

In less than a year, the company Zijin was convicted four times for the same commercial offence, each time fined below the legal minimum

In less than a year, the company [Zijin](#) was convicted four times for **violating the Law on Mining and Geological Research**, for which it was ordered to pay a fine below the legal minimum each time.

Based on the [Renewables and Environmental Regulatory Institute](#) (RERI) report, the company was convicted again in mid-November for the same commercial offence - performing mining works without appropriate technical documentation and approval of the competent authority. The Commercial Court in Zaječar did not call for imposing a harsher penalty this time either but instead fined the company 1.300.000,00 Serbian dinars (\approx € 11.080), lower than the amount stipulated by the law - from 1,500,000 to 3 million Serbian dinars (\approx € 12.790 to € 25.580).

The Court's favour towards the company can be **perceived from the explanation** of the verdict, which even mentions mitigating circumstances in favour of Zijin, which the Court took into consideration. Thus, when determining the amount of the fine, the Court was guided by the fact that the procedure for obtaining approval for the performance of mining works, which is issued by the [Ministry of Mining and Energy](#), takes too long, as well as that the works are of strategic importance for the Republic of Serbia.

"The verdict of the Commercial Court in Zaječar can be considered ironic, to say the least, because it begins by listing four previous commercial offences that the company committed and for which it received the minimal penalty, and then it is concluded that the new imposed penalty will achieve the purpose of punishment and influence the defendants not to commit new commercial offences in the future", says lawyer and Chairman of the RERI Board Jovan Rajić.

"We consider the other mitigating circumstances that the Court took into account, the honest behaviour of the defendants before the Court and the recognition of the commercial offence, superfluous to comment on. It is clear that the logic that guides **Zijin** is that it is better to break the law and pay a fine than to do business in accordance with the national laws, which is allowed by the state and the judiciary. In this manner, the company is encouraged to break the law, and then plead guilty in Court, which will then characterise this as "honest behaviour before the Court" and a mitigating circumstance. The company is aware that it will be condemned to pay minimal fines, which, as the most profitable company in 2021 will not represent any financial burden to them", adds Rajić.

It shall be recalled that just a month ago, the same Court, also acting upon RERI's report, condemned the [Zijin Company](#) for operating without consent to the environmental impact assessment study and for carrying out activities without an integrated permit, the most important permit in the field of environmental protection. For each of these commercial

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offences, a fine of **150,000 to 3 million Serbian dinars** is prescribed (\approx € 1,278 to € 25.580), nevertheless, the company was fined only 200,000 and 250,000 Serbian dinars. (\approx € 1,703 and € 2,129).

Although it was the first case of punishing a company for doing business without an environmental impact assessment, the continuous mild punishment of Zijin by the Commercial Court in Zaječar cannot be considered good judicial practice with the aim of sanctioning **illegal activities**, but as public support and encouragement of a multiple-recidivist in violation of the Law to continue with such practice.

Source: [reri](#)