Unannounced Food Inspections, Public Ranking and Higher Penalties: What Does the Draft Law Provide?

Brief Overview:

Serbia's Draft Law on Official Controls introduces stricter inspection procedures for food producers, importers, distributors, and retailers, with a focus on risk-based assessments, unannounced inspections, and greater transparency. The proposed measures include public disclosure and ranking of businesses based on inspection results, stricter enforcement powers, and higher penalties for noncompliance. Companies should monitor the legislative process and prepare to align their operations, documentation, and internal procedures with the new requirements.

Practice Group:
Companies, Trusts, and Taxation

Full Article:
Food producers, importers, distributors and retailers could face changes in the way official controls are carried out, including greater emphasis on risk assessment, unannounced inspections and the possibility of publicly disclosing the results of such controls.

These changes are envisaged by the **Draft Law on Official Controls**, prepared by the Ministry of Agriculture, Forestry and Water Management with the aim of aligning domestic legislation with European Union rules.

Although food safety is the primary focus, the Draft Law also covers other areas, including feed, animal health and welfare, plant health and organic production.

Unannounced Inspections and Greater Emphasis on Risk Assessment

One of the key provisions of the Draft Law is the conduct of official controls on the basis of **risk assessment**, with their frequency and intensity determined by the characteristics of the products and business operations, the results of previous controls, and information on potential non-compliance.

Particular attention will be paid to **fraudulent and deceptive practices**, such as providing inaccurate information about the origin, composition, quantity or shelf life of food.

The Draft Law also provides that official controls are, as a rule, to be **carried out without prior notice**, except where prior notice is justified by the nature of the control.

For business entities, this means that compliance with applicable regulations will need to be ensured on an ongoing basis, rather than only in anticipation of an inspection.

What Can Inspectors Check and What Measures Can They Take?

Official controls will not be limited to finished products placed on the market, but may cover all stages of production, processing and distribution, as well as business premises, equipment, means of transport and documentation.

The entities subject to control will be required to provide access to relevant information and documentation, including data from their information systems where necessary for the conduct of official controls.

Where non-compliance is identified, the competent authorities will be able to take various measures, depending on the nature and severity of the risk, including:

- detention of goods and increased official controls;
- prohibition or restriction on placing products on the market;
- withdrawal, recall or destruction of products;
- temporary closure of an establishment or suspension of certain activities.

In certain cases, the possibility of suspending the operation of a website used by the entity in the course of its business activities is also envisaged.

Will the Results of Official Controls Be Made Publicly Available?

The Draft Law provides for greater transparency in official controls, including the regular publication of information on their results, identified cases of non-compliance and measures imposed.

Of particular interest is the **possibility of publicly ranking individual business entities based on the results of official controls**, using objective criteria established in advance.

The Draft Law also provides for the possibility of publishing the results of official controls relating to specific business entities, subject to certain safeguards. Before publication, the entity must be given an opportunity to comment on the information that the competent authority intends to publish, and its comments must be taken into account or published alongside that information.

If these provisions are adopted and implemented in practice, the results of official controls could have implications extending beyond the inspection procedure itself, affecting companies' reputations, consumer confidence and business relationships.

What Are the Applicable Penalties?

The Draft Law provides for monetary penalties for certain breaches of statutory obligations, including failure to remedy identified cases of non-compliance and failure to comply with an order issued by the competent inspector.

For legal entities, the proposed fines range from RSD **500,000 to RSD 2,000,000**, while fines for the persons responsible within legal entities range from RSD **20,000 to RSD 50,000.** For sole proprietors, the proposed fines range from RSD 100,000 to RSD 500,000.

Particular attention is paid to infringements committed through fraudulent acts or deceptive practices, for which the Draft Law requires the penalty system to take into account the economic benefit obtained or the annual turnover of the entity concerned.

When Are the New Rules Expected to Take Effect?

Under the Draft Law, the law is expected to become applicable on 1st of June 2027, subject to certain exceptions linked to Serbia's accession to the European Union.

At the same time, business entities are given a period of **two years from the date the Law enters into force** to bring their operations into compliance with its provisions.

For food producers, importers, distributors and retailers, it will be particularly important to monitor the final text of the Law and promptly verify whether their internal procedures, documentation and practices during official controls comply with the new requirements.

As the Law is still at the draft stage, the final provisions and deadlines will depend on the text ultimately adopted.

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