

Foundation Agreement
Annex III, Attachment 14, Law 2

Federal Law on Implementation of Federal Laws by Constituent State Authorities

The text of this Law is as provisionally agreed (subject to agreement of the political leaders) in the Technical Committee on Laws, save for highlighted parts which represent the suggestions of the United Nations to resolve outstanding issues.

Section 1 *Short Title*

This Law may be cited as the “Federal Law on Implementation of Federal Laws by Constituent State Authorities”.

Section 2 *Interpretation*

In this law, “entrusting law” means a law which contains a provision entrusting its implementation to constituent state authorities.

Section 3 *Scope*

- 1) Subject to the provisions of particular laws, the present law describes the applicable procedure when a federal law contains a provision entrusting the implementation of the said law to constituent state authorities pursuant to Article 14.3 of the Constitution (hereinafter “entrustment provision”).
- 2) In the event of an entrustment provision and subject to the conditions thereof, the constituent state may implement the relevant regulatory norms. They may also implement judicial decisions under the entrusting law.

Section 4 *Designation of competent authorities*

- 1) Within 30 days of entry into force of the entrustment provision, each constituent state shall notify the Presidential Council of those constituent state authorities designated to implement the relevant entrusting law.
- 2) The designation referred to in the preceding subsection may have a provisional character pending the creation of a new institution or organ responsible for the implementation of the relevant entrusting law. The constituent state shall notify the Presidential Council of the designation of the new authority within 30 days of its creation.

Section 5 *Issuing of circulars*

- 1) The federal government shall issue any circulars, that may be deemed necessary, following consultations with both constituent states, for the purpose of setting guidelines for the implementation of the entrusting law.
- 2) A constituent state may request the federal government to issue a circular referred to in subsection (1). Upon such request, the federal government shall issue such circular, following consultations with both constituent states.

Section 6 *Costs of implementation*

The federal government shall, where appropriate, partly or fully, cover the costs accrued to the constituent states by the implementation of federal laws. The details of the cost-sharing shall be regulated in the entrustment provision.