

The Stabilization and Association Agreement (SAA) between the European Communities and their Member States, on the one part, and the Republic of Serbia, on the other part, signed on 29 April 2008, is the legal basis for cooperation between the two sides. Upon the entry into force of the SAA, on 1 September 2013, the Interim Trade Agreement on trade and trade-related matters has ceased to apply.

In order to efficiently and effectively implement the SAA, under the provisions of the Agreement, new joint bodies for cooperation between the Republic of Serbia and the EU were set up, namely:

- Stabilization and Association Council (SAC) is responsible for monitoring the implementation and application of the SAA, and consideration of all important issues stemming from it; the first SAC meeting was held on 21 October 2013 in Luxembourg and the second one was held on 17 December in Brussels;
- Stabilization and Association Committee is the body that assists the Council in the discharge of its duties; its first meeting was held on 4 March 2014 in Belgrade, when the Decision on the establishment of seven sub-committees and one special group responsible for public administration reform, tasked with monitoring the SAA implementation at expert level in specific areas; its second meeting was held on 26 February 2015 in Belgrade;
- Stabilization and Association Parliamentary Committee (SAPC) is a forum for exchanging views between MEPs and members of the National Assembly of the Republic of Serbia. The constituting SAPC meeting was held on 15 November 2013 in Belgrade; the second meeting was held on 26-27 November 2014 in Strasbourg; the third meeting was held on 19-20 March 2015 in Belgrade.

The SAA is the key instrument which opens the door to comprehensive preparations for Serbia's EU membership and it will remain in force until Serbia's EU accession. Its application is a prerequisite for a positive assessment of Serbia's preparedness in the negotiations with the EU.

The two most important obligations that the Republic of Serbia has undertaken by this Agreement are the establishment of a free trade area, along with harmonization of Serbian legislation with EU law.

Serbian obligations consist of phasing out customs duties on imported goods originating from the EU in the interim period. On the other hand, by means of this Agreement, the European Union confirms a free flow of goods from the Republic of Serbia to the EU market. The pace of liberalization and the degree of protection depend on the degree of product sensitivity for Serbia's industry. Three groups of industrial products were defined according to sensitivity, for which liberalization will be achieved after a period of two, five or six years. For products that are not on these lists, customs duties will be abolished at the moment when the SAA comes into force. It is ensured that the key sectors of domestic industry (such as car industry, toys, footwear, tiles ...) remain at a high level of protection during the interim period of five or six years.

The Stabilization and Association Agreement envisages Serbia's obligation to harmonize domestic legislation with the EU regulations under the *acquis*, within the agreed terms. Having in mind the volume of the *acquis*, priority areas having direct impact on the establishment of a free trade area between the EU and the Republic of Serbia, were defined as follows: protection of competition and monitoring the allocation of state aid (subsidies), intellectual property rights, public procurement, standardization and consumer protection.

The text of the Stabilization and Association Agreement, with annexes and protocols, may be downloaded [here](#)