the natural person who has started running the crafts business pursuant to Article 14 of this Act if the preconditions prescribed by this Act have been fulfilled.

(2) Should the body from paragraph 1 of this Article find out that the preconditions prescribed by this Act have not been fulfilled and that the natural person has started running the crafts business pursuant to Article 14 of this Act, it shall consider that the crafts business has been run contrary to this Act.

The county office in charge, i.e. the Office of the City of Zagreb is obliged to submit all the certificates related to running a crafts business to the body in charge of finance, to inspectorate bodies in charge, to the Croatian Chamber of Trades and Crafts, to the health insurance and pension insurance funds and to the Croatian Bureau of Statistics.

Article 17

(1) The registered name of the crafts business is the name under which the crafts business operates.

(2) The registered name consists of the name of the crafts business, the name and the family name of the owner and the seat, and it can contain some special marks.

(3) The registered name must be displayed at the entrance to the seat of the crafts business, at the entrance to remote plants in which crafts business is run as well as at a location where crafts business is run in the case of the crafts business that need not be run on business premises.

(4) The provisions of the Company Act referring to the registered name shall accordingly apply to the registered name of crafts business, unless otherwise provided by this Act.

Article 18

(1) The seat of the crafts business is the place where the crafts business operates. Should the crafts business operate in several places, the seat shall be the place determined by the craftsman.

(2) In the case that the crafts business need not be run on business premises, the seat shall be the place of residence of the craftsman.

Article 19

(1) The craftsman can change the seat of the crafts business.

(2) The craftsman or the company is obliged to register the change of the crafts business seat at the county office in charge, i.e. the Office of the City of Zagreb that shall issue an adequate certificate and shall enter the change of the seat into the Crafts Register.

(3) In the case that the craftsman moves the seat of the crafts business to another county, he is obliged to enclose the crafts licence to the registration application from paragraph 2 of this Article.

3. Crafts Business Operations

Article 20

(1) A craftsman can carry out only those crafts activities that are stipulated in the crafts licence, and in the case of a privileged crafts business only those activities for which the privilege has

been issued. The crafts licence cannot be transferred to another person, unless otherwise provided by this Act. The privilege certificate cannot be transferred to another person.

(2) Except for the crafts business from paragraph 1 of this Article, the craftsman can perform other activities that are carried out in support of the activities from the crafts licence or that are usually carried out parallel to the activities from the crafts licence provided they are performed in a smaller volume.

(3) For performing activities from paragraph 2 of this Article, a natural person is not obliged to fulfil the precondition of having necessary qualifications or the master craftsman's examination.

Article 21

(1) For liabilities arising from the crafts business the craftsman is liable with all of the registered property necessary for running the crafts business.

(2) The craftsman is responsible for the legality of the crafts business as well as for the legality of work performed by hired employees.

Article 22

(1) The crafts business can be run at several remote plants that must fulfil preconditions stipulated in Article 7 of this Act.

(2) For the purposes of this Act, a remote plant means one or more separate premises on which the crafts business is run or which serve for running the crafts business and which are located beyond the seat of the crafts business.

Article 23

(1) The craftsman running a free crafts business is obliged to appoint a foreman in every remote plant who must fulfil the preconditions from Article 4 of this Act.

(2) The craftsmen and companies running associated or privileged crafts businesses are obliged to appoint professional foremen in every remote plant who must fulfil the precondition of having necessary qualifications or the master craftsman's examination in addition to the preconditions from Article 4 of this Act.

Article 24

(1) As an exception to Article 23 paragraph 2 of this Act, the craftsmen and companies running associated crafts businesses in remote plants located within the territory determined by the Act on Areas of Special State Concern and by the Islands Act can appoint professional foremen who have the adequate secondary school education in addition to the preconditions from Article 4 of this Act provided they register the remote plant at the county office in charge for the first time.

(2) The professional foreman from paragraph 1 of this Article is obliged to pass the master craftsman's examination for the master craftsman's profession within the period of one year after having fulfilled preconditions stipulated in Article 56 of this Act.

(1) The craftsmen registers the crafts business operating in a remote plant, i.e. the crafts business ceasing to operate in a remote plant at the county office in charge, i.e. the Office of the City of Zagreb, on the territory of which the remote plant is located.

(2) The body from paragraph 1 of this Article shall issue a certificate of crafts business operations, i.e. of crafts business cease of operations in a remote plant with a professional foreman.

(3) The body from paragraph 1 of this Article shall notify the county office in charge, i.e. the Office of the City of Zagreb, on the territory of which the seat of the crafts business is located, about the crafts business operations in a remote plant, i.e. the crafts business cease of operations in a remote plant, which shall enter such data into the Crafts Register.

Article 26

Provisions of Articles 23 and 25 of this Act shall apply to a sole trader and a company running a crafts business in accordance with this Act.

Article 27

(1) The craftsman can run a free or associated crafts business on his own or through a foreman who must be employed by the craftsman and must fulfil the preconditions from Article 4 and Article 5 paragraph 1 of this Act.

(2) The foreman runs the crafts business in the name and for the account of the craftsman.

Article 28

The craftsman registers running a free or associated crafts business through a foreman at the county office in charge, i.e. the Office of the City of Zagreb, on the territory of which the seat of the crafts business is located, which issues a certificate of running a crafts business through a foreman and enters it into the Crafts Register.

Article 29

(1) Members of the family household can support the craftsman in carrying out crafts activities.

(2) For the purposes of this Act, members of the family household are: spouse, children, parents, adopted children and adoptive parents, step-children and persons the craftsman is obliged to support.

Article 30

(1) After the death of the craftsman, the crafts licence can be transferred to his heirs.

(2) Persons from paragraph 1 of his Article can continue running the crafts business through a foreman who must fulfil the preconditions from Article 4 and Article 5 of this Act.

Article 31

(1) After the death of the craftsman, his spouse, children and other heirs can continue running the crafts business as temporary foremen until the transfer of the crafts licence as stipulated in Article 30 paragraph 1 of this Act.

(2) The temporary foreman is entered into the Crafts Register.

(3) The temporary foreman is obliged to run the crafts business in the manner of a good manager for the account of the deceased craftsman's heir.

(4) Should the temporary foreman act contrary to the provisions of this Act, he shall be liable for the damage resulting from such acts with all of his property.

Article 32

(1) Should after the death of the craftsman, his heirs wish to transfer the crafts licence to themselves, they are obliged to accordingly notify the county office in charge, i.e. the Office of the City of Zagreb, within the period of 30 days after the end of the inheritance proceedings.

(2) The following documents have to be enclosed with the notification from paragraph 1 of this Article:

1. death certificate,

2. inheritance court decision in effect,

3. evidence of fulfilled preconditions from Articles 4 and 5 of this Act.

(3) The body from paragraph 1 of this Article issues a decision and enters the transfer of the crafts licence as well as continuation of the crafts business into the Crafts Register.

Article 33

In the case that the heirs of the deceased craftsman, his spouse or his children fail to obey the deadline specified in Article 32 of this Act, they shall lose the right to transfer the crafts licence and the crafts business shall be wound up by the force of law.

Article 34

(1) The craftsman can temporarily cease the crafts business operations for the period of up to one year and is obliged to accordingly notify in writing the county office in charge, i.e. the Office of the City of Zagreb, within the period of 30 days after the date when the period of the crafts business cessation has started.

(2) As an exception, the craftsman can temporarily cease the crafts business operations for up to three years in the case of taking the maternity leave until the child's third year of age.

(3) As an exception, the craftsman can cease the crafts business operations for more than one year in the case of illness or the Act of God.

(4) During the temporary cessation of the crafts business the craftsman is obliged to submit the crafts licence to the county office in charge, i.e. the Office of the City of Zagreb.

(5) The craftsman is obliged to inform the body from paragraph 1 of this Article in writing about the crafts business having been resumed within the period of seven days from the date when the cessation of the crafts business has come to an end.

(6) The county office in charge, i.e. the Office of the City of Zagreb, notifies the body in charge from Article 16 of this Act about the temporary cessation of the crafts business, i.e. about the crafts business having been resumed.

Article 35

The craftsman is obliged to display the price of his products, i.e. services in the manner that the consumers can notice it.

Article 36

The City Council, i.e. the Municipal Council can determine the opening and closing working hours for individual crafts businesses after having obtained the opinion of the County Chamber of Trades and Crafts.

4. Mutual Running the Crafts Business

Article 37

(1) Two or more natural persons can run a crafts business together with the objective of performing economic activities.

(2) Mutual relationships among the persons from paragraph 1 of this Article are regulated by written agreements.

(3) Regulations applying to mandatory relationships within the partnership also apply to the agreements from paragraph 2 of this Article.

(4) The crafts business from paragraph 1 of this Article operates under the joint registered name.

(5) One natural person can run more than one mutual crafts businesses with the objective of performing economic activities.

Article 38

(1) Natural persons can mutually run a crafts business provided they fulfil the preconditions from Article 4 of this Act.

(2) Natural persons can mutually run a crafts business provided they submit to the county office in charge, i.e. the Office of the City of Zagreb, the agreement from Article 37 paragraph 2 of this Act on the occasion of the crafts business being entered into the Crafts Register.

(3) Natural persons can mutually run an associated crafts business provided one of them fulfils the preconditions from Article 5 paragraph 1 of this Act.

Article 39

(1) Provisions of this Act that apply to running a crafts business by a natural person apply accordingly to the crafts business run by several natural persons.

(2) In the case that a natural person joins the crafts business or leaves the mutual crafts business, the crafts business continues to operate.

(3) The county office in charge, i.e. the Office of the City of Zagreb is notified when a natural person leaves the mutual crafts business and when natural persons join the crafts business, which shall enter such changes into the Crafts Register.

4. Winding up of a Crafts Business

Article 40

(1) A crafts business is wound up by the wind-up notice or by the force of law.

(2) The county office in charge, i.e. the Office of the City of Zagreb, issues a decision on winding up the crafts business, upon coming into force of which the crafts business shall be deleted from the Crafts Register.

Article 41

Winding up a crafts business by the wind-up notice shall take effect as of the date stipulated in the wind-up notice. The crafts business cannot be retrospectively wound up by the wind-up notice.

Article 42

The county office in charge, i.e. the Office of the City of Zagreb, registers the cessation of the crafts business operations by entering the craftsman into the Commercial Register in accordance with provisions of the Company Act.

Article 43

(1) A crafts business is wound up by the force of law in the case of:

1. death of the craftsman if the crafts business is not continued in accordance with Article 32 of this Act,

2. if the craftsman is sentenced to imprisonment by a valid court verdict for a criminal offence related to running the crafts business,

3. if the craftsman who does not fulfil the precondition from Article 5 of this Act fails to hire an employee fulfilling these preconditions,

4. if the craftsman does not start the crafts business within the period of one year after the date on which the crafts licence has been issued, except for craftsmen from occupied territories for as long as such circumstances last,

5. if the craftsman or the company from Article 1 paragraph 2 of this Act does not obey provisions of Article 6 paragraphs 4 and 5 and Article 9 paragraphs 1, 2 and 3 of this Act,

6. if the craftsman, i.e. the company, does not appoint a foreman in accordance with the provisions of Articles 23 and 24 of this Act,

7. if the protection measure or security measure has been introduced forbidding the craftsman to run the crafts business during the period of three months,

8. if the craftsman ceases the crafts business operations for the period longer than one month contrary to the provision of Article 34 of this Act,

9. if the craftsman does not start the crafts business within the period of 30 days after the expiry of the temporary cessation of the crafts business operations, except for craftsmen from occupied territories for as long as such circumstances last,

10. if the Court of Honour of the Croatian Chamber of Trades and Crafts passes a resolution on winding up the crafts business,

11. if the ministry in charge deprives the craftsman of the privilege certificate,

12. if the body in charge establishes that the crafts licence has been issued to the craftsman on the basis false documents,

13. if the body in charge establishes that the preconditions from Article 9 of this Act have not been met,

14. if the body in charge subsequently establishes that the preconditions from Articles 4 and 5 of this Act have not been met.

(2) The county office in charge, i.e. the Office of the City of Zagreb, shall issue a resolution on the cessation of the crafts business by the force of law and shall delete the crafts business from the registry after the resolution has come into force.

III. EDUCATION AND TRAINING FOR RUNNING A CRAFTS BUSINESS

Article 44

(1) The secondary school education in crafts professions is carried out within the framework of the educational programme consisting of general education and vocational education.

(2) The vocational education consists of professional-theoretical education and practical training.

(3) The educational programme from paragraph 1 of this Article determines the general education curricula, vocational education subjects, the content of the vocational education subjects, education forms, staff and materials, education duration, number of yearly and weekly hours and the programme for taking assistant craftsman's examinations.

(4) The general education part of the educational programme from paragraph 1 of this Article is prescribed by the Minister of Education and Sports after having previously obtained the opinion

of the Croatian Chamber of Trades and Crafts and the consent of the Minister of Crafts, Small and Medium Enterprises.

(5) The professional-theoretical and practical training part of the educational programme from paragraph 2 of this Article is passed by the Minister of Crafts, Small and Medium Enterprises after having previously obtained the opinion of the Croatian Chamber of Trades and Crafts and the consent of the Minister of Education and Sports.

Article 45

(1) The general education and professional-theoretical education of the vocational education are carried out in crafts secondary schools or in other vocational education secondary schools.

(2) The practical training of the vocational education is carried out at a crafts business or at a company.

(3) Crafts secondary schools or other vocational education secondary schools can carry out the practical training of the vocational education provided the major portion of the programme is carried out at a crafts business or at a company.

Article 46

The manner of implementing the vocational education programme and of gaining qualifications for associated crafts businesses as well as the rights, obligations, monitoring, assessing and evaluating pupils are prescribed by the Minister of Crafts, Small and Medium Enterprises after having previously obtained the opinion of the Croatian Chamber of Trades and Crafts and the consent of the Minister of Education and Sports.

Article 47

(1) For the purpose of carrying out practical training of the vocational education programme the craftsman and the company must have a licence.

(2) The licence from paragraph 1 of this Article is issued by the Croatian Chamber of Trades and Crafts.

(3) The practical training of the vocational education programme is carried out by craftsmen who have passed the master craftsman's examination, i.e. craftsmen who have the rights given by this Act to persons who have passed the master craftsman's examination .

(4) The craftsman who has not passed the master craftsman's examination or who has not been given the rights that are given by this Act to persons who have passed the master craftsman's examination can carry out the practical training within the vocational education programme if he hires a person fulfilling the preconditions stipulated by this Article.

(5) The practical training within the vocational education programme can be carried out in a company if the company employs a person who has passed the master craftsman's examination or a person who has the rights given by this Act to persons who have passed the master craftsman's examination.

(6) The procedure and the manner of issuing the licence from paragraph 1 of this Article as well as the preconditions for carrying out the practical training within the vocational education programme are prescribed by the Croatian Chamber of Trades and Crafts.

Article 48

(1) The craftsman from Article 47 of this Act cannot receive pupils at vocational education with the objective of their vocational education:

- if he has been sentenced for a criminal offence related to running the crafts business,

- if he does not possess adequate premises and cannot secure adequate conditions for carrying out vocational education,

- if he has been deprived of the right to receive pupils at vocational education.

(2) The provision from paragraph 1 of this Article accordingly applies to companies from Article 47 paragraph 5 of this Act.

Article 49

(1) The craftsman from Article 47 of this Act can be temporarily or permanently deprived of the right to receive pupils at vocational education by the Court of Honour of the Croatian Chamber of Trades and Crafts:

- if he violates the contractual obligations towards a pupil,

- if he prevents a pupil from attending classes regularly.

(2) The manner and the procedure of deprivation of rights from paragraph 1 of this Article are prescribed by the Croatian Chamber of Trades and Crafts in accordance with the Statutes.

Article 50

The pupil from Article 47 of this Act can be received by a craftsman at vocational education provided:

1. he has completed at least primary school education,

2. his health condition is adequate for carrying out activities he is being educated for.

Article 51

(1) A craftsman receiving a pupil at vocational education enters a written contract on vocational education with the pupil, i.e. his parents or guardians.

(2) Provisions of this Act, of the Labour Act, Collective Agreement or provisions of optimum contractual conditions for vocational education that are determined by the Minister of Crafts, Small and Medium Enterprises after having previously obtained the opinion of the Croatian Chamber of Trades and Crafts apply to the contract from paragraph 1 of this Article.

(3) The Croatian Chamber of Trades and Crafts keeps the register of vocational education contracts.

Article 52

(1) Upon the completion of each grade, a pupil receives a certificate.

(2) The form and the contents of the certificate from paragraph 1 of this Article are prescribed by the Minister of Education and Sports with the consent of the Minister of Crafts, Small and Medium Enterprises.

(3) The form and the contents of the certificate from paragraph 1 of this Article shall be prescribed by the Minister of Education and Sports within the period of three months from the date of coming into force of the Act on Changes and Amendments to the Crafts Act (Official Gazette of the Republic of Croatia, »Narodne novine«, No. 64/01).

Article 53

(1) After having completed the professional-theoretical education and practical training within the educational programme, a pupil takes an assistant craftsman's examination.

(2) The assistant craftsman's examination can be taken also by a person having inadequate secondary school education in the same vocational education area and at least one year of working experience in the profession for which the person wishes to take an assistant craftsman's

examination.

(3) The examination from paragraph 1 of this Article is comprised of testing practical and theoretical knowledge necessary for carrying out activities in a certain crafts business.

(4) The programme of the assistant craftsman's examination from paragraph 1 of this Article is prescribed by the Minister of Crafts, Small and Medium Enterprises after having previously obtained the opinion of the Croatian Chamber of Trades and Crafts.

Article 54

(1) The assistant craftsman's examination is taken before a commission for assistant craftsman's examinations formed by the Croatian Chamber of Trades and Crafts.

(2) The commission from paragraph 1 of this Article consists of at least three members. The commission must include persons with adequate master craftsman's professions and teachers from crafts secondary schools or other vocational education secondary schools for adequate professions, with the persons from crafts businesses forming the majority.

(3) After the assistant craftsman's examination has been successfully passed, the Croatian Chamber of Trades and Crafts issues an assistant craftsman's certificate and the crafts school issues a final examination certificate. The final examination certificate is issued by the school after successful completion of general educational programme and after the final examination has been passed in accordance with the Regulations of the Secondary School Leaving Examination.

(4) The form and the contents of the assistant craftsman's certificate are prescribed by the Minister of Crafts, Small and Medium Enterprises after having previously obtained the opinion of the Croatian Chamber of Trades and Crafts and the consent of the Minister of Education and Sports.

Article 55

(1) For the purpose of running associated crafts businesses for which adequate qualifications are required, an examination for evidencing necessary qualifications is taken in accordance with the programme prescribed by the Minister of Crafts, Small and Medium Enterprises upon the proposal of the Croatian Chamber of Trades and Crafts. The examination for evidencing necessary qualifications can be taken by a person having completed at least primary school education.

(2) The examination for evidencing necessary qualifications is taken before a commission formed by the Croatian Chamber of Trades and Crafts that consists of at least three members.

(3) The examination for evidencing necessary qualifications includes practical vocational knowledge and knowledge that is necessary for carrying out crafts activities independently.

(4) The Croatian Chamber of Trades and Crafts keeps the register of completed vocational education processes.

(5) After the examination for evidencing necessary qualifications has been successfully passed, the Croatian Chamber of Trades and Crafts issues a certificate.

Article 56

(1) The master craftsman's examination can be taken by a person who has passed the assistant craftsman's examination, who has adequate general education as prescribed by Article 44 paragraph 4 of this Act and at least three years of working experience in the crafts business for which the person wishes to take a master craftsman's examination.

(2) The master craftsman's examination can be taken also by a person having adequate secondary school education and at least two years of working experience in the profession for which the person wishes to take a master craftsman's examination and having completed education in a master craftsman's school lasting for at least one year.

(3) The master craftsman's examination can be taken also by a person having inadequate secondary school education provided that on the date of taking the examination the person has at least five years of working experience in the profession for which the person wishes to take a master craftsman's examination.

Article 57

The master craftsman's examination includes testing of practical skills and abilities, of professionaltheoretical knowledge that is indispensable for carrying out crafts activities skilfully, knowledge in the sphere of economy and legislation that is necessary for running a crafts business independently and knowledge necessary for training pupils.

(1) The master craftsman's examination is taken before a commission for master craftsman's examinations formed by the Croatian Chamber of Trades and Crafts.

(2) The programme of the master craftsman's examination is prescribed by the Minister of Crafts, Small and Medium Enterprises after having previously obtained the opinion of the Croatian Chamber of Trades and Crafts.

(3) The procedure and the manner of taking the assistant craftsman's examination, the master craftsman's examination and the examination for evidencing necessary qualifications are prescribed by the Minister of Crafts, Small and Medium Enterprises after having previously obtained the opinion of the Croatian Chamber of Trades and Crafts and the consent of the Minister of Education and Sports.

(4) The commission from paragraph 1 of this Article consists of at least five members. The commission must include master craftsmen representing crafts businesses for which the master craftsman's examination is being taken.

(5) After the master craftsman's examination has been successfully passed, the master craftsman receives a master craftsman's diploma.

(6) The Croatian Chamber of Trades and Crafts keeps the register of passed master craftsman's examinations.

(7) The form and the contents of the master craftsman's diploma are prescribed by the Minister of Crafts, Small and Medium Enterprises.

Article 59

(1) The Croatian Chamber of Trades and Crafts forms commissions for assistant craftsman's examinations and master craftsman's examinations depending on the nature and number of crafts

businesses.

(2) The costs of taking examinations for evidencing necessary qualifications, assistant craftsman's examinations (except for regular pupils) and master craftsman's examinations are borne by the candidates themselves or by natural persons or legal entities sending candidates to take examinations.

(3) The Minister of Crafts, Small and Medium Enterprises prescribes by a decree the price of examinations for evidencing necessary qualifications, assistant craftsman's examinations (except for regular pupils) and master craftsman's examinations after having previously obtained the opinion of the Croatian Chamber of Trades and Crafts.

(4) The surveillance of the legality of organising and carrying out examinations for evidencing necessary qualifications and master craftsman's examinations as well as professional surveillance shall be performed by the Ministry of Crafts, Small and Medium Enterprises.

(1) Education for carrying out crafts businesses can be received in a master craftsman's school in accordance with this Act.

(2) After having completed education in the master craftsman's school, an examination is taken and the adequate master craftsman's profession is obtained.

Article 61

(1) Companies and sole traders that are members of the Croatian Chamber of Trades and Crafts can receive pupils at vocational education with the objective of their training for running crafts businesses.

(2) The provisions of Articles 44 - 60 of this Act accordingly apply to companies and sole traders

from paragraph 1 of his Article.

IV. ORGANISATION OF CRAFTS BUSINESSES

Article 62

(1) For the purpose of promoting, co-ordinating and representing their mutual interests, several craftsmen running the same or the similar businesses establish an association on the territory of one or more units of local self-government. The association is a legal entity.

(2) The association is established on the territorial and professional basis.

(3) Only one association of craftsmen carrying out the same or similar crafts businesses can be established within a certain territory.

Article 63

(1) The association has its Statutes.

(2) The Statutes of the association regulate the activities, organisation and territorial scope of the association as well as mutual rights and obligation of its members. The Statutes are passed at the association's Assembly.

(3) In disputed cases, the territorial scope of the association is determined by a County Chamber of Trades and Crafts.

Article 64

(1) The County Chamber of Trades and Crafts is established with the objective promoting, coordinating and representing the mutual interests of craftsmen before the bodies of units of local and regional self-government. The County Chamber of Trades and Crafts is a legal entity.

(2) Only one County Chamber of Trades and Crafts can be established within a certain territory.

(1) The County Chamber of Trades and Crafts has its Statutes.

(2) The Statutes of the County Chamber of Trades and Crafts regulate primarily the activities performed by the County Chamber of Trades and Crafts. The Statutes are passed at the Assembly of the County Chamber of Trades and Crafts.

Article 66

(1) County Chambers of Trades and Crafts are members of the Croatian Chamber of Trades and Crafts.

(2) The Croatian Chamber of Trades and Crafts is an independent professional business organisation of craftsmen established with the objective promoting, co-ordinating and representing the mutual interests of crafts businesses.

(3) The Croatian Chamber of Trades and Crafts represents craftsmen before state bodies or other bodies in Croatia and abroad. The Croatian Chamber of Trades and Crafts is a legal entity.

Article 67

(1) Members of the Croatian Chamber of Trades and Crafts are craftsmen running crafts businesses within the territory of the Republic of Croatia in accordance with this Act.

(2) Members of the Croatian Chamber of Trades and Crafts are sole traders and companies running crafts businesses from Article 3 paragraph 1 items 2 and 3 of this Act.

(3) Craftsmen from paragraph 1 of this Article become members of the Croatian Chamber of Trades and Crafts on the date of their being entered into the Crafts Register.

(4) Companies from paragraph 2 of this Article become members of the Croatian Chamber of Trades and Crafts on the date of issuance of the certificate from Article 9 paragraph 2 of this Act.

(5) Natural persons, companies and other legal entities that independently perform other activities can become members of the Croatian Chamber of Trades and Crafts provided they improve the activities and operations of crafts businesses by their work.

(6) Membership in the Croatian Chamber of Trades and Crafts is mandatory.

Article 68

(1) The Croatian Chamber of Trades and Crafts has public authorisations that have been prescribed by this Act.

(2) Legislative documents published by the Croatian Chamber of Trades and Crafts within the framework of fulfilling its public mandate are public legislative documents.

Article 69

Tasks of the Croatian Chamber of Trades and Crafts are as follows:

1. promoting crafts and crafts businesses,

2. representing interests of craftsmen before state bodies in the field of developing the economy,

3. giving opinions and propositions to state bodies in connection with passing regulations concerning crafts businesses,

4. forming commissions for assistant craftsman's examinations and master craftsman's examinations,

- 5. establishing the Court of Honour of craftsmen,
- 6. establishing the arbitration council in accordance with this Act,
- 7. keeping the register of craftsmen,
- 8. keeping the register of vocational education contracts,
- 9. supporting craftsmen in starting and running their crafts businesses,

10. carrying out other tasks stipulated by the law and the Statutes of the Croatian Chamber of Trades and Crafts.

Article 70

Bodies of the Croatian Chamber of Trades and Crafts are: Assembly, Steering Committee, Supervisory Committee and President of the Chamber.

Article 71

(1) The Assembly of the Croatian Chamber of Trades and Crafts is the highest managing body and it consists of the representatives of the Croatian Chamber of Trades and Crafts' members.

(2) The Assembly of the Croatian Chamber of Trades and Crafts:

- passes the Statutes,
- appoints and dismisses the President of the Croatian Chamber of Trades and Crafts,
- passes the annual budget,
- appoints and dismisses the Steering Committee and the Supervisory Committee,
- decides on organising elections and carries out elections,
- passes legislative documents,

- makes resolutions determining the basis amount as well as the rate and the manner of paying contributions,

- in disputed cases, determines the territorial scope of a County Chamber of Trades and Crafts,

 passes regulations on internal organisation, system, manner of appointment and authorities of the Court of Honour as well as on conducting proceedings and making decisions by the Court of Honour, - passes resolutions on the number of County Chambers of Trades and Crafts, their territorial scope and organisation,

- performs other activities stipulated in this Act.

Article 72

(1) The Statutes of the Croatian Chamber of Trades and Crafts stipulates as follows:

- fulfilment of interests of the Chamber's members,

- rights, liabilities and responsibilities of the Chamber's members,

- procedure of passing amendments to the Statutes and other legislative documents,

- bodies of the Chamber, scope of their activities, their members, number of their members, manner of appointing and dismissing their members, term of office of their members,

- manner of decision-making by the bodies of the Chamber,

- form and manner of organising activities in the Chamber, especially regarding organisation and activities of expert teams,

- representing the Chamber,

- content and form of co-operation with chambers in Croatia and abroad, government administration bodies and other organisations,

- the manner of establishing County Chambers of Trades and Crafts,

- public nature of work and informing,

- providing funds for financing the activities of the Chamber.

(2) The Statutes of the Croatian Chamber of Trades and Crafts shall be published in the Official Gazette of the Republic of Croatia »Narodne novine«.

Article 73

(1) Tasks and activities of the County Chambers of Trades and Crafts and of Associations of Craftsmen shall be prescribed by their respective Statutes in accordance with the provisions of this Act and the Statutes of the Croatian Chamber of Trades and Crafts.

(2) The Ministry of Crafts, Small and Medium Enterprise shall establish whether the Statutes of the Croatian Chamber of Trades and Crafts have been drafted in accordance with this Act, and the Croatian Chamber of Trades and Crafts shall establish whether the Statutes of the County Chambers of Trades and Crafts and of the Associations of Craftsmen have been drafted in accordance with the Statutes of the Croatian Chamber of Trades and Crafts.

Article 74

The Steering Committee of the Croatian Chamber of Trades and Crafts:

- carries out decisions and resolutions of the Assembly,

- drafts the propositions of the Statutes and other legislative documents passed by the Assembly,

- proposes decisions and standpoints to be taken and gives its opinion about issues that are discussed by the Assembly,

- decides on appeals in relation to individual legislative documents passed within the framework of performing public authority activities.

Article 75

The Supervisory Committee supervises the implementation of the Statutes and other legislative documents of the Croatian Chamber of Trades and Crafts, material and financial operations and administration of assets of the Chamber and performs other activities stipulated in the Statutes.

Article 76

(1) The number of members of the Steering Committee and the Supervisory Committee, their election, term of office and other issues related to their activities are prescribed by the Statutes.

(2) One and the same person cannot be elected a member of the Steering Committee or a member of the Supervisory Committee at the same time.

Article 77

(1) The President of the Croatian Chamber of Trades and Crafts is appointed and dismissed by the Assembly.

(2) The President of the Croatian Chamber of Trades and Crafts represents the Croatian Chamber of Trades and Crafts and is responsible for the legality of its operations.

(3) The President of the Croatian Chamber of Trades and Crafts cannot be elected a member of the Supervisory Committee, a member of the Steering Committee, a member of a County Chamber of Trades and Crafts or of an Association of Craftsmen.

Article 78

(1) The Court of Honour is established and operates with the Croatian Chamber of Trades and Crafts.

(2) The Court of Honour decides in cases of violations of good practice principle in crafts businesses, of members not fulfilling their duties, on violations of the Statutes and other legislative documents of the Croatian Chamber of Trades and Crafts.

Article 79

The funds needed for the purpose of financing the activities of the Croatian Chamber of Trades and Crafts, County Chamber of Trades and Crafts and Associations of Craftsmen are raised out of contributions paid by the members, income from property, fees charged for services and other sources.

Article 80

(1) The Croatian Chamber of Trades and Crafts has its Expert Team.

(2) Legislative documents regarding organisation and activities of the expert team are passed by the body of the Croatian Chamber of Trades and Crafts determined by the Statutes.

V. SUPERVISION AND ADMINISTRATIVE MEASURE

Article 81

The supervision over the implementation of provisions stipulated in this Act and of the regulations passed pursuant to this Act is performed by the state administration bodies and inspectorate bodies in charge within their competence as prescribed by special regulations.

Article 82

In the case that a crafts business is run without a crafts licence, i.e. a privilege certificate having been issued or in the case that a crafts business is run contrary to the a crafts licence, i.e. a privilege certificate, the inspectorate bodies in charge shall issue a certificate forbidding the operations of the crafts business and they will forbid the use of devices and equipment of the crafts business.

VI. PENALTY PROVISIONS

Article 83

(1) A fine in the amount of HRK 2,000.00 - 20,000.00 shall be charged to a craftsman in the case of having committed the following misdemeanours:

1. performing a seasonal crafts activity in the period for which the seasonal crafts activity has not been registered (Article 2 paragraph 2),

2. failing to register the start of crafts business operations (Article 13 paragraph 3),

3. failing to display the registered name of the crafts business (Article 17),

4. failing to register the change of the seat of the crafts business (Article 19),

5. performing a crafts activity not covered by the crafts licence, i.e. by the privilege certificate (Article 20),

6. running a crafts business in a remote plant with a professional foreman without a certificate issued by the county office in charge, i.e. the Office of the City of Zagreb (Article 25),

7. running a free or associated crafts business with a foreman without a certificate issued by the county office in charge, i.e. the Office of the City of Zagreb (Article 28),

8. running a crafts business during the temporary cessation of the crafts business (Article 34),

9. failing to display the price of the products, i.e. services in the manner that the consumers can notice it and failing to observe the prices (Article 35),

10. failing to enter a contract on vocational education with pupils trained in the crafts business (Article 51 paragraph 1).

(2) The fine for a misdemeanour from paragraph 1 items 2, 4 and 6 of this Article committed for the second time shall be accompanied by depriving the craftsman of the crafts licence during the period of six months, and for a misdemeanour committed for the third time by depriving the craftsman of the crafts licence for good.

(3) A fine for a misdemeanour from paragraph 1 of this Article in the amount of HRK 1,000.00 can be charged at the place of committing the misdemeanour.

Article 84

(1) A fine in the amount of HRK 2,000.00 - 20,000.00 shall be charged to a natural person in the case of having committed the following misdemeanours:

1. running a crafts business without a crafts licence, i.e. privilege certificate and performing an activity temporarily or permanently for which the person has not been registered, i.e. which has not been permitted (Articles 1 and 10).

(2) The misdemeanour from paragraph 1 of this Article can be punished by introducing a protection measure of seizing the property gained by committing the misdemeanour and by introducing protection measure of seizing devices, products and equipment by means of which misdemeanour has been committed.

(3) A fine for a misdemeanour from paragraph 1 of this Article in the amount of HRK 1,000.00 can be charged at the place of committing the misdemeanour.

Article 85

(1) A fine in the amount of HRK 4,000.00 - 35,000.00 shall be charged to a company in the case of having committed the following misdemeanours:

1. starting an associated or privileged crafts business without a certificate issued by the county office in charge, i.e. the Office of the City of Zagreb (Article 9),

2. failing to hire an employee for performing associated or privileged crafts business operations (Article 9),

3. failing to register the change of the seat of the crafts business (Article 19).

(2) A fine for a misdemeanour from paragraph 1 of this Article in the amount of HRK 2,000.00 - 20,000.00 shall be charged to the responsible person in the company.

(3) Beside the fine, the misdemeanour from paragraph 1 of this Article shall be punished by seizing property gained by means of committing misdemeanour as well as by seizing goods and equipment used in committing the misdemeanour.

(1) The disputed cases from Article 1 paragraph 2 of this Act shall be settled by the arbitration council.

(2) The arbitration council consists of one representative of the Croatian Chamber of Trades and Crafts, one representative of the Croatian Chamber of Economy and one representative of the ministry in charge.

(3) The seat of the arbitration council is in the Croatian Chamber of Trades and Crafts in Zagreb.

(4) The arbitration council passes regulations concerning its activities.

VII. TRANSITIONAL AND FINAL PROVISIONS

Article 87

(1) Natural persons, who have been allowed to run a crafts business within the framework of regulations having been previously in force, shall adjust their operations to the provisions of the Crafts Act (Official Gazette of the Republic of Croatia, »Narodne novine«, No. 77/93) dated 31st December 1996.

(2) The crafts business of natural persons from paragraph 1 of this Article that pursuant to the Crafts Act (»Narodne novine« No. 77/93) cannot run a crafts business any longer or that fail to adjust their operations to the provisions of this Act shall cease to operate by the force of law on 31st December 1996, which shall be confirmed by a certificate issued by the county office in charge, i.e. the Office of the City of Zagreb.

Article 88

Workshops having the status of legal entities established pursuant to provisions of the Act on Independent Performance of Economic Activities by Personal Work (»Narodne novine« No. 19/90 and 53/90) shall cease to operate unless they adjust their operations to the provisions of the Crafts Act (»Narodne novine« No. 77/93) by 31st December 1996, which shall be confirmed by a certificate issued by the county office in charge, i.e. the Office of the City of Zagreb.

Article 89

Natural persons, who have received adequate qualifications or training within the framework of regulations having been previously in force, can run an associated crafts business as prescribed by the Crafts Act (»Narodne novine« No. 77/93) provided their workshop has already been established on the date of that Act coming into force.

Article 90

Natural persons who have established a workshop within the framework of regulations having been previously in force by means of hiring an employee having adequate qualifications can continue running their business provided an employee having adequate qualifications remains employed in accordance with the provisions of the Crafts Act (»Narodne novine« No. 77/93).

(1) The rights that are given to persons with a master craftsman's examination by the Crafts Act (»Narodne novine« No. 77/93) are also given to persons having as of the date of the above Act being in force adequate education and at least 5 years of working experience in the field of activity for which a master craftsman's examination is required.

(2) The right to acquire the title of a master craftsman is not given within the framework of rights given in accordance with paragraph 1 of this Article.

(3) The Minister of Crafts, Small and Medium Enterprises after having previously obtained the opinion of the Croatian Chamber of Trades and Crafts accompanied by the consent of the minister in charge of a disputed case determines the adequate secondary school education from paragraph 1 of this Article.

Article 92

(1) The assistant craftsman's examination is recognised to persons having acquired adequate secondary school education by 31st December 1996.

(2) The right from paragraph 1 of this Article is also given to persons who have enrolled in a vocational secondary school in the adequate field by the school year 1997/98.

Article 93

(1) The Organisation of the Croatian Craftsmen's Associations has become the Croatian Chamber of Trades and Crafts as of the date of the Crafts Act coming into force (»Narodne novine« No. 77/93).

(2) The Croatian Chamber of Trades and Crafts has taken over the assets, rights, liabilities and employees of the Organisation of the Croatian Craftsmen's Associations.

(3) The existing regional organisations of Croatian craftsmen's associations have become County Chambers of Trades and Crafts as of the date of the Crafts Act coming into force (»Narodne novine« No. 77/93).

(4) County Chambers of Trades and Crafts have taken over the assets, rights, liabilities and employees of the existing regional organisations of Croatian craftsmen's associations.

(5) The existing associations of craftsmen have continued to operate in accordance with the provisions of Article 55 of the Crafts Act (»Narodne novine« No. 77/93).

Article 94

The Croatian Chamber of Trades and Crafts is obliged to adapt its organisation, rules and regulations to the provisions of the Crafts Act (»Narodne novine« No. 77/93) within the period of four months from the date of that Act coming into force.

(1) On the date of the Crafts Act coming into force (»Narodne novine« No. 77/93), the following regulations shall be no longer in force:

1. Act on Independent Performance of Economic Activities by Personal Work (Official Gazette of the Republic of Croatia, »Narodne novine«, No. 19/90 and 53/90),

2. The provisions of Articles 87 - 90 of the Act on Personal Work in Crafts Businesses and Crafts Co-operatives (Official Gazette of the Republic of Croatia, »Narodne novine«, No. 34/79 and 49/87),

3. The provision of Article 2 of the Act on Croatian Chamber of Trades and Crafts referring to natural persons and legal entities running a crafts business (Official Gazette of the Republic of Croatia, »Narodne novine«, No. 66/91 and 73/93).

Article 96

Proceedings that have been initiated on the basis of applications for entering workshops into the register by the date of the Crafts Act coming into force (Official Gazette of the Republic of Croatia, »Narodne novine«, No. 77/93) shall be settled in accordance with the regulations that have been in force on the applications submission dates.

Article 97

Until passing of the regulations pursuant to the authorisation from the Crafts Act (Official Gazette of the Republic of Croatia, »Narodne novine«, No. 77/93), the regulations that have regulated these issues and that have been in force as of the date of that Act coming into force shall apply.

Article 98

The Croatian Chamber of Trades and Crafts, County Chambers of Trades and Crafts and Associations of Craftsmen shall adapt their Statutes and their organisations to the provisions of the Act on Changes and Amendments to the Crafts Act (Official Gazette of the Republic of Croatia, »Narodne novine«, No. 64/01) within the period of one year from the date of this Act coming into force.