FASTER PROCEDURES DON'T MEAN SAFER VENUES: HOSPITALITY LAW AMENDMENTS DELIVER DIGITALIZATION, NOT SAFETY REFORM

The tragedy at the "Pulse" nightclub in Kočani was not an accident or a consequence of a single institutional failure. It was the culmination of decades of systemic shortcomings: regulatory gaps, inconsistent enforcement of regulations, and a deeply entrenched culture of irresponsibility and impunity. This was precisely the conclusion reached by institutions and citizens at the round table "What must be done to prevent such a tragedy from happening again?", organized by IDSCS to mark one year since the tragedy.

The tragedy opened an essential public debate: how did a venue that failed to meet basic safety standards manage to obtain an operating permit, function for more than a decade, and host thousands of visitors, without a single institution or citizen ever questioning its operation?

To identify the systemic weaknesses, immediately after the tragedy the State Commission for Prevention of Corruption (SCPC) carried out an anti-corruption risk assessment of the laws and regulations governing procedures related to the issuance of permits and licenses, as well as the framework for supervising them. One of the key normative factors that enabled the "Pulse" tragedy to happen was the Law on Hospitality Activity[1]. In its analysis, the SCPC points out that the law contains serious regulatory risks that create room for corrupt practices, stemming from imprecisely and incompletely regulated procedures, inconsistency with other systemic laws, the absence of control mechanisms, and the possibility of declaratively meeting technical requirements without factual verification by the competent authority.

Fifteen months on, the legislature still hasn't adopted a single substantive change or reform to prevent new tragedies with the sole exception being a complete ban on pyrotechnic devices in enclosed spaces, introduced through amendments to the Law on Misdemeanors against Public Order and Peace. Today, anyone wishing to open a cabaret, nightclub, or discotheque can obtain an operating license through the exact same procedure as before the Kočani tragedy.

In terms of content, the recent amendments to the Hospitality Law look more like a package of technical-administrative digitalization than a genuine reform of safety regulation in the hospitality sector. Rather than introducing stricter licensing conditions, strengthening state oversight through mandatory checks, or imposing more effective sanctions for violations, the amendments focus almost exclusively on digitalizing administrative procedures, without addressing a single shortcoming that contributed to the Kočani tragedy.

1. THE AMENDMENTS TO THE LAW ON HOSPITALITY ACTIVITY CONTINUE TO IGNORE THE SCPC'S RECOMMENDATIONS

With these amendments, the legislature has completely disregarded the SCPC's recommendations from its anti-corruption review of the Law on Hospitality Activity, even though issuing such recommendations is one of the Commission's core legal competences.

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[1] In this text, "Закон за угостителска дејност" is translated as "Law on Hospitality Activity," or colloquially as the "Hospitality Law." However, some state institutions translate it as "Law on Catering Activity."

Recommendation: The Law on Hospitality Activity still urgently needs further amendment. When that happens, parliament should substantively incorporate the recommendations of the SCPC, relevant institutions, and civil society to systematically address the regulatory weaknesses and corruption risks already identified.

2. SELF-ASSESSMENT OF COMPLIANCE WITH TECHNICAL REQUIREMENTS IS NOW DIGITALIZED, BUT STILL UNSUPERVISED

Despite the numerous amendments, the substantive risk of circumventing safety standards hasn't changed. Whether a hospitality operator is registering to operate or seeking a license (for nightclubs), the process still relies on a declarative statement that they meet minimum technical requirements and nothing more. The law still doesn't clearly specify who must verify that statement, or by when. This leaves operators free to run a business without the state ever confirming that safety standards are actually met, while institutions pass responsibility for oversight back and forth between themselves, a gap whose consequences have, in practice, proven fatal.

Recommendations: Before a venue opens, and within a set deadline, specific institutions should be legally required to inspect compliance with minimum technical requirements, fire protection conditions, and other safety standards, not just rely on operators' own declarations. More specifically, the law should establish a mixed commission, made up of representatives from the competent institutions, responsible for conducting an on-site inspection and verifying compliance once an operator submits their documentation. The decision to issue an operating permit should rest with this commission rather than a single official, reducing the risk of corruption and discretionary decision-making. The misdemeanor provisions should carry effective sanctions for false reporting, to strengthen accountability and deter future abuses.

3. THE OVERSIGHT GAP IN VERIFYING THE ACTUAL USE OF HOSPITALITY VENUES PERSISTS

The ongoing criminal proceedings need to settle a key question: do building inspectors, under the Construction Law, only have authority to oversee a change of use between residential and commercial premises or does that authority extend to changes between different types of commercial use too? Either way, the law needs to guarantee oversight in both cases.

Oversight bodies face an additional challenge: there is no integrated register cross-referencing a building's actual purpose with the activities carried out inside it. Data on a building's intended use sits with the Real Estate Cadastre Agency and municipalities, while data on registered activities sits with the Central Registry, municipalities, and the Ministry of Economy — two separate records systems, with no legal obligation to cross-check or link them. Nor is it clear which institution should act when a building's actual use doesn't match its registered activity, or what mechanisms and sanctions apply when that happens.

Recommendation: Given how many buildings host hospitality activities, the legal framework should require institutions to verify that the registered activity (hospitality), the building's intended use, and the oversight body's mandate all line up. Better coordination among oversight bodies would help too, starting with cross-referencing data from the Central Registry, the Real Estate Cadastre Agency, and the register of hospitality operators maintained jointly by the Ministry of Economy and the municipalities.

4. THE COST OF NON-COMPLIANCE WITH STANDARDS REMAINS TOO LOW

The amendments ignore several SCPC recommendations on aligning the law with the broader framework for misdemeanors and inspection oversight. As the SCPC points out, fines simply aren't proportionate to the severity of the harm they're meant to deter, especially where people's life, health, and safety are at stake. In other words, the Law on Misdemeanors' own principle of steeper fines for serious violations isn't being applied here. There's also an unresolved conflict with the Law on Inspection Oversight: rather than imposing the inspection measures that law requires (Article 68-1), the amendments instead call for issuing a notice for education (Article 59-1 of the Law on Hospitality Activity). The SCPC warns that this creates legal uncertainty, weakens the deterrent effect of sanctions, and opens the door to inconsistent enforcement.

Recommendation: The misdemeanor regime under the Law on Hospitality Activity should be reviewed so that sanctions match the actual risks and harms a violation could cause. Penalties for violations that endanger citizens' life, health, and safety should be made more severe in particular, and should be brought into line with the Law on Misdemeanors and the Law on Inspection Oversight.

5. DIGITALIZATION WILL SPEED UP PROCEDURES, BUT WON'T MAKE HOSPITALITY VENUES SAFER

Most of the amendments to the law concern the digitalization of administrative procedures. In theory, this approach reduces corruption risk by limiting direct contact between hospitality operators and the administration, but in practice, it's only a technical improvement to the existing system. Speeding up and simplifying procedures for obtaining operating permits carries serious risk in areas that directly affect public safety, especially when the underlying gaps remain even as the procedure itself is digitalized. As a result, rather than reducing the administrative burden on businesses, the amendments significantly weaken the effectiveness of state oversight.

Recommendation: Digitalization should be treated as a complementary technical measure, not a substitute for fixing structural weaknesses and gaps in the law. Going forward, before simplifying any administrative procedure further, it's necessary to first consider whether that procedure has public safety implications. Otherwise, digitalization risks enabling further exploitation of existing weaknesses and posing a serious threat to public safety.

6. THE NEW REGISTER BRINGS TRANSPARENCY, BUT NO HISTORY

The amendments provide for the responsible ministry to maintain a register of issued licenses for night bars, cabarets, and discotheques. However, the law doesn't define the register's content or form; that's left to the minister to prescribe by bylaw. As a result, the key question of what the register will actually contain rests entirely with the executive branch's discretion, outside any legal obligation or parliamentary oversight. And without a legal framework setting minimum content requirements, even a well-drafted bylaw offers no real guarantee of lasting transparency: with every change of minister, the register could be reduced to a bare list of active licenses, stripped of any further information about the operators.

Recommendation: The law should explicitly regulate the register's minimum content, including sanctions imposed, misdemeanor history, license status (active/suspended/expired), and other data relevant to how these entities operate. Only then would the register carry real informational value, and meaningfully contribute to transparency, accountability, and public awareness.

CONCLUSION

Given that the regulatory weaknesses in the Law on Hospitality Activity were identified as one of the key factors that enabled hospitality venues to operate for a long time without adequate controls or adherence to safety standards, the public rightly expected a thorough reform of the legal framework. At moments when citizens are most relaxed and most vulnerable, when they're out enjoying themselves, the state must guarantee that safety standards aren't left to self-declarations or formalities, but are ensured through strict and effective control and oversight.

Members of parliament bear a key role and direct responsibility for protecting public safety and citizens' sense of security. It is precisely they who have the final say on whether the legal framework remains full of structural gaps or becomes a genuine mechanism for preventing history from repeating itself. A substantive reform of hospitality regulation is therefore expected of them, one that ensures every citizen feels safe in the spaces the state is obligated to protect their life and health within.

ABOUT THE PROJECT

This public policy document is part of the project "**Promoting the Debate on Accountability and AntiCorruption**", which aims to contribute to the reform processes in North Macedonia by strengthening the role of the Assembly in the fight against corruption and in establishing reforms in the rule of law. In doing so, it facilitates dialogue between political parties and youth, as well as between parliamentarians and civil society. The project is supported by the National Endowment for Democracy.