



**Seminar organized by the Council of State of France and  
ACA-Europe**

**“The Judicial review of Regulatory Authorities”**

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**Answers to questionnaire: Croatia**



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## **ACA-Europe symposium**

### **Disputes concerning acts by regulatory authorities**

Regulatory authorities have gradually emerged as one of the new forms of State intervention. In addition to the Regal State or the State as a supplier of goods and services, the regulatory authorities, in the broad sense, cover a wide range of administrative activities: they may be authorities responsible, in a given sector or across the board, for correcting market imbalances in a context of opening up markets to competition, or for ensuring that free competition is reconciled with other general interest objectives; in the broadest sense, regulatory activities may refer to any administrative activity that seeks to reconcile interests that may be contradictory or to organise access to scarce resources in a manner consistent with general interest objectives. In this broadest sense, this notion can refer as much to the transversal authorities responsible for enforcing competition law (e.g. the French Competition Authority) as to sectoral authorities (electronic communications, transport, energy, etc.), including national data protection authorities or authorities responsible for the marketing or evaluation of health products.

The symposium planned for December 2021 should be an opportunity to examine the specific issues that disputes concerning acts taken by these regulatory authorities may raise in the administrative courts. These questions arise from certain characteristics of the acts of these authorities, characteristics over which they do not have a monopoly compared with other forms of administration, but which combine or take on a particular role. These characteristics are at least three in number: firstly, the use of a wide range of acts or intervention tools, from flexible laws and codes of conduct to more traditional regulatory acts or sanctions, via a variety of communication media (press releases, public statements, FAQs, etc.); secondly, the degree of expertise and technicality of the decisions taken in a given activity sector (energy, health, electronic communications, etc.) and/or a certain technological context (personal data protection, cyberspace, etc.); finally, integration into complex economic and social ecosystems, often with a significant European or even international dimension, and likely to have a high media profile.

In this context, from the particular object of study that is disputes concerning the acts of these regulatory authorities, the symposium planned for December 2021 will make it possible to address the important challenges that these appeals raise for the effectiveness and credibility of the court's intervention.

#### **Courts with competence to hear disputes concerning regulatory authorities**

1. Does your supreme administrative court have competence to hear appeals against acts by regulatory authorities? Yes

If yes:

Without being exhaustive, could you present the main regulatory authorities in your country whose acts are brought before your supreme administrative court, specifying if these appeals are subject to several levels of jurisdiction? Please distinguish, if necessary, according to the nature of the acts concerned (in the event, for example, that individual acts taken by these authorities are subject to separate jurisdictions from their general acts, notably regulations).



The regulatory authorities in Croatia whose acts are brought before the administrative court are, for example, Croatian Competition Agency (AZTN), Croatian Financial Services Supervisory Agency (HANFA), Croatian Energy Regulatory Agency (HERA), Croatian Regulatory Authority for Network Industries (HAKOM) and Agency for Science and Higher Education (AZVO). Jurisdiction between administrative courts and the High administrative court in essence is divided in such a way that administrative courts resolve all administrative disputes in the first degree, except those laid down by laws governing special administrative areas in the first instance jurisdiction of the High administrative court. High administrative court has competence in the field of public procurement procedures, the right to access information, in case of contesting the decisions and other administrative acts of the Croatian Regulatory Authority for Network Industries and Croatian Competition Agency.

2. In particular, can any of these authorities themselves impose sanctions (including fines)? Yes

If yes:

is it possible to challenge them before your supreme administrative court? Yes

3. Are any of these regulatory authorities subject to judicial review by civil courts, for some or all of their acts? No

If yes:

Please give examples.

4. Are the courts with competence to hear the acts of regulatory authorities:

- specifically identified by the texts in force, by way of derogation from the normal rules of territorial or material competence? Yes

- or do they result from the application of the general rules on the distribution of competences? No

Is there any specific distinction in relation to the rules of competence applicable to equivalent acts of other administrative authorities in your country? Yes

If yes:

Please explain.

In cases in which the High administrative court has jurisdiction in the first instance, its jurisdiction is governed by special laws and not by general rules of jurisdiction.

5. Are the remedies available against the acts of these authorities of the same nature as those available against the equivalent or similar acts of other administrative authorities? Yes/no

Yes

If no:

Please explain.

### **Admissibility of appeals against regulatory acts**

6. In your view, do disputes concerning “hard law” acts (regulatory acts, sanctions, individual authorisation decisions, etc.) of these authorities raise particular issues of admissibility? Yes/no

No

If yes:

Please explain.

7. Are “soft law” acts (opinions, recommendations, warnings, position papers) of these authorities and, more broadly, their various positions on the behaviour to be adopted by the actors in their field of intervention (whatever form they take: code of conduct, guidelines, etc.) liable to be the subject of a direct action for annulment? Yes/no

No

If yes: under what conditions? Make any distinction you think useful according to the degree of normativeness of the acts.

8. Can positions taken by these authorities, possibly with little or no formality (press release, website section, FAQ, etc.) be challenged in court? Yes/no

No

9. Who can challenge the acts of regulatory authorities? Specify the criteria for assessing the interest in bringing proceedings, making any useful distinction according to the type of act (soft law act; individual decisions of a non-repressive nature; sanction; etc.).

In essence, anyone with a legal interest can challenge the acts of regulatory authorities. Criteria for assessing the interest in bringing proceedings are prescribed by applicable law regulating specific regulatory authority. It should be noted that “Soft law” acts are not liable to be the subject of a direct action for annulment.

10. Please indicate any other particularities that you consider relevant to the admissibility of appeals against the acts of these authorities (interest in bringing proceedings, time limits for appeal, specific means of appeal open to State authorities, etc.).

As stated, any person who can prove an interest can appeal against the acts of regulatory authorities. Particularities relevant to the admissibility of appeals against the acts of these authorities are prescribed by applicable law regulating specific regulatory authority. It should be noted that an appeal

must be made within 30 days of receipt of regulatory acts. Also, the court may ex officio initiate procedure of assessment of the legality of general acts, based on the notification of citizens.

11. Can the general acts of a regulatory authority, whether “hard law” or “soft law”, be challenged by way of exception in an appeal against an individual decision (sanction, follow-up to a complaint, etc.) taken by that same authority and applying that general act (for example, if a sanction imposed on an economic operator refers to previously issued guidelines or recommendations to set out the applicable legal rules and the authority’s interpretation of the texts in force)?

If yes, to what extent? Will the plea of illegality against this general act, if upheld, lead to the (retroactive) annulment of this act?

No, but the party can file an appeal / or submit a complaint against an individual decision of the regulator authority, in which the party can point out that the general act on the basis of which the individual decision was taken is not lawful.

In that case, in accordance with Article 83 of the Act on Administrative Disputes, the High Administrative Court may initiate the procedure of assessment of the legality of a general act, upon the request of the court.

Any general act which is repealed or the provisions which are repealed shall cease to be valid as of the date of publication of the judgment of the High Administrative Court in the Official Gazette.

The person who files a request, is entitled to file a request to the competent public authorities for amending the decision, by which his/her rights or legal interests have been violated, through the application of the provisions on the renewal of the procedure mutatis mutandis within three months of the date of publication of the judgment in the Official Gazette

12. Where the actions of these authorities have harmful consequences, should liability claims be brought:

- against these authorities? No

- or against the State on whose behalf they may have acted? Yes

#### **Internal organisation of the courts and hearing of appeals**

13. Are cases concerning these authorities assigned, within the courts and more particularly within the supreme administrative court, to panels specifically dedicated (to the authority concerned, or more generally to regulatory litigation), in order to allow for an increase in the level of competence or a critical mass of cases? No

Or is it a distributed dispute with no particular allocation rule? Yes

Please indicate, in a more general way, any notable particularities in the internal organisation of your courts that may be relevant.

In the High Administrative Court of the Republic of Croatia, there are the departments specialized in three areas:

- Social law and asylum cases, rights of war veterans and foreigners (2 panels)
- Financial, competition and labour law (3 panels)
- Property law, building licences, environmental law (3 panels)

Cases are assigned depending on the type of dispute to the chambers in these departments.

14. What investigative or examination techniques can you use in particular in the examination of particularly technical cases:

- oral inquiry hearing in the presence of the parties,
- expert's report,
- amicus curiae,
- solicitation of a reference expert administration,
- other?

Oral inquiry hearing in the presence of the parties, expert's report.

Please explain, where applicable by giving some examples from your experience.

Do you feel that these regulatory cases require a particular method? No

15. What is the role of the traditional administrations (especially when the act of an independent administrative authority, distinct from the ministry concerned, is at issue) in the examination of appeals against regulatory authorities:

- are they invited to comment? No
- or do they remain outside the case?

Traditional administration can sometimes be involved in the procedure of assessment of the legality of general acts.

16. More generally, when examining appeals against acts with a high socio-economic impact issued by these authorities, in particular those in charge of a field of economic regulation, does the court collect (on the initiative of the court or the interested organisations) observations from other stakeholders?

Sometimes the court collects observations from other stakeholders (in the procedure of assessment of the legality of general acts).

17. What role does orality play, even before the hearing, in the investigation of complex cases, in particular those involving regulatory acts?

In the procedures of assessing the legality of general acts, public sessions are held. In other procedures, hearings are held whose role is to give the parties access to court.

18. Do you have, in one form or another (specialisation of magistrates, continuing education, expert decision support unit to assist magistrates, etc.) internal resources in your courts enabling you, if necessary, to familiarise yourself with or master sectoral but also transversal expert subjects (technologies protecting privacy, communication technologies in the case of audiovisual or electronic communications regulators, role and architecture of social networks, etc.)?

Continuing education, seminars, workshops

#### **The extent of the judge's control, the court decision**

19. What are the main categories of grounds that can be invoked and relied upon against the acts of regulatory authorities? Based on your experience and the case law of your country, do you find that appeals against acts of independent authorities raise particular problems (real independence in decision-making, impartiality, etc.) compared with disputes concerning acts taken by other administrative authorities? Please share any relevant analysis you may have

Main categories of grounds that can be invoked and relied upon against the acts of regulatory authorities are a substantial violation of court procedure rules, erroneously or incompletely established state of facts in the dispute or erroneous application of the substantive law.

Appeals against acts of independent authorities don't raise particular problems.

20. Does your court consider itself bound by the technical or economic assessments made by the regulator? Or does it feel entitled to control them? In the latter case, is this control complete or only limited to the manifest error of assessment?)

The High Administrative Court of the Republic of Croatia is not bound by the technical or economic assessments made by the regulator. The court independently determines the factual situation (it can also conduct an expert examination).

21. If you receive an application against an act of a regulatory authority or against a sanction imposed by it, is your court only competent to annul the act or sanction or can it also modify the sanction imposed?

The court can, in a dispute of full jurisdiction, resolve the matter independently and thus modify the imposed sanction.

22. Have you been confronted with the problem of an independent authority in your country taking into account a foreign element such as an opinion given by an authority in another country or a

decision by a European authority (for example, in the context of the mechanisms set up by the GDPR between the European data protection authorities, which lead these authorities to submit some of their decisions to the European Data Protection Committee for approval)? No

If yes: what kind of legal treatment? Please explain and give examples.

23. Are these cases a particular field of preliminary questions to the Court of Justice of the European Union? No

24. Does the drafting of court decisions raise particular issues related to the technical nature or media exposure of some of these cases?

Due to the technical nature of an administrative dispute, the drafting of court decisions may be more demanding than the drafting of court decisions in other disputes. Media exposure does not influence the drafting of court decisions.

### **The judge in the regulatory ecosystem**

25. Are judgments on such appeals subject to any particular publicity or accompanying measures (press release)? Yes

If yes, explain: publication in the Official Gazette. Also, regulatory agencies generally publish judgments on their websites.

26. Are regulatory authorities entitled to challenge acts or decisions taken by other public persons on the grounds that they impinge on their competence?

Generally no.

27. Independently of a particular case, do your court or its members regularly participate in general exchanges bringing together professionals (regulatory authorities, operators, doctrine, ministries, etc.) from the regulatory sectors concerned? No

28. Are the judges in your courts, or more generally the staff of your investigating and registry departments, sometimes led in their careers to take up activities in regulatory authorities, and are such careers encouraged where appropriate? No

### **Quantitative data**

29. What is the number of cases concerning regulatory authorities registered before your supreme administrative court in 2020?

The number of cases concerning regulatory authorities registered before The High Administrative court of the Republic of Croatia in 2020 is 147.

30. What is the number of cases concerning regulatory authorities settled by your supreme administrative court in 2020?

The number of cases concerning regulatory authorities settled by The High Administrative court of the Republic of Croatia in 2020. is 188.

31. What is your estimate of the percentage of cases concerning regulatory authorities in the total number of cases registered before your supreme administrative court in 2020?

In 2020. total number of cases registered before The High Administrative court of the Republic of Croatia is 5835, so the percentage of cases concerning regulatory authorities is 2,52%.

32. What is your estimate of the percentage of cases concerning regulatory authorities in the total number of cases settled by your supreme administrative court in 2020?

In 2020. total number of cases settled by The High Administrative court of the Republic of Croatia is 6312, so the percentage of cases concerning regulatory authorities is 2,98%.

33. What percentage of applications against the acts of regulatory authorities were annulled, in whole or in part, by your supreme administrative court in 2020?

In 2020. there was total number of 14 acts of regulatory authorities that were annulled by The High Administrative court of the Republic of Croatia (out of a total of 188) so the percentage of annulled acts of regulatory authorities is 7,45 %.