

TELECOMMUNICATIONS LAW

I - GENERAL PROVISIONS

Scope of the Law

Article 1

Under this Law, the conditions and the manner of performing activities in the field of telecommunications are regulated in accordance with international legal standards; the Republic Telecommunications Agency is established; the powers for regulating relations in the telecommunications sector are stipulated; and it regulates the issues referring to the elimination of monopolies and monopolistic behavior; principles and procedures for granting operating licenses; regulation and control of telecommunications service tariffs under the conditions of a limited market; interconnection between telecommunications networks and operators; leased lines; scope, contents and quality of universal service, as well as rights and obligations of telecommunications operators in this field; radio communications; international telecommunications unless regulated by some other law; and other issues of importance for the functioning and development of telecommunications in the Republic.

Article 2

The provisions of this Law do not apply to the right of physical and legal persons to broadcast or distribute radio and television programs intended for an unlimited number of users, except to the extent that such rights require the use of radio frequencies or the installation, use, and maintenance of telecommunications equipment.

Principles Regulating the Relations in the Telecommunications Sector

Article 3

The principles governing the regulation of the relations in the telecommunications sector are:

1. to provide the conditions for the development of telecommunications in the Republic of Serbia;
2. to protect the interests of the users of telecommunications services;
3. to create conditions to satisfy users' needs for telecommunications services;
4. to promote competition, economy and efficiency in all areas of telecommunications;
5. to ensure the highest possible quality of telecommunications services;
6. to ensure interconnection between telecommunications networks or operators on equal and mutually acceptable terms;
7. to ensure rational and economical use of radio frequency spectrum;
8. to harmonize activities in the telecommunications sector with international standards, best practices and existing technical regulations.

Definitions of Terms and Phrases

Article 4

The terms and phrases used in this Law, unless otherwise defined herein, shall have the following definitions:

1. “*telecommunications*” means any transmission, emission or reception of messages (speech, sound, text, image or data) in the form of signals by using wire, radio, optical or other electromagnetic systems;
2. “*telecommunications network*” means a network of telecommunications systems and equipment enabling the transmission of data in accordance with users’ requests;
3. “*telecommunications equipment*” means equipment and devices for emission, transmission, and reception of signals, and the corresponding software used in telecommunications;
4. “*user*” means a physical or legal entity that employs the services provided by a telecommunication system based on subscription contract or other specified arrangement;
5. “*telecommunications service*” means a service whose provision consists wholly or partly of the transmission or routing of signals over a telecommunications network in accordance with the requests of users and telecommunications process;
6. “*telecommunications operator*” means a legal or physical entity who builds, owns, or exploits a telecommunications network(s) and/or provides telecommunications services;
7. “*public telecommunications operator*” means a telecommunications operator that provides public telecommunications service(s);
8. “*carrier selection*” means a possibility offered to user to choose a national or international operator for the provision of a specific telecommunications service(s), for example, by way of dialing a code or by the pre-selection of a telecommunications operator;
9. “*carrier pre-selection*” means a possibility offered to user enabling him to choose certain defined classes of calls to be established by a pre-selected telecommunications operator (who has entered into a contract with the user) without dialing a routing prefix or without any other procedure required for such routing;
10. “*public telecommunications service*” means publicly available telecommunication service provided by a public telecommunications operator(s);
11. “*public telecommunications network*” means telecommunications network used for providing public telecommunications services;
12. “*public fixed telecommunications network*” means a telecommunications network which is used in part or in whole for providing different public telecommunications services between stationary termination network points, including also access infrastructure and infrastructure connecting public telecommunications networks within a certain territory and outside it.
13. “*public fixed telephony service*” means a public service provided to users, at fixed locations, enabling local, long-distance and international public voice and data transmission services over a fixed public telecommunications network;
14. “*public voice service*” means a service commercially available to the public for transmission and switching of voice in real time between termination points of a fixed public telecommunications network;

15. “*universal service*” means the set of telecommunications services of specified quality and scope which shall be available to all users of the public telecommunication network in the Republic of Serbia, at reasonable prices;
16. “*public pay phone*” means a telephone available to the general public, the use of which is paid by the user;
17. “*value added public telecommunications service*” means a public telecommunications service other than the basic service, which adds value to the basic service;
18. “*public mobile telecommunications network*” means a telecommunications network where network termination points are not at fixed locations and where the connection between network termination points is maintained by radio communication;
19. “*public mobile telecommunications service*” means a telecommunications service whose provision makes use wholly or partly of a public mobile telecommunications network at specified radio frequencies;
20. “*amateur radio service*” means radio communication service for the purpose of self-training, interconnection and technical investigation carried out by amateurs, that is, by duly authorized persons interested in radio technique solely with their personal use and without a pecuniary interest.
21. “*private telecommunications network*” means a telecommunications network that is built, maintained and operated by a physical or legal entity for their own needs, through which no public telecommunications services are provided. A private telecommunications network may be connected with a public telecommunications network;
22. “*public data transmission network*” means a public telecommunications network built for the purpose of transmitting of data;
23. “*public data transmission service*” means a public telecommunications service which is provided to users through a public data transmission network;
24. “*broadcasting network*” is a telecommunications network used for broadcasting and distributing radio and television signals intended for direct public reception by an unlimited number of users in an open area;
25. “*cable distribution network*” means a cable telecommunications network intended primarily for the distribution of radio and/or television programs and for the provision of other telecommunications services;
26. “*paging*” means a telecommunications network for a one-way transmission of data;
27. “*paging service*” means a service enabling the user on a certain territory to receive messages, sent through the public telecommunications network, using specialized radio terminal equipment;
28. “*interconnection*” means a physical or logical connection of telecommunications networks allowing the users of one network to communicate with the users of other networks, or to access the services provided by other telecommunications operators;
29. “*call back service*” means a telecommunications service enabling a user from a given territory to receive, upon request, a reverse call from abroad to the user’s subscriber number;
30. “*numbering*” means the allocation of numbers as part of total calling codes that enable establishing of telecommunications networks in certain areas or accomplishing certain telecommunications services;
31. “*Internet service*” means a telecommunications service realized by Internet technology;

32. “*leased line*” means a non-switched telecommunications line between termination points of a fixed public telecommunications network, not including switching controlled by the user;
33. “*termination points*” means the points for physical or logical connections of equipment or systems to the telecommunications network, or the points of interconnection among different telecommunications networks;
34. “*terminal equipment*” means the equipment directly or indirectly connected to a termination point for the purpose of transmitting or receiving messages;
35. “*radio frequency*” means the principle physical parameter of electromagnetic radio waves exhibiting free propagation through space and having values typically ranging between 9 kHz to 3,000 GHz;
36. “*radio frequency spectrum*” means a defined range of radio frequencies;
37. “*radiocommunications*” means telecommunications making use of radio waves;
38. “*radio station*” means one or more transmitters or receivers, or a combination thereof, with one or more antennas and other equipment which are installed at one location and required for radio signal transmission, with the exception of a receiver for direct reception of radio signals;
39. “*amateur radio station*” means a radio station used for amateur service;
40. “*base station*” means a common name for all the radio and network communication equipment located at one fixed location used for communicating with network termination points in mobile network;
41. “*service zone*” means a physical area in which it is possible to establish radio communications under certain conditions;
42. “*co-ordination*” means a process of determining the service zone of a given radio communications system, provided that it does not cause any harmful interference to other neighboring radio communications systems;
43. “*exclusive radio frequency*” means a radio frequency assigned to only one radio station license holder, at one location, or in a specific service zone;
44. “*general radio frequency*” means a radio frequency assigned to more than one radio station license holder, in a specific service zone, irrespective of the quality of radio communications;
45. “*interference*” the effect of unwanted energy due to one or combination of emissions, radiations or induction upon reception in a radio communication system, manifested by any performance degradation, misinterpretation, or loss of information which could be extracted in the absence of such unwanted energy;
46. “*harmful interference*” means an interference which endangers the functioning of a certain telecommunications systems in accordance with criteria for the quality of signal transmission;
47. “*electromagnetic compatibility (EMC)*” means a capacity of telecommunications systems or equipment to function without emitting harmful interference;
48. “*significant market power*” means that the share of a public telecommunications operator in the telecommunications market of the Republic of Serbia, measured by the number of users of a certain services provided by the public telecommunications operator within the scope of his activity, not below a prescribed percentage;
49. “*prescribed percentage,*” means the share at least 20% in the telecommunications market in the Republic of Serbia, unless the Republic Telecommunications Agency determines otherwise for a certain type of service. The Republic Telecommunications Agency may deviate by up to 25% from the percentage prescribed herein;

50. “*license*” means a document issued by the relevant authority permitting an operator the right to exploit a telecommunications network or provide a telecommunications services under standard conditions (general authorization), or allowing the operator to build, own and exploit the telecommunications network or to provide telecommunications services in cases when the number of licenses is limited for a certain field (individual license), or allowing him to use a radio frequency and procure a radio station to operate on such frequency (radio station license), or to build and install a telecommunications network, system and/or equipment (technical license).

Powers of Government Authorities in Telecommunications Sector

Article 5

In the telecommunications sector, upon the proposal of the ministry responsible for telecommunications (hereinafter Ministry), the Government of the Republic of Serbia (hereinafter Government), which has been prepared with participation of responsible authorities of the Autonomous Region, defines the policy and strategy of telecommunications development in the Republic and adopts the Radio Frequency Bands Allocation Plan

Article 6

The Ministry is authorized to:

1. prepare a proposal of the strategy for telecommunications development in the Republic;
2. take measures to promote research and development in the telecommunications sector in cooperation with the ministry in charge of the promotion and development of scientific research;
3. prepare a proposal of the Radio Frequency Bands Allocation Plan and adopt the Radio Frequency Assignment Plan based on the proposal made by the Republic Telecommunications Agency;
4. decide, in accordance with the Radio Frequency Allocation Plan, on the number and timing of individual licenses to be granted for public telecommunications networks or services for which, under this Law, a limited number of licenses may be granted as well as decide on the minimum conditions required for granting such licenses including the minimum amount of a one-time fee payable for each license granted;
5. define the list of universal services to be provided by the operators of public fixed telecommunications networks, based on the proposal made by the Republic Telecommunications Agency;
6. take measures in order to prevent cross-ownership or other forms of limited competition due to interrelation between telecommunications operators, which are in operation at the time when this Law has come into force, with the aim of eliminating and preventing monopolies and ensuring free competition in accordance with this Law;
7. supervise the implementation of this Law and regulations adopted on the basis of this Law;
8. implement the decisions and other acts of the Government relating to telecommunications networks, systems and equipment, in case of war or state of emergency.

Proposals of acts referred to in Paragraph 1, points 1) and 3) of this Article, are prepared with participation of the responsible authorities of the Autonomous Region.

II REPUBLIC TELECOMMUNICATIONS AGENCY

1. Legal Status

Establishment

Article 7

For the purpose of establishing conditions for efficient implementation and promotion of the telecommunications policy in the Republic of Serbia, the Republic Telecommunications Agency (hereinafter Agency) is hereby established as an autonomous and independent public organization exercising its authorities in accordance with this Law and regulations adopted on the basis of this Law.

The Agency is an autonomous legal entity and is functionally independent of and not subordinated to any government authority, as well as of any organization and person engaged in operating telecommunications networks and equipment or providing services.

In performance of the activities stipulated herein, the Agency shall ensure implementation of the development strategy adopted for the telecommunications sector in the Republic.

Legal Personality

Article 8

The Agency shall have the status of a legal person.

The Agency shall be managed by the Managing Board, which shall adopt all the resolutions falling within the responsibility of the Agency.

The Chairperson of the Managing Board shall represent and act on behalf of the Agency, and in case the Chairperson is prevented from performing his/her duties, the Agency shall be represented by the Deputy Chairperson of the Managing Board.

The Chairperson of the Managing Board, or the Deputy Chairperson when performing the duties of the Chairperson, may fully or partially delegate the authority to represent the Agency to other member of the Managing Board only on the basis of the resolution of the Managing Board.

For the purpose of performing specific activities falling within its responsibility, the Agency may engage other legal and physical domestic or foreign persons.

2. Responsibilities of the Agency

Article 9

The Agency has the responsibility to:

- 1) regulate activities in the telecommunications sector, and in particular where there is one or more public telecommunications operators which, under the criteria established herein, have a significant market power;

- 2) supervise and monitor activities in the telecommunications sector;
- 3) promote interconnection between telecommunications networks or operators on a non-discriminatory basis, and if telecommunications operators cannot agree on interconnection conditions, it shall prescribe those conditions, bearing in mind that they should be non-discriminatory and based on costs;
- 4) settle disputes between telecommunications operators concerning interconnection, special conditions for network access and/or leased lines;
- 5) regulate the use of radio frequency spectrum and draft proposals for the Radio Frequency Allocation Plan and the Radio Frequency Assignment Plan, in accordance with this Law, as well as to monitor the use of radio frequency spectrum;
- 6) assign radio frequencies in accordance with this Law;
- 7) grant licenses to telecommunications operators for specific telecommunications activities, licenses for telecommunications networks, systems and equipment, and licenses for radio stations, in accordance with this Law;
- 8) prepare and conduct public tenders for individual licenses in accordance with this Law and the Ministry's resolution on the number, timing and minimum conditions for granting such licenses;
- 9) supervise compliance by the telecommunications operators with the terms and conditions contained in the licenses granted and take measures and impose penalties in accordance with this Law, in case they violate the terms and conditions contained in their license or the provisions of this Law;
- 10) define special tariff regimes and monitor implementation of tariff policy, in the manner stipulated herein, in cases when there is only one public telecommunications operator for particular telecommunication services, when a public telecommunications operator has a significant market share or, when a public telecommunications operator subsidizes or co-finances other telecommunication network or service of its own with income from telecommunication network or service in which it is a sole operator or in which exploitation, or providing it has a significant market share;
- 11) manage the fund for compensation of universal service costs, which is to be established in accordance with this Law;
- 12) prepare, adopt and monitor implementation of the Numbering Plan and assign numbers to public telecommunications operators on a non-discriminatory basis, bearing in mind rational use of numbers contained in the Plan;
- 13) decide upon users' complaints in cases stipulated by this Law and the by-laws of the Agency;
- 14) settle disputes, in cases stipulated by this Law or the Agency's by-laws, between users and telecommunications operators and between telecommunications operators;
- 15) create and maintain a database which contains all significant information from the telecommunications sector and regularly publish that information;
- 16) co-ordinate its work with the authorities or organizations in charge of broadcasting, in accordance with this Law;
- 17) monitor developments in the field of telecommunications, gather information from telecommunications operators, and provide information to users, operators and international organizations;
- 18) adopt technical regulations;
- 19) supervise and ensure implementation of national and international standards and technical regulations; and
- 20) make its work transparent, including the possibility for all interested parties to give their remarks and comments regarding measures taken and decisions made.

Activities referred to in Paragraph 1 of this Article are performed by the Agency as delegated activities.

Prevention of Monopolies and Monopolistic Behavior

Article 10

In addition to the responsibilities referred to in Article 9 hereof, the Agency is authorized to prevent anti-competitive or monopolistic activities and behavior of public telecommunications operators, unless they are subject to the procedures conducted by the anti-monopoly government authority.

The authorization of the Agency referred to in paragraph 1 of this Article shall include the following:

1. to determine whether a public telecommunications operator has significant market power, following the internationally recognized guidelines for market analysis and market share calculation;
2. to explicitly prohibit or restrict any anti-competitive or monopolistic activity or behavior in a license granted to a public telecommunications operator;
3. to define a special tariff regime for the public telecommunication services over which a public telecommunications operator has a monopoly or in which it has a significant market power, or if, in the opinion of the Agency, the public telecommunications service is not open for full competition of prices;
4. to define a special tariff regime if a public telecommunications operator having a monopoly or significant market power cross-subsidizes a competitive network or service with the revenues generated from the network or the service over which the operator has a monopoly or significant market power;
5. to order a public telecommunications operator having a monopoly or significant market power to provide interconnection to other telecommunications operators;
6. to define conditions for interconnection contracts between the public telecommunications operators having a monopoly or significant market power and other public telecommunications operators, if a public telecommunications operator, having a monopoly or significant market share does not accept interconnection request from other operator, even if that request represents offer given under standard conditions, or if it does not answer to that request in reasonable time period;
7. to order a public telecommunications operator having a monopoly or significant market power in providing of services to allow another public telecommunications operator to access its network in order to provide value added public telecommunications services;
8. to order a public telecommunications operator having a monopoly or significant market power to supply leased lines to another telecommunications operator based on a reasonable request and available network capacity; and
9. to control any merger, acquisition, take-over or any other change with regard to the form of organization of telecommunications companies which may result in the establishment of a monopoly or a company with a significant market power.

3. Managing Board

Composition and Appointment of the Managing Board

Article 11

The Managing Board shall have the Chairperson and four members.

At the proposal of the Government, the National Assembly shall appoint and relieve from office the Chairperson and members of the Managing Board.

The candidates for the Chairperson and the members of the Managing Board are proposed on the basis of their professional knowledge and experience relevant to the activities falling within the responsibility of the Agency, in particular in the field of engineering, economics and law, and the proposal must include at least two candidates from the field of engineering and at least one candidate from the field of economics and one from the field of law.

The Government shall determine the candidates upon its own initiative, on the basis of proposals duly submitted by the Ministry, the Executive Council of the Autonomous Region of Vojvodina, association of telecommunications operators, registered associations of businessmen, and scientific institutions in the field of telecommunications, or on the basis of announced vacancies. The Government shall determine the candidates on the criteria referred to in Paragraph 3. of this Article, especially taking into account that through determined proposal, both the interests of development in telecommunications and users needs, in the whole territory of the Republic of Serbia, should be expressed.

The Managing Board shall also have the Deputy Chairperson who is appointed by the Managing Board from among its members.

Mandate of the Members of the Managing Board

Article 12

The Chairperson and members of the Managing Board of Agency shall be appointed to a term of five years, and the first term of office of the Chairperson shall be five years, of two of the members four years, and of the other two members three years.

The Chairperson and members of the Managing Board shall not be eligible to hold office in excess of 2 consecutive terms.

The Chairperson or a member of the Managing Board shall be appointed not later than 60 (sixty) days before the expiration of the term of office of their predecessors. If the appointment has not been completed before the expiration of the term of office of the outgoing Chairperson or a member of the Managing Board, the Chairperson and the members of the Managing Board whose terms have expired shall continue to hold their office until the procedure for the appointment of a new Chairperson or member has been completed.

Work of the Managing Board

Article 13

The work of the Managing Board shall be transparent.

The Chairperson of the Managing Board represents and acts on behalf of the Agency; manages the work of the Managing Board; signs resolutions of the Managing Board and ensures their implementation; exercises the powers of a director pertaining to the labor-related rights, duties and responsibilities of the Agency employees; and performs other duties as stipulated by the law and the Statutes of the Agency.

The Chairperson shall be an employee of the Agency during his/her term of office.

The Managing Board members shall be entitled to remuneration for their work in the Managing Board which shall not be lower than the salary of a judge of the Supreme Court of Serbia.

Termination of the Term of Office of the Chairperson and members of the Managing Board

Article 14

The term of office of the Chairperson and members of the Managing Board may be terminated in the following cases:

- 1) expiry of the term to which they have been appointed;
- 2) relief from office for the reasons stipulated herein;
- 3) resignation submitted to the National Assembly in the written form, in which case the term of office shall terminate on the date of submission of the resignation;
- 4) death.

Relief from Office

Article 15

At the proposal of the Managing Board or the Government, the National Assembly may relieve the Chairperson or a member of the Managing Board from office, but only in the following case, if:

1. an illness or any other reason makes him/her unable to perform his/her duties for a period exceeding six consecutive months;
2. under a final court decision, he/she is sentenced to a term in prison exceeding six consecutive months or for a criminal act of abuse of official powers, fraud, corruption, theft or other similar criminal act, which has made him/her unworthy of performing their respective functions;
3. it is established that, in the process of determining the candidates to be proposed for the Managing Board, any such candidate provided incorrect data or omitted to provide data that was relevant important to his/her candidature;
4. without reasonable cause, he/she refuses or fails to perform the duties of the Chairperson or a member of the Managing Board for a period of minimum three consecutive months, or for a period of minimum six months with interruptions in the course of 12 months;
5. it is established that during his/her term of office he/she has violated the rules on conflict of interest stipulated herein.

Conflict of Interest

Article 16

The Chairperson and the members of the Managing Board, or any member of their families or next-of-kin in a direct line of kinship, irrespective of the degree of descent, or any relative on parents' side inclusive of the second degree of descent, any spouse or an in-law inclusive of the first degree of descent, shall not, either directly or through a third party, have any equity interest, be it as a stakeholder, shareholder, employee, or person hired on contract or similar, in the companies and organizations which render telecommunications services, operate telecommunications networks, or provide telecommunications equipment, nor shall they be in any other way associated with such a company or organization.

4. Statutes and Other By-laws

Article 17

The Managing Board shall adopt the Statutes of the Agency regulating in detail, *inter alia*, the internal organization and the procedure of the Agency.

Pursuant to the Agency's Statutes, the Managing Board shall adopt other by-laws including those governing the organization of the Agency departments, and the number and status of the Agency's employees, as well as outsourcing of experts.

The Statutes, the rules of procedure of the Managing Board, the by-law regulating the organization of Agency's departments, and the decision appointing the Managing Board Deputy Chairperson shall be adopted, as a rule, by a majority vote of the total number of the Managing Board members.

The regulations governing the salaries of employees in government authorities and public services shall not apply to the Managing Board Chairperson and the Agency employees.

The Government shall approve the Statutes of the Agency.

5. Financing of the Agency

Financial Plan of the Agency

Article 18

The Agency shall be financed in accordance with the financial plan adopted by the Managing Board for each year.

The financial plan shall determine the total revenues and expenditures of the Agency, including the contingency reserves, and the elements of relevance for comprehensive review of earnings and employment policy of the Agency.

The financial plan shall be adopted not later than 15th December of a current year for the following year.

The total operating costs of the Agency covered by the financial plan, including the contingency reserves, may not exceed the actual expenditures of the Agency necessary for the successful performance of its duties.

The financial plan from paragraph 1 of this Article shall be approved by the Government.

The financial plan shall be published in the manner stipulated by the Statutes of the Agency.

The Agency shall have all of its revenue and expenditure accounts audited annually by an authorized independent auditor. The audited accounts shall be published not later than three months after the end of the relevant fiscal year.

Should the revenue and expenditure annual accounts of the Agency show a surplus of total revenues over the expenditures, such surplus shall be paid into the budget of the Government of the Republic of Serbia, and a part of such surplus, in proportion with revenues made by the public telecommunications operators which headquarters are on the territory of the Autonomous Region of Vojvodina, shall be paid into the budget of the Autonomous Region of Vojvodina, and shall be primarily used for telecommunications development.

Sources of Financing

Article 19

The revenues of the Agency shall be the funds generated from the fees payable by public telecommunications operators for the right to build, own or operate public telecommunications networks or to provide public telecommunications services, for the use and assignment of radio frequencies, for issued certificates, as well as for costs of technical inspection and other costs.

The Managing Board shall determine the amount of the fees and charges from paragraph 1 of this Article with the approval of the Government.

The funds generated from one-time fee for obtaining the individual license shall be paid into the budget of the Republic of Serbia.

For the first year, the funding of the Agency shall be provided as a short-term loan from the budgetary reserve in accordance with the law and based on a financial plan adopted by the Government, which shall also set out the time schedule for repayment of such funds to the budget from the revenues of the Agency.

6. Transparency of Work of the Agency

Agency Reports and Business Confidentiality

Article 20

The Agency shall prepare and submit to the Government and the National Assembly an annual report (including financial statements) on its activities, and in particular:

1. report on the development of telecommunications in the Republic of Serbia;
2. report on the implementation of tariff policy principles pertaining to regulated services;
3. report on the progress in realization of universal service, including an assessment of the degree to which users' needs have been satisfied; and
4. report on the allocation and assignment of radio frequencies for civilian use.

The Agency shall also make public, in the manner stipulated in the Statutes, the following:

1. annual report (including financial statements) for each year;
2. financial plan for each year;
3. information pertaining to allocation and assignment of radio frequencies;
4. information pertaining to public tenders for licenses, including the main terms and conditions of such public tenders;
5. information about the licenses granted in accordance with this Law;
6. decisions taken in accordance with this Law pertaining to the granted licenses and concluded interconnection contracts;
7. information and/or decisions pertaining to special tariff regimes and/or tariff policy, including changes in tariffs for regulated services; and
8. decisions taken in accordance with this Law pertaining to the Numbering Plan.

Required Information

Article 21

At the request of the Agency, public telecommunications operators shall provide all data and information, including financial data and information, which are necessary for the performance of activities from within the responsibility of the Agency.

The Agency shall treat all the information referred to in paragraph 1 of this Article as confidential, in accordance with the provisions of this Law and other regulations.

Register Keeping

Article 22

The Agency shall create and maintain a database of its registers, which are public documents.

The Agency shall keep the registers of:

1. licenses granted to telecommunications operators;
2. licenses granted for radio stations;
3. technical licenses; and
4. concluded interconnection contracts.

The Agency shall also create and maintain a database of all its decisions, including complaints relating to those decisions, as well as any and other information of importance for the telecommunications sector.

For public telecommunications operators whose headquarters are on the territory of the Autonomous Region of Vojvodina, all data that the Agency keeps according to the provisions of this Article, are also to be shown in the separate section of the Register.

7. Decision-Making and Legal Remedy

Article 23

The decisions on rights or obligations of a public telecommunications operator or service user, or decisions imposing sanctions on a public telecommunications

operator in accordance with this Law, are made by the Agency in the manner stipulated in its Statutes.

In deciding on the rights and obligations of the public telecommunications operator or on sanctions to be imposed, the Agency shall allow the public telecommunications operator to present the relevant facts before the decision is made, as well as to submit all documentation or other evidence which the public telecommunications operator deems relevant for decision-making.

The decision of the Agency is final.

Upon an initiative of a party, or upon its own initiative, or upon a complaint instituted in the administrative litigation, the Agency may decide to amend or revoke its decision. The administrative litigation may be instituted against any such amendment or revocation of the Agency's decision.

Any party believing that the decision of the Agency has violated any of its rights or interests protected by the law may institute a proceeding administrative litigation by appealing against the decision with the court of competent jurisdiction.

Within 15 days from the delivery of the Agency's decision, the party is under an obligation to comply with such decision, and if it fails to do so, the decision shall be enforced in accordance with the rules of standard administrative proceedings, unless the Agency, in the event from paragraph 4 of this Article, or the court, upon the appeal instituted in the administrative litigation, temporarily suspends the enforcement of the decision.

8. Supervision

Supervision Authorities

Article 24

The Agency supervises the activities in the telecommunications sector and the use of the radio frequency spectrum.

In exercising the supervision and enforcement referred to in paragraph 1 of this Article, the Agency is authorized to:

- 1) examine the operation of telecommunications networks, systems and equipment, including radio stations, and provision of telecommunications services for which licenses have been granted in compliance with this Law, as well as to take measures to remedy the established irregularities;
- 2) examine the compliance by telecommunications operators with the terms and conditions from the license, and to take measures against the telecommunications operators who do not comply with the prescribed terms and conditions;
- 3) examine the compliance of the telecommunications networks, which do not require a license for construction and operation in compliance with this Law, with the prescribed norms and standards;
- 4) detect the telecommunications networks, systems and equipment, including radio stations, and/or telecommunications services which are operated or provided without a previously obtained license, and to take measures to suspend their operation or provision;
- 5) examine the compliance by public telecommunications operators with the obligations stipulated herein pertaining to tariffs, universal service, interconnection, leased lines, privacy and security of information, as well as with other obligations

stated herein, and to take measures to remedy the irregularities established with the operators;

- 6) examine the compliance by public telecommunications operators and other radio frequency users with the obligations stipulated herein and regulations adopted on the basis of this Law pertaining to radio communications, and to take measures to remedy the established irregularities;
- 7) examine whether technical inspection of the telecommunications networks, systems and equipment, including radio stations, has been carried out before putting them into operation, as well as whether the relevant technical license has been granted for telecommunications systems and equipment; and
- 8) investigate harmful interferences in the operation of the licensed telecommunications networks, systems and equipment, including radio stations, and to take measures to remedy such interferences.

Telecommunications Inspectors and Radio-Emission Controllers

Article 25

The Agency shall exercise the supervision and enforcement referred to in Article 24 hereof through telecommunications inspectors, radio-emission controllers and the Managing Board.

Telecommunications inspectors may be persons who have graduated from one of the engineering faculties or other faculty relevant to the area of supervision and enforcement referred to in Article 24, paragraph 2 hereof and who have at least three years of working experience in telecommunications.

Radio-emission controllers may be persons who have graduated from one of the engineering faculties or the relevant two-year post-secondary school of engineering and who have at least three years of working experience in telecommunications.

Telecommunications inspectors and radio-emission controllers shall have the prescribed identity cards, which they shall use in discharging their duties to identify themselves and present upon request of responsible persons or other parties concerned.

The form and contents of the identity cards referred to in paragraph 4 of this Article shall be determined by the Managing Board.

Telecommunications inspectors and radio-emission controllers shall be independent to the extent of the authorizations vested in them under this Law and regulations adopted on the basis of this Law, and shall be personally responsible for their work.

Telecommunications inspectors and radio-emission controllers shall not prepare or participate in preparation and technical control of investment and technical documentation for telecommunications networks, systems and equipment which are subject to supervision and enforcement in compliance with the provisions hereof, or perform technical supervision and enforcement over the construction or execution of works on the telecommunications networks and systems subject to supervision and enforcement.

Rights and Obligations of Telecommunications Inspectors

Article 26

In exercising supervision and enforcement referred to in Article 24 hereof, telecommunications inspectors shall have the right and obligation to:

- 1) examine licenses, technical and other documentation pertaining to telecommunications networks, systems or equipment, including radio stations, to facilities where they are located, and to telecommunications services, which are subject to supervision and enforcement;
- 2) examine the records which must be kept under this Law and regulations adopted on the basis of this Law, and the record-keeping methods;
- 3) examine telecommunications networks, systems or equipment, including radio stations, and facilities where they are located, and to inspect their operation;
- 4) examine the provision and use of public telecommunication services, their quality and the applicable tariffs if the special tariff regime applies to the public telecommunication service which is subject to supervision and enforcement;
- 5) carry out the prescribed measurements and tests on telecommunications networks, systems or equipment, including radio stations, or request from telecommunications operators and/or owners or occupants of the facilities where telecommunications networks, systems or equipment are located or where telecommunications equipment is manufactured to carry out the prescribed measurements and tests themselves;
- 6) take statements from responsible persons and other parties concerned regarding the object of the supervision.

Telecommunications inspectors are obliged to take the necessary measures aimed at preventing violation of the law and other regulations and to treat as confidential all the data and information obtained in the course of exercising supervision and enforcement.

Telecommunications inspectors shall prepare a report with their findings from each examination and other actions taken in the course of exercising supervision and enforcement, and shall submit it to the Managing Board.

If, in exercising supervision and enforcement, telecommunications inspectors establish that there are grounds for the sanctions stipulated herein to be imposed on the entity which was subject to supervision and enforcement, together with their report they shall submit a proposal of specific sanctions to be imposed, which shall be decided by the Managing Board.

Rights and Obligations of Radio-Emission Controllers

Article 27

In exercising supervision and enforcement referred to in Article 24 hereof, using the prescribed measuring techniques and procedures, radio-emission controllers shall have the right and obligation to:

1. monitor permitted radio emissions;
2. detect harmful radio emissions and take measures for their termination; and
3. detect harmful interference caused by radio emissions and take measures for eliminating harmful interference between radio stations in the country and radio stations abroad, as well as between radio stations in the country.

Radio-emission controllers shall prepare a report about each monitoring, detection, examination and measurement referred to in paragraph 1 of this Article, and shall submit it to the Managing Board.

If, in discharging the duties referred to in paragraph 1 of this Article, radio-emission controllers establish that there are grounds for the sanctions stipulated herein

to be imposed, together with their report they shall submit a proposal of specific sanctions to be imposed, which shall be decided by the Managing Board.

Supervision and enforcement Powers of the Managing Board

Article 28

In exercising supervision and enforcement referred to in Article 24 hereof, the Managing Board is authorized to:

- 1) consider the reports submitted by telecommunications inspectors and radio-emission controllers;
- 2) decide on the submitted proposals for the sanctions to be taken against the entities that were subject to supervision and enforcement.

The Managing Board may impose one of the following sanctions:

- 1) order that the established irregularities and illegality in the operation of the duly licensed telecommunications operator be remedied within the specified period;
- 2) order that the irregularities be remedied and harmonized with the prescribed norms and standards, within specified period of time, in case of telecommunication networks which do not require a license for construction and operation in compliance with this Law;
- 3) prohibit, without delay, for an indefinite period the operation of the telecommunications networks, systems or equipment, or provision of telecommunications services, for which licenses have not been granted in compliance with this Law, including unauthorized use of radio frequencies;
- 4) prohibit the operation of the telecommunications networks, systems or equipment, including radio stations, which have not been subject to technical inspection – until technical inspection has been completed;
- 5) prohibit the use, installation, manufacture, or trade in telecommunications systems and equipment which have not been granted a technical license in compliance with this Law – until such license has been granted;
- 6) order that the cause of harmful interferences be eliminated within a specified period;
- 7) prohibit the construction of facilities within the safety zone surrounding a radio station.

The sanctions referred to in paragraph 2 of this Article imposed by the Managing Board shall be in written form and the Managing Board shall submit such decision to the person they refer to together with the report on inspection or report on control of radio emission.

Administrative litigation against the decision of the Agency can be instituted in the court of competent jurisdiction.

Failure to act in compliance with the order from item 1), paragraph 2 of this Article shall represent the grounds for initiating the license revocation procedure.

The Managing Board may also initiate the license revocation procedure if a public telecommunications operator or a radio station license holder fails to perform technical inspection or obtain the relevant technical license after the sanction of prohibition referred to in items 4) and 5), paragraph 2 of this Article has been imposed.

If a telecommunications operator or other person fails to act in accordance with the imposed sanction, the Managing Board may order a telecommunications inspector, as a security measure, to seal the facility where the telecommunications equipment is located until such time as the sanction is withdrawn.

If the Managing Board assesses that a criminal act, economic violation or offence has been committed by action or inaction of the person that was subject to supervision and enforcement, the Managing Board shall without delay submit to competent authority a criminal report or an economic violation report, or a request for the offence proceedings.

Supervision and Enforcement Notification and Access Right

Article 29

Telecommunications inspectors shall notify the responsible persons in a company or other entity that is to be subject to inspection of their visit for the purpose of conducting inspection.

Upon the receipt of the notification from paragraph 1 of this Article, telecommunications operators, radio station license holders, and/or owners or occupants of the facilities in which telecommunications networks, systems or equipment are located or in which telecommunications equipment is manufactured, are obliged to provide the telecommunications inspectors with access to such facilities, and provide them, without delay, with the requested information and documentation pertaining to the telecommunications networks, systems, facilities or equipment which are under inspection, and to enable the inspectors to complete necessary tests and measurements, or to complete such tests and measurements by themselves at their request.

Radio station license holders are obliged to comply with the summons from telecommunications inspectors or radio-emission controllers for the purpose of special tests on their radio stations or measurements of radio emission to be performed in monitoring and measuring centers.

Rules of Procedure

Article 30

The provisions of the law regulating the general administrative procedure shall apply to the procedure of the supervision and enforcement referred to in Article 24 hereof.

Monitoring and Measuring Centers

Article 31

For the purpose of performing specific supervision activities, and the control of radio emission in particular, the Agency may establish monitoring and measuring centers, as its organizational units outside its head office (regional units), in accordance with the Statutes.

In addition to the supervision and enforcement activities stipulated herein, upon the request of telecommunications operators or other persons, monitoring and measuring centers may:

- 1) test radio stations in order to check their compliance with the conditions and requirements stipulated under this Law and the regulations adopted on the basis of this Law;

- 2) test transmitters, receivers, antennas, and other equipment which are part of radio stations in order to examine the compliance of their technical characteristics with national and international norms and standards in the field of radio communications;
- 3) perform other tests and measurements in the field of radio communications for the purpose of planning and designing of new radio systems and radio networks, and selection of adequate radio frequencies for such systems and networks.

The fees for the tests and measurements referred to in items 1) and 2), paragraph 3 of this Article shall be payable in accordance with the price list adopted by the Agency.

III. LICENSES FOR PUBLIC TELECOMMUNICATIONS NETWORKS AND PUBLIC TELECOMMUNICATIONS SERVICES

Licensing Principles

Article 32

Any physical or legal person may construct, own or operate a public telecommunications network and/or provide public telecommunications service, if the Agency has previously granted him/her the relevant license, unless otherwise stipulated by this Law.

Any legal or physical person who meets the terms and conditions stipulated in this Law and regulations adopted on the basis of this Law, including the by-laws of the Agency and the technical requirements and standards referred to in those regulations, shall be entitled to obtain a license under the same terms and conditions.

The licensing procedure shall be transparent, and the relevant registers of the granted licenses shall be kept in accordance with this Law.

Types of Licenses

Article 33

The Agency shall grant licenses for public telecommunications network and public telecommunications services, radio station licenses and technical licenses.

The licenses for public telecommunications networks and public telecommunications services are an individual license and a general authorization.

By obtaining a license from paragraph 2 of this Article, its holder acquires the right to perform a specific telecommunications activity.

An individual license is a license granted by the Agency to a domestic or foreign physical or legal person whose intention is to build, own or operate a public telecommunications network, or to provide public telecommunications services in cases when, the operation of such networks or provision of telecommunications services is based on scarce resources (e.g. radio frequencies or numbering). The Agency shall determine the type of telecommunications services for which an individual license may be granted.

An individual license shall be granted based on a completed public tender procedure.

A general authorization is a license granted to any domestic or foreign physical or legal person whose intention is to operate a telecommunications network or provide

telecommunications services under standard conditions, and which has fulfilled or has agreed to fulfill such standard conditions.

Exceptionally, public telecommunications services which are under free regime as stipulated in the Agency's by-law may be provided without obtaining the licenses referred to in paragraph 2 of this Article.

Construction, ownership, or operation of a private telecommunications network shall be permitted without the licenses referred to in paragraph 2 of this Article, unless:

1. such network requires the use of radio frequencies, or
2. such network is connected to a public telecommunications network over more than one termination point.

The licenses referred to in paragraph 2 of this Article shall not be required for the construction and operation of special-purpose telecommunications networks (army, police and the like).

In accordance with this Law, the Agency shall also grant:

- radio station licenses, granting its holders the right to use radio stations and a specified radio frequency, and
- technical licenses (certificates), confirming the technical compliance of telecommunications networks, systems or equipment with the prescribed norms and standards, thereby allowing license holders to procure, install and/or put into operation such telecommunications networks, systems or equipment.

License Holder

Article 34

One legal or physical person may hold or acquire only one license for one type of a public telecommunications network, that is, only one license for providing one type of a public telecommunications service, for which a license is required under this Law.

The person referred to in paragraph 1 of this Article, who has been granted a license for a public telecommunications network or for the provision of a public telecommunications service may, without a special license, provide all public telecommunications services which are enabled by the telecommunications network for which the license has been granted, or which are included in the type of telecommunications services for which the license has been granted.

If within a public telecommunications network or a public telecommunications services for which the general authorization for the exploitation or provision has been granted, it is possible to provide a public telecommunication service, which, in accordance with this Law and regulations adopted on the basis of this Law, requires an individual license, such telecommunications service can be provided only after the individual license is granted.

If a person referred to in paragraph 1 of this Article holds or intends to hold more than one license for different public telecommunications networks, or for the provision of various public telecommunication services, such person shall have to perform each of those activities through a separate legal entity or through branches formed in accordance with the law regulating legal status of the companies (hereinafter: branch).

A legal or physical person which performs activities other than telecommunications activities but which holds or intends to hold a license for a public telecommunications network and/or the provision of public telecommunications

services, is obliged to perform the telecommunications activity for which it holds or intends to hold a license through a separate legal entity.

General Rules on Licensing Procedures for Public Telecommunications Networks and Public Telecommunications Services

Article 35

Any legal or physical person intending to perform a telecommunications activity shall apply for a license for a public telecommunications network and/or public telecommunications services with the Agency, in the manner stipulated herein for a specific type of license, unless this Law stipulates that a specific telecommunications activity may be performed without a granted license.

Person referred to in Paragraph 1 of this Article shall submit, together with the application, appropriate evidence that it meets the conditions required for license granting and other data prescribed by the Agency rules.

Individual License

Article 36

The Agency shall grant individual licenses.

An individual license shall be granted after a public tender procedure has been completed, and after the most eligible bidder has been chosen.

An individual license may be granted only to a person who has applied for the license under the public tender rules, and who has met all conditions stipulated in this Law and the by-laws of the Agency.

Under this Law, the Agency shall adopt a by-law specifically defining the licensing procedure.

A one-time fee for obtaining the license and an annual fee, as well as the costs of issuance and/or renewal of the license shall be charged for the license.

The minimum (initial) amount of the one-time fee referred to in paragraph 5 of this Article to be set by the Ministry in compliance with this Law shall be stated in the call for public tender. The final amount of the one-time fee shall be set in the public tender procedure and the proceeds shall be paid into the budget of the Republic.

The annual fee referred to in paragraph 5 of this Article shall be stated in the license in the amount calculated by the Agency.

An individual license holder may be required to provide a guarantee for payment of the one-time fee for obtaining the license.

An individual license may not be transferred without the prior approval of the Agency, but the Agency may not refuse approval if the license holder has pledged its rights under the individual license to a bank or other financial institution in order to provide financing for the activities, which are the subject of the license, and if such transfer shall take place in the process of settling the liabilities towards the bank or other financial institution secured by the pledge.

The duration period of the license, the mutual rights and obligations, and the terms and conditions under which the individual license has been granted for the public telecommunications network or services, and also the amount, time limit and manner for the payment of the fees shall be specified in the license.

An individual license may be granted for a period no longer than 20 years.

The duration period referred to in paragraph 11 of this Article may be renewed at the request of the individual license holder, who must place a renewal request no later than 6 months before the expiration of the granted individual license.

Special Rules for Granting Individual Licenses

Article 37

In a public tender, the Agency shall have the responsibility to:

1. ensure that the public tender is accessible to all interested parties under equal conditions by publishing a public announcement;
2. create and publish non-discriminatory, objective and measurable decision-making criteria which are appropriate for the activities and services for which the individual license is granted;
3. determine which applicant has fulfilled all of the conditions stipulated in this Law and the by-laws of the Agency;
4. choose the best bidder on the basis of financial and technical criteria, experience and other criteria of relevance to the development of telecommunications in the Republic of Serbia, which shall be published in the announcement for the public tender;
5. choose the most eligible bidder not later than four (4) months from the expiration of the application period.

The announcement referred to in item 1, paragraph 1 shall include:

- 1) subject of the license;
- 2) period for application to the public tender, which shall not be shorter than 45 days from the publication of the announcement;
- 3) criteria for participation in the public tender;
- 4) manner of submission of bids (under a code or the full name of the bidder);
- 5) information about the date, time and place of opening the submitted bids;
- 6) name of the person who shall provide all information relevant to the public tender procedure.

The announcement referred to in item 1, paragraph 1 of this Article shall be published in the "Official Gazette of the Republic of Serbia", as well as in at least one generally available international publication and at least one generally available domestic newspaper.

General Authorization

Article 38

The Agency shall issue a general authorization to any person whose intention is to operate a public telecommunications network or provide public telecommunications services under this regime, provided that such person has met or agreed to meet all requirements prescribed for that network or service.

The right to operate a telecommunications network or provide telecommunications services referred to in paragraph 1 of this Article is acquired upon registration by the Agency. The person referred to in paragraph 1 of this Article shall apply for registration with the Agency and shall undertake to meet all requirements concerning the specific type of network or services including those specified in the general authorization. The general authorization shall be deemed granted on the date of

its registration. The Agency shall register the applicant within 30 days from the date of receiving the application for registration.

The Agency may not refuse to grant a general authorization or make an entry in the register if the person applying for registration has met or agreed to meet all requirements stipulated for the public telecommunications network or public telecommunications service that the person intends to operate or provide.

The stipulated requirements referred to in paragraph 3 of this Article represent the basic technical conditions which are necessary for exploitation of specific kind of public telecommunication network – for providing specific kind of public telecommunications service in a manner which ensures satisfying needs and protecting the interests of users. In some cases, the Agency can, when prescribing conditions, determine that the authorization for exploiting specific kind of public telecommunications network – for providing specific kind of public telecommunications service can be given for limited period of time, and to determine that period as well.

Conditions prescribed by the Agency for a specific kind of public telecommunications network – public telecommunications service have to be available in advance and published.

The Agency shall define and publish the general authorization forms for each individual public telecommunications service, which shall also contain the requirements to be fulfilled by a telecommunications operator.

A general authorization may not be transferred to a third party on any grounds, either permanently or temporarily, without the prior consent of the Agency.

A fee shall be paid, upon registration, based upon the terms and conditions for each type of service unless it is stipulated that no fee shall be paid for a specific type of service.

The Agency shall adopt a by-law specifying the public telecommunications networks or public telecommunications services whose operation or provision is subject to a general authorization, and shall in particular be issued for:

1. value added public telecommunications services;
2. closed user group services;
3. public data transmission services;
4. Internet services; and
5. cable distribution network services relating to the distribution of radio and television programs.

Contents of Individual License and General Authorization

Article 39

The individual license shall contain at least the following information and terms and conditions:

1. type of service, coverage area and assigned radio frequencies if the service requires the use of frequencies;
2. specification of technical requirements for telecommunications network and equipment;
3. any requirements for quality and level of service;
4. information on the license holder and conditions for change of license holder;
5. individual license duration period;
6. amount of and payment terms for the individual license fees;

7. obligation of the license holder to make public its tariffs and other conditions applicable to the users;
8. interconnection and special network access conditions that the license holder has to meet in order to provide open access to its network and services and interconnection with other networks;
9. obligations to develop and expand the network and services provided and the timetable of those activities, i.e. plan for network development and introduction of new services;
10. conditions or reasons for revocation of the individual license;
11. restrictions on individual license transfer;
12. monetary contributions, if any, for universal service funding;
13. requirements for filing, registration and publication of information;
14. availability of numbers in the numbering plan;
15. rules to protect the personal data and privacy specific to particular field of telecommunications;
16. conditions prohibiting anti-competitive activities and behavior for public telecommunications operators with significant market power;
17. rules to protect the users, specific to particular field of telecommunications; and
18. conditions for planning of land use and environmental requirements, including conditions for acquiring rights of access to public or private land and conditions for co-location and facility sharing.

General authorization shall contain at least the information and the terms and conditions provided for under items 1, 2, 5, 7, 9, 12 and 15 of paragraph 1 of this Article.

*Modifications of License for Public Telecommunications Networks and
Public Telecommunications Services*

Article 40

The terms and conditions of the individual license may only be subject to modification by an agreement between the Agency and the license holder or by the Agency without the consent of the license holder in the following cases:

1. if it is in the public interest, such as state defense, national and public security and the like;
2. for the purpose of bringing the license into compliance with regulations, guidelines, directives or decisions of international organizations of which the state union of Serbia and Montenegro is a member, or with those which are enforced in the territory of the state union of Serbia and Montenegro by resolution of the relevant authority.

General authorizations may be amended by an Agency decision based on the reasons stated under paragraph 1 of this Article, while in order to amend the authorizations for the reasons stated under item 2, paragraph 1 of this Article the Agency shall obtain opinions on the proposed modifications from all relevant general authorization holders.

Adoption of the Agency decisions regarding modifications of a license shall be transparent, allowing the license holders to state their opinion about the reasons and scope or contents of the proposed modifications.

In adopting its decision the Agency shall restrict the rights of a license holder to the minimum possible extent required to accomplish the goal or purpose of the restriction or modification.

Modifications shall apply equally to all licenses or all license holders, unless there are special reasons for taking a different course of action such as, for instance, for the public telecommunications operators with exclusive rights or significant market power.

Revocation of License for Public Telecommunications Networks and Public Telecommunications Services

Article 41

A license (individual license or general authorization) may be revoked for the following reasons:

1. repeated or serious violations of the license terms and conditions, or the terms and conditions under this Law;
2. failure to pay a license fee within 30 days from the date of issuing the license, or within 30 days from the payment due date; and
3. bankruptcy, involuntary liquidation or long periods of insolvency of the license holder.

Before deciding to revoke a license, the Agency shall submit prior written notice to the license holder of the violations of the conditions stipulated under the license or under the law, or about other violations, and order the license holder, if it is possible and justified in view of the nature of such violations, to remedy the violations within a reasonable time. If the license holder fails to comply fully with the Agency order, the license shall be revoked under a written decision provided to the license holder.

The conditions and procedure for revoking licenses shall to be specifically defined in the Agency by-law.

Suspension of Rights and Obligations from the License

Article 42

Following the decision of the Agency, the rights and obligations stated in the license may be suspended in the following cases:

1. war or state of emergency;
2. events of Force Majeure which seriously affect the ability of a license holder to fulfill its obligations under the license or this Law.

The suspension of rights shall not be longer than the duration of the circumstances that caused the suspension.

During the suspension the license holder cannot use his/her rights from the license, nor has any obligation to pay the fees referred to in the license. The validity period of the license will be extended for the suspension period.

The Agency may also adopt the decision referred to in paragraph 1 of this Article in the cases for which revocation of the license is stipulated, if a license holder furnishes satisfactory evidence that during the period in which the rights and obligations from the license are suspended the violations that are the cause of the suspension shall be remedied.

The suspension referred to in paragraph 4 of this Article is terminated when the Agency has established that the license holder has remedied the violations that caused the suspension.

If the license holder has not remedied the violations within the suspension period, the Agency institutes proceedings for seizing the license.

During the suspension period determined for reasons referred to in paragraph 4 of this Article, the license holder cannot exercise only the rights stipulated in the license.

IV - TARIFFS, INTERCONNECTION, UNIVERSAL SERVICE AND LEASED LINES

1. Tariffs

Conditions for Introduction of Special Tariff Regime

Article 43

The Agency may establish a special tariff regime for public telecommunications operators in the following cases:

1. if there is only one public telecommunications operator for a particular telecommunications service or if a public telecommunications operator has significant market power in the telecommunications service market; or
2. if a public telecommunications operator cross-subsidizes or co-finances another telecommunications network or service of its own using revenues generated from the operation of the telecommunications network or provision of telecommunications service where it has a monopoly or significant market power.

The Agency may adopt a by-law establishing the cases in which the public telecommunications operator providing a particular type of public telecommunications service is deemed to have significant market power. In establishing the above, the Agency shall start from the prescribed percentage and may increase or decrease it by up to a maximum of 25%.

Tariff-Setting Criteria

Article 44

The Agency shall set the tariffs referred to in Article 43 hereof, based on the following criteria:

1. tariffs shall be set so as to allow license holders to recover their reasonable costs for providing efficient service and to make profit that will be sufficient to allow for investments in considerable improvements of services and for new investments;
2. tariffs shall be set so as to stimulate efficiency and increase in revenues by improving the organization and other elements of business and/or as a result of decreased costs of providing service, provided that a license holder has fulfilled all requirements under the license or under the relevant contract with regard to the provision and quality of service;
3. tariffs must not be discriminatory or unduly preferential to any class or potential class of users, irrespective of the costs of providing services to that class of users;

4. tariffs for universal service must be sufficiently unbundled so as to not require the user to pay for additional services or special facilities other than the connection to the public fixed telecommunications network and public voice service unless the user has chosen such additional services.

In establishing the special tariff regime, the Agency must take into account the recommendations and directives of the international organizations in which the Federal Republic of Yugoslavia is a member or in respect of which an official intent of acquiring membership has been declared.

In establishing the special tariff regime, the Agency shall obtain the opinion of the public telecommunications operator to which such tariff regime shall apply.

Free Tariff Regime

Article 45

If the Agency does not adopt a decision stating that conditions for the introduction of a special tariff regime exist, or, in other words, if the conditions of free competition between public telecommunications operators exist in the market of public telecommunications services, the telecommunications operators are free to set the tariffs for such services.

2. Interconnection

Obligation to Provide Interconnection

Article 46

All public telecommunications operators are entitled to interconnect with other public telecommunications networks.

At the request of an interested public telecommunications operator, the other telecommunications operator shall have to, in accordance with this Law, make such interconnection possible for the purpose of providing public telecommunications services over both networks.

Interconnection Terms and Conditions

Article 47

Public telecommunications operators shall define the terms and conditions of interconnection of their telecommunications networks in an interconnection agreement. Such contracts shall specifically define all financial and technical conditions for interconnection on the basis of the general terms and conditions set forth by the Agency.

If a public telecommunications operator refuses the interconnection request of another telecommunications operator or, if two public telecommunications operators fail to reach an agreement on interconnection within three months from making the initial request, either telecommunications operator may request that the Agency adopt a decision that will serve as substitute for the contract.

The Agency shall make the decision referred to in paragraph 2 of this Article within 60 days from the date when the request was submitted. The decision shall be final and binding upon both parties.

If a concluded interconnection agreement is not in accordance with this Law or the regulations adopted on the basis of this Law or with the general terms and conditions for interconnection set forth by the Agency, the Agency may request that the contract be brought into compliance with this Law, the regulations or general terms and conditions and, if the parties have failed to do so within a reasonable period, the Agency may adopt a decision ordering them to bring it into compliance.

Concluded interconnection agreements shall be, without exception, submitted to the Agency for registration and the information contained therein shall be transparent and available to the public, except for the information which is treated as confidential.

Special Interconnection Terms and Conditions

Article 48

If a request for interconnection has been addressed to a public telecommunications operator with significant market power, the interconnection fees and other to such telecommunications operator must be based on its interconnection costs, i.e. must reflect the costs of providing interconnection plus a reasonable profit.

The Agency may limit the amount charged by such telecommunications operator for interconnection.

A public telecommunications operator with significant market power shall make available to the public information regarding the terms and conditions of interconnection including technical specifications, network characteristics and costs.

A public telecommunications operator with significant market power shall conclude interconnection agreements with all other operators under equal and non-discriminatory conditions, and shall keep separate accounts of revenues from each of those operators so as to prevent preferential payment terms for interconnection to certain operators.

3. Universal Service

Scope and Contents of Universal Service

Article 49

At the proposal of the Agency and taking into account the present level of telecommunications development in the Republic of Serbia, the Ministry shall designate the initial group of basic services, which shall be, in terms of this Law, defined as universal service. The initial scope of universal service must include the following:

1. access to a public fixed telephone service, including the service of data transmission using voice telephony which enables quality access to the Internet;
2. special measures to ensure equivalent access to the public voice service for the disabled and socially disadvantaged users;
3. free access to emergency services;
4. public pay phone service; and
5. access to telephone operator and directory services.

*Rights and Obligations of Public Telecommunications Network Operators
Related to Universal Service*

Article 50

The Agency shall designate the telecommunications operator of a public telecommunications network that shall be responsible for the provision of universal services.

The public telecommunications network operator from paragraph 1 of this Article shall have the right to be compensated for universal service costs after it has fulfilled the obligations stipulated under Article 49 hereof, and the Agency shall, at the telecommunications operator's request, confirm the fulfillment of such obligations.

The funds for compensation of costs referred to in paragraph 2 of this Article shall be provided in the fund for compensation of universal service costs, which shall be a special account of the Agency for payment of the funds intended for compensation of universal service costs, which shall be decided by Agency.

This fund shall be financed from the periodical payments from other public telecommunications operators. The Agency shall specify the amount and the timing of such payments for each telecommunications operator in proportion to its telecommunication market share.

The terms and conditions for exercising the right referred to in paragraph 2 of this Article shall be established under the rules adopted by the Agency.

The public telecommunications network operator from paragraph 1 of this Article shall provide to the Agency at six-month intervals a report on the costs of universal service provision, and, at least once a year, a report relative on new connections to the public telecommunications network.

Universal Service Improvement

Article 51

The Agency shall monitor the progress of universal service realization and, upon finding that the previously prescribed requirements have been fulfilled, the Agency shall submit a proposal to the Ministry to adopt a decision on universal service improvement.

The decision on universal service improvement shall contain:

1. identification and description of the services to be provided as universal services, provided that all founded requests for access to the public fixed telecommunications network at a fixed locations have been met;
2. method of selection of a public telecommunications operator which will provide such services, with an obligation for the Agency to make the selection public;
3. method of determining maximum rates of services included in the universal service on the basis of a cost-based principle, with an obligation for the public fixed telecommunications operator to make the services affordable and the prices averaged over all of the regions;
4. mechanism of compensating public telecommunications operators for the costs of providing universal service;

5. description of the information which public telecommunications operators have to submit to the Agency for the calculation of costs of providing the services included the universal service, using a cost-accounting system which is in accordance with international standards;
6. requirement for public telecommunications operators providing universal service to have their annual statements of account audited in accordance with recognized international accounting standards;
7. obligation for the public fixed telecommunications operator to publish reports on the new connections over which universal services are provided, at least once a year or more often if necessary;
8. other conditions related to the provision of universal services.

The obligations of public telecommunications operators relating to universal service may be stipulated in their licenses.

4. Leased Lines

Rights and Obligations of Public Fixed Telecommunications Network Operator with Significant Market Power Related to Leased Lines

Article 52

A public fixed telecommunications network operator with significant market power is under an obligation to provide leased lines to other public telecommunications operators at their request.

The public fixed telecommunications network operator from paragraph 1 of this Article is under an obligation to conclude a contract on leased lines at the request of other public telecommunications operators, if such lines are available, within a reasonable time period and under reasonable terms and conditions, which shall be cost-based and equal for all persons leasing the same type of lines.

If there is capacity available and the public fixed telecommunications network operator from paragraph 1 of this Article refuses to conclude a contract or offers discriminatory conditions, the public telecommunications operator submitting the request has the right to address the issue to the Agency, which shall make a decision that will serve as substitute for the contract.

Other Public Telecommunications Operators

Article 53

Public telecommunications operators, which are not covered by Article 52 hereof, shall allow access to their networks and services via leased lines under generally known terms and conditions and without discrimination against certain telecommunications operators.

The terms and conditions for the provision and use of such leased lines, as well as their technical characteristics and tariffs, must be transparent and publicly available to all prospective lessees.

5. Other Obligations of Public Telecommunications Operators

Privacy and Security of Information

Article 54

Public telecommunications operators shall take all the relevant technical and organizational measures so as to ensure confidentiality and security of its services and shall not be permitted to disclose information about contents, terms and conditions of message transmission beyond the minimum level necessary for offering the service on the market or in cases stipulated under the law.

Public telecommunications operators may keep and process the traffic data, which refer to individual customers and which are processed for the purpose of establishing connections, only to the extent necessary for customer billing purposes.

Public telecommunications operators may provide the data referred to in paragraph 2 of this Article only to the sender and the recipient of messages at their request.

Public telecommunications operators may keep the data referred to in paragraph 2 of this Article not longer than the period in which the claims may be contested or collected from the customers.

Public telecommunications operators shall enable the authorized government authorities to access and analyze the data referred to in paragraph 2 of this Article in accordance with the law.

Article 55

Any activity or use of equipment threatening or interfering with the privacy and confidentiality of messages transmitted via telecommunications networks shall be prohibited, except in the case a consent has been obtained from customers or in case these activities are performed in compliance with the law or a court order issued in accordance with the law.

Public telecommunications operators shall provide, as a part of their system and at their own expense, subsystems, devices, equipment and installations for electronic surveillance empowered by relevant telecommunications law.

The Agency in cooperation with telecommunications operators and government authorities responsible for electronic surveillance shall define the technical requirements for the subsystems, devices, equipment and installations referred to in paragraph 2 of this Article.

Telecommunications network, system or equipment may be put into operation only after the telecommunications operator has fulfilled or undertaken to fulfill the requested technical requirements referred to in paragraph 3 within a certain period of time.

If telecommunications network, system or equipment is already in operation, the telecommunication operator must provide the subsystems, devices, equipment and installations referred to in paragraph 2 of this Article within six months after an authorized government authority has requested the fulfillment of the requirements.

The costs of telecommunications traffic shall be borne by the telecommunication operator.

Obligation to Keep Records

Article 56

Public telecommunications operators shall, in electronic form and in books, keep records of the service quality level, customers, tariffs, revenues and expenditures, interconnection, and other specific data, in the form and in the manner which must be compatible with the software programs and systems used by the Agency.

The Agency may adopt a by-law prescribing the form and the manner of keeping the records referred to in paragraph 1 of this Article.

In particular, public telecommunications operators performing their activities through branches and not through separate legal persons (subsidiary and/or affiliated companies) shall keep cost accounts and other records for each branch, in the manner prescribed by the Agency in order to ensure the exercise of the Agency's responsibilities as stipulated in this Law.

In cases stipulated in this Law or at the request of the Agency, public telecommunications operators is obliged to submit information from the records referred to in paragraphs 1 and 3 of this Article to the Agency.

Obligation to Submit and Publish Annual Financial Reports and Accounts

Article 57

Public telecommunications operators are obliged to submit to the Agency their annual financial reports and accounts within three months from the end of the fiscal year. The annual financial reports and accounts shall be audited to independent external auditors in accordance with applicable regulations and standards, as well as with international accounting standards.

Public telecommunications operators are obliged to publish the annual financial statement and accounts referred to in paragraph 1 of this Article in way set by their own bylaws.

V RADIO COMMUNICATIONS

Special Responsibilities of the Agency Related to Radio Communications

Article 58

In addition to the responsibilities set forth in the Article 9 hereof, the Agency has the following responsibilities related to radio communications:

1. to manage radio frequency spectrum in the Republic;
2. to issue radio station licenses;
3. to conduct technical inspections of radio stations;
4. to keep radio communications records;
5. to cooperate, independently or through the competent authorities, with the international organizations and foreign administrations in charge of radio frequency spectrum management.

Principles of Radio Frequency Spectrum Management

Article 59

The management of the radio frequency spectrum requires in particular:

1. rational and economical use of the radio frequency spectrum as provided in the Radio Frequency Bands Allocation Plan and Radio Frequency Assignment Plans;
2. harmonization of the use of the radio frequency spectrum with international agreements which are binding on the Republic of Serbia and with international recommendations;
3. coordination of the use of radio frequencies assignment;
4. notification of radio frequencies assignment;
5. monitoring of the radio frequency spectrum;
6. identification of harmful interference, and undertaking measures for their elimination;
7. protection of national security and defense interests.

Co-ordination of the Use of Radio Frequencies

Article 60

Before assignment, the radio frequencies allocated for use in certain border zones shall be coordinated with the neighboring countries with which special agreements on co-ordination of the use of radio frequencies have been concluded, for the purpose of undisturbed use of radio frequencies in border area.

Before assignment, the radio frequencies from certain radio frequency bands shall be, if necessary, coordinated with the neighboring and other countries concerned.

The Agency shall coordinate the use of radio frequencies as referred to in paragraphs 1 and 2 of this Article through the relevant government authority of Serbia and Montenegro or with the approval of this authority, if it is a precondition for the coordination to be recognized by the relevant foreign administrations.

Notification of Radio Frequencies Assignments

Article 61

Each radio frequency assigned to a specific type of radio station shall be reported to the International Telecommunications Union if:

1. the use of the radio frequency could cause harmful interference to the radio service of another country;
2. the radio frequency is to be used for international radio communications; or
3. it is required for the purpose of international recognition, i.e. protection of the radio frequency at the international level.

The Agency shall report the radio frequency assignment through the relevant government authority of Serbia and Montenegro or in cooperation with this authority, if it is a precondition for the notification to be internationally recognized.

Radio Frequency Bands Allocation Plan

Article 62

The radio frequency spectrum is a limited natural resource.

Efficient and economical use of the radio frequency spectrum shall be ensured by the Radio Frequency Bands Allocation Plan (hereinafter referred to as the Allocation Plan).

The Allocation Plan shall define in particular:

1. radio frequency bands which are allocated for particular radio services and activities; and
2. basic conditions for the use of radio frequency bands.

The Allocation Plan must provide for unhindered operation of radio services and performance of activities that are of common interest for the Republic of Serbia and the Republic of Montenegro.

The Allocation Plan shall be adopted by the Government upon the proposal made by the Ministry and prepared by the Agency.

Radio Frequencies Assignment Plan

Article 63

The Radio Frequencies Assignment Plan (hereinafter referred as the Assignment Plan) shall define in particular:

1. terms and conditions for assignment of radio frequencies from the allocated radio frequency band; and
2. assignment of radio frequencies by locations for one or more radio services and activities.

Assignment Plans shall be based on the Allocation Plan and the Radio Communications Development Plan for Specific Activities, which is an integral part of the Telecommunications Development Strategy in the Republic of Serbia, taking into consideration the needs of the users.

Assignment Plans shall be adopted by the Ministry upon the proposal made by the Agency in accordance with this Law and relevant international agreements that are binding on the Republic of Serbia.

Assignment and Use of Radio Frequencies

Article 64

Users of radio frequencies may be assigned radio frequencies primarily from the radio frequency bands that are allocated to certain services or activities that the user intends to provide or perform in accordance with the Allocation Plan.

Notwithstanding the provision of paragraph 1 of this Article, radio frequency users may be assigned other radio frequencies provided that the use of those radio frequencies does not cause harmful interference to the services in the countries to which these radio frequencies have been allocated under international agreements.

Radio frequency users may be assigned one or more exclusive, shared or general radio frequencies depending on the Assignment Plan.

For the purpose of rational use of radio frequencies, the use of assigned radio frequencies may be limited in time, and the right granted for such use may be modified or revoked, as necessary.

The Agency shall define the terms and conditions under which the right to use the assigned radio frequency may be limited, modified or revoked.

Radio frequencies shall be assigned for use by granting radio station licenses.

Radio Station License

Article 65

A radio station may be used only on the basis of a previously obtained license, except for those types of radio stations for which a license is not required.

The Agency determines the types of radio stations for which a license is not required.

A legal person who is registered for import of radio stations for the purpose of their resale shall have to obtain the prior approval from the Agency for import of radio stations.

The Agency shall grant radio station licenses.

Upon obtaining a radio station license, its holder shall acquire the right to use the radio station and the radio frequency stated in the license.

A radio station license may not, on any grounds, be transferred or assigned to a third party either temporarily or permanently.

A radio station license shall be issued in the form and contents prescribed by the Agency, separately, for each radio station.

Notwithstanding the provision in paragraph 6 of this Article, a single license shall be issued for:

1. radio station on board an aircraft;
2. radio station on board a ship or other vessel; and
3. radio station on board a train.

Licenses for radio base stations in a public mobile telecommunications network with an individual license may also be granted for more than one radio frequency, i.e. for the radio frequency band assigned by the individual license. Also, a radio station license allowing the use of a frequency band may be granted for the radio systems whose technology requires them to operate on a frequency band rather than on an individual frequency.

The Agency shall specify the terms and conditions and the application form for amateur radio station licenses.

Refusal to Grant Radio Station Licenses

Article 66

The Agency shall refuse to grant a radio station license if:

1. the applicant does not meet the conditions stipulated by this Law and the regulations adopted on the basis of this Law;
2. it is not possible to accept the applicant's request due to technical reasons;

3. the broadcasting regulatory body fails to submit an adequate proposal; or
4. issuance of the license would prevent efficient use of the radio frequency spectrum or operation of other telecommunications equipment.

Temporary Radio Station License

Article 67

A temporary license may be granted for a radio station, the quality of which is tested, measured or reported.

The duration period of a temporary radio station license may not be longer than 60 days.

Radio Station License for Diplomatic-Consular Representative Offices

Article 68

A diplomatic-consular representative office may use certain types of radio stations and radio frequencies on the basis of reciprocity.

The Agency shall grant the license for the radio station referred to in paragraph 1 of this Article, following the approval of the federal authority in charge of foreign affairs.

The diplomatic-consular representative office is under an obligation to obtain a license for the radio station referred to in paragraph 1 of this Article before bringing the radio station into the country and to present it to the relevant border authority at the border crossing.

The Agency, with the approval of the authority in charge of internal affairs, shall prescribe the types of radio stations and radio frequencies that may be used by diplomatic-consular representative offices in accordance with the international agreements binding on the Serbia and Montenegro.

Diplomatic-consular representative offices may use radio stations only for their own needs.

Radio Station License to Foreign Legal Person

Article 69

Foreign legal persons may use radio frequencies and certain types of radio stations in the territory of the Republic of Serbia if they have established, based on the agreements and decisions or approval of the relevant authorities, business, technical, information, scientific, cultural, sport and other relationships with the relevant authorities and organizations in the country.

Radio station licenses referred to in paragraph 1 of this Article shall be issued by the Agency, with the approval of the relevant federal defense authority and relevant federal internal affairs authority. Such approval is needed only for the use of the frequency bands, which are assigned to these authorities under the Allocation Plan.

A foreign legal person is under an obligation to obtain a license for the radio station referred to in paragraph 1 of this Article before bringing the radio station into the country and to present the license to the responsible border authority at the border crossing.

A foreign legal person may use a radio station only for its own needs and may not provide services to third parties.

Radio Station License to Foreign Physical Person

Article 70

During their stay in the territory of the Republic of Serbia, foreign nationals may, for their needs, use:

1. amateur radio stations;
2. radio stations operating in the citizens band (CB stations);
3. radio stations operating in the frequency band assigned for privately-owned aircraft, ships and other vessels on navigational ways; and
4. subscriber radio stations operating within a public telecommunications network.

The Agency shall not grant licenses for the radio stations referred to in items 1 and 2, paragraph 1 of this Article, if there is no reciprocity with the country of the applicant. The approval of the relevant internal affairs authority shall be required for the grant of such licenses.

A foreign physical person is under an obligation to acquire the radio station license referred to in items 1 and 2, paragraph 1 of this Article before bringing a radio station into the country and to present it to the relevant border authority at the border crossing.

A foreign national radio station license, issued in the prescribed form and in accordance with the International Radiocommunications Regulations shall be accepted for radio stations referred to in item 3, paragraph 1, of this Article.

Commencement of Radio Station Operation

Article 71

Unless otherwise stipulated under a separate law, radio stations must start operating within one year at the latest after the license has been issued.

A radio station may be put into operation after the Agency has completed technical inspection, including the examination of the parameters specified in the project and/or technical documentation, on the basis of which the license has been granted, and after the stipulated fees have been paid in full by the radio station license holder.

The provisions of this Law governing technical inspection of telecommunications networks, systems and equipment shall also apply technical inspection of radio stations.

If for valid reasons the radio station license holder is not in a position to put the radio station into operation within the period stipulated in paragraph 1 of this Article, he\she may apply for the renewal, in writing, no later than 15 days before the radio station were to be put into operation. The license holder is obliged to provide an explanation for the delay in the application.

The Agency shall assess the reasons for extending the deadline for putting the radio station into operation and is obliged to make the decision about the application of the license holder referred to in paragraph 4 of this Article before the deadline for putting the radio station into operation has expired.

The Agency shall specify the technical inspection procedure and the costs to be paid by the radio station license holder for the technical inspection.

Operation of Radio Station

Article 72

In the course of the radio station operation, the radio station license holder shall observe the terms and conditions from the radio station license, and the conditions stipulated under this Law and the regulations adopted on the basis of this Law; shall ensure that the operation of its radio station does not cause harmful interference to the operation of other radio stations; shall ensure that the operation of its radio station does not threaten or harm the environment, and in particular shall ensure protection of people from harmful radiation of equipment in accordance with the prescribed standards; and shall take timely measures in order to remedy the interference caused by the operation of its radio station.

If it is established that the radio station causes harmful interference to other radio stations or vice versa, the Agency shall take all necessary measures to put a stop to such interference.

For the purpose of regulating the harmful and other interference, the Agency shall specify:

1. conditions for electromagnetic compatibility;
2. methods and measures for preventing or diminishing electromagnetic interference; and
3. procedures and restrictions in cases where the telecommunications equipment, in part or in whole, does not comply with the requirements prescribed for the use of radio stations.

As a rule, the radio station license holder shall pay a fee for the use of radio frequency once a year.

The fee for the use of radio frequency shall be determined on the basis of the following criteria:

- 1) type of radio station;
- 2) purpose of the radio network in which the radio station operates;
- 3) number of inhabitants in the service zone based on the official data provided by the authority responsible for statistics;
- 4) level of development of the area covered by the radio station.

The fee referred to in paragraph 5 shall be determined by the Agency.

Restrictions in Operation of Radio Stations

Article 73

Radio stations on board a domestic or a foreign aircraft may be used, while the aircraft is at an airport in the territory of the Republic of Serbia, only for radio communication with Air Traffic Control for the purpose of receiving information and instructions for taking off and maneuvering at that airport. While at the airport, the aircraft may also use portable radio stations for maintaining radio communication with the airport service in charge of loading and unloading passengers, luggage and goods.

Radio stations on board a domestic or a foreign ship or other vessels must not be used while the ship or the marine vessel is in a harbor or a port in the territory of the

Republic of Serbia, except for the radio station used for radio communication for port piloting service and for maneuvering in the harbor or the port, and the portable radio stations used for radio communication in the harbor or the port during loading and unloading of passengers or goods and other ship maneuvers.

Radio stations on a foreign train may be used on the railways in the territory of the Republic of Serbia in accordance with the international agreements binding on the Republic of Serbia.

Validity of Radio Station License

Article 74

A radio station license is valid for 10 years, except for the licenses for radio station on board aircraft or ships, whose duration period depends on the flying or sailing capability of the aircraft or ship.

Notwithstanding the provision of paragraph 1 of this Article, radio station licenses with a limited duration period may be granted at the request of the radio station license holder.

Radio station licenses that are granted to radio and television broadcasters at the request of the broadcasting regulatory body shall be granted for the period specified by the broadcasting regulatory body in the broadcasting license.

Period of duration of the radio station license can be extended at the request of the license holder, where the radio station license holder must apply for the renewal of the license not later than 60 days before the expiry of the period referred to in paragraph 1 of this Article, unless otherwise stipulated under special regulations.

If the Agency accepts the application referred to in paragraph 4 of this Article, it issues a new license for the radio station for which it determines a new duration period, under the same conditions as in the case of the license whose duration period is being extended.

Expiration of Radio Station License

Article 75

A radio station license shall cease to be valid upon:

1. expiry of the duration period;
2. expiry of the period for putting the radio station into operation, if the deadline for putting the radio station into operation has not been met.
3. dissolution of the radio station license holder, if the radio station license has been issued to a legal person;
4. death of the radio station owner, if the radio station license has been issued to a physical person;
5. cessation of the need for radio communications;
6. permanent ban on the use of the radio station;
7. disposal or write-off of the radio station; or
8. annulment of the license in accordance with this Law.

If radio station license holders change their name or title, they shall have to obtain a new radio station license.

Modification of Terms and Conditions of Radio Station License

Article 76

Should the need arise, the terms and conditions specified in a radio station license may be modified in the course of the radio station operation.

The Agency may modify the terms and conditions from paragraph 1 of this Article at the request of the radio station license holder. In this case the Agency issues a new license for the radio station, thereby invalidating the previously issued license.

If in the course of the operation of a radio station, a modification is made in the Allocation Plan, Assignment Plans or in the regulations on the use of radio stations, the radio station license holder is under an obligation to ensure, at the request of the Agency and at its own expense, that the operation of the radio station complies with the modifications.

Annulment of Radio Station License

Article 77

A radio station license may be annulled if:

1. the terms and conditions stipulated in this Law or in the radio station license have not been fulfilled;
2. it is established that the application for the radio station license contains false information;
3. the rights acquired by the license cease to exist;
4. the related radio and television broadcasting license expires, is revoked under the decision of the broadcasting regulatory body or otherwise ceases to be valid, in accordance with the broadcasting law;
5. the fee for the use of radio frequencies has not been paid;
6. the allocation of the frequency band changes or if public needs having priority arise which cannot be satisfied otherwise; or
7. the radio station causes harmful interference to other telecommunications equipment;
8. the radio station operation threatens or harms the environment, and in particular if it causes radiation above the prescribed limits.

Specific Rules for Granting Radio Station Licenses

Article 78

For the purpose of granting radio station licenses, the Agency shall specify:

1. procedure for granting radio station licenses, including the information and documentation required for radio station licenses;
2. forms for radio station licenses;
3. method of identifying and using signal sequences and protocols (procedures) in radio communications;
4. conditions for recognition of radio station licenses granted in other countries based on reciprocity or on international agreements and accepted standards;

5. types of radio stations and/or radio frequencies for which licenses are not required and the conditions to be fulfilled in such cases;
6. conditions under which certain types of radio stations can be used in different radio services or in different radio frequency bands;
7. size of the safety zone surrounding some radio stations;
8. conditions for available radio relay links (radio corridors) in towns and urban settlements;
9. types of radio stations which may be installed in towns and urban settlements; and
10. requirements for preparation of project and technical documentation.

Radio Communications Records

Article 79

In addition to the database of radio communications registers kept in accordance with Article 22 hereof, for the purpose of radio frequency planning, control of radio emission, and inspection of radio stations, the Agency shall create and maintain a database related to the following:

1. co-ordination of radio frequency utilization with neighboring and other countries;
2. notification and registration of radio frequency assignments with the International Telecommunications Union;
3. monitoring of radio emission and inspection of radio stations;
4. radio station license holders;
5. the topography of the Republic of Serbia, Serbia and Montenegro and the relevant border areas of the neighboring countries (topographic features and electromagnetic characteristics of the terrain);
6. other data of relevance for radio frequency planning, control of radio emission and radio station inspection.

Cooperation with International Organizations

Article 80

The Agency shall maintain cooperation with the international organizations and foreign administrations in charge of radio frequency spectrum management, and secure implementation of international agreements in this field.

In accordance with international agreements, telecommunications operators may maintain cooperation with international organizations and foreign telecommunications operators.

In cooperation with the responsible authorities and for the purpose of realizing the interests in the field of radio communications, the Agency shall co-ordinate and harmonizes the positions of the interested telecommunications operators with regard to international cooperation in the field.

Documents and Information Which May Be Published

Article 81

In addition to the documentation and information specified in Article 20 hereof, the Agency shall publish the following documents related to radio communications, in the manner to be defined in its Statutes:

1. The Radio Frequency Bands Allocation Plan and Radio Frequencies Assignment Plans;
2. envisaged modifications in the allocation of radio frequency bands for the next two years;
3. list of services operating in the radio frequency bands allocated for the purposes other than those specified in the Allocation Plan for such radio frequency bands;
4. radio frequency bands expected to be allocated for new services.

Cooperation between Agency and Broadcasting Regulatory Body

Article 82

In establishing the terms and conditions for, and the ways of using radio frequencies for the purposes specified in Article 2 thereof, the Agency shall co-operate with the broadcasting regulatory body stipulated under a separate law, and in particular it shall:

1. consider the requirements of the broadcasting regulatory body pertaining to the public and commercial broadcasting;
2. obtain the opinion of the broadcasting regulatory body before submitting the draft assignment plan to the relevant Ministry; and
3. investigate the possibilities of revision of the adopted plans, at the proposal of the broadcasting regulatory body.

The regulatory body which is, under a separate law, responsible for broadcasting and for issuing licenses for broadcasting and/or distribution of radio and/or television programs, shall hold a public tender for broadcasting licenses and grant the broadcasting licenses on the basis of the Assignment Plan made in accordance with Article 63 hereof, including the main technical parameters (transmitter locations, effective radiated power, service zone, etc.).

A radio station license granted by the Agency shall constitute an integral part of the broadcasting license issued by the regulatory body referred to in paragraph 2 of this Article, whereas a broadcasting license or a license for distribution of radio and/or television programs may be issued only together with a radio station license.

The Agency shall grant a radio station license at the request of the regulatory body referred to in paragraph 2 of this Article and shall forward it to that body so it may issue the broadcasting license in accordance with the relevant procedure. The Agency shall issue the radio station license in where the terms and conditions stipulated under this Law have been fulfilled and where the request of broadcasting regulatory body complies with Radio Frequency Assignment Plan.

If the Agency establishes that the broadcasting regulatory body has granted a broadcasting license or license for distribution of radio and/or television programs in contravention of paragraph 2 of this Article, it shall require that the granting regulatory body bring the license into compliance with the Allocation Plan and the specified technical parameters within 15 days at the latest. If the broadcasting regulatory body fails to act on the Agency's request within the prescribed period, the Agency shall annul the radio station license and impose a sanction pursuant to Article 28 hereof.

To complete the records of licenses, the broadcasting regulatory body shall provide the Agency with a copy of each license granted for broadcasting or distribution of radio and/or television program.

*Radio Communications of the Defense and Internal and
Foreign Affairs Authorities*

Article 83

Radio communications of the defense, internal and foreign affairs authorities shall be specifically defined in special regulations in accordance with this Law.

In the construction and use of their radio communications on the territory of the Republic of Serbia, the defense, internal and foreign affairs authorities shall comply with the provisions of this Law and the regulations adopted on the basis of this Law pertaining to allocation of frequency bands, types of emissions, measures for prevention of harmful interference and assistance in case of emergency.

VI NUMBERING

Numbering Plan

Article 84

The Agency shall adopt the Numbering Plan for telecommunications networks and manage this Plan.

In adopting and managing the Numbering Plan, the Agency shall abide by the decisions and regulations of the relevant government authorities of Serbia and Montenegro and international organizations that are binding on the Republic of Serbia and the Republic of Montenegro, as well as by the decisions and regulations of the relevant government authorities of Serbia and Montenegro relative to the availability of numbering resources to be used in the territory of the Republic of Serbia.

The Agency shall assign the numbers from the Numbering Plan to the public telecommunications operators on a non-discriminatory basis.

The public telecommunications operators shall pay an annual fee for the use of the assigned numbers in an amount defined by the Agency on the basis of:

- 1) type of public telecommunications services for which the assigned numbers will be used;
- 2) number of inhabitants in the area in which the assigned numbers will be used based on the official data provided by the authority responsible for statistics;
- 3) special purpose for which the assigned numbers or numbering resources are used (internal numbering resources, addressing in telecommunications networks, commercial use of the assigned numbers, etc.); and
- 4) specific technical conditions or parameters of relevance for the use of the assigned numbers.

Public telecommunications operators may reassign their assigned numbers for commercial use by third parties only on the basis of a written agreement, which requires a prior approval of the Agency.

Contents of Numbering Plan

Article 85

The Numbering Plan shall be a set of rules and principles relating to the assignment, use and administration of the numbering resources of national telecommunications networks and services.

The Numbering Plan shall also include internal numbering and addressing of telecommunications networks, rational use of numbers, possibility of selection and pre-selection of telecommunications operators and rights to number portability for users.

The Numbering Plan shall also address the following:

1. assignment of numbers with priority;
2. assignment of numbers to which special tariffs are applied;
3. assignment of numbers that will be used for rearrangement, if necessary, of the Numbering Plan; and
4. schedule for changing or introducing new numbers.

VII - STANDARDS AND REQUIREMENTS FOR CONSTRUCTION OF TELECOMMUNICATIONS NETWORKS AND FACILITIES AND INSTALLATION OF TELECOMMUNICATIONS EQUIPMENT

Standards, Technical Inspection and Technical License (Certificate)

Article 86

In accordance with this Law, the Agency shall adopt a by-law prescribing standards for telecommunications networks, systems and equipment.

The standards may refer to the design, installation, maintenance and use of telecommunications networks, systems and equipment.

The Agency shall prescribe standards based on the international standards and technical regulations in the telecommunications sector, and in particular the standards and technical regulations applied in the European Union.

Telecommunications networks, systems and equipment must be built, designed, manufactured, used and maintained in accordance with the prescribed standards and technical requirements.

The Agency shall monitor compliance with the prescribed standards and technical requirements and issues relevant technical licenses - homologation certificates.

Unless otherwise stipulated under this Law and the standards established by the Agency, the relevant European Union standards and technical regulations shall be applied to telecommunications networks, systems and equipment.

The telecommunications equipment intended for sale or installation in the territory of the Republic of Serbia shall be deemed to comply with domestic standards if it has been approved by, or it is otherwise ascertained that it meets the relevant standards applicable in the European Union.

Telecommunications networks, systems and equipment may be put into operation and used only after the Agency has performed an inspection and approved their use upon establishing that all prescribed technical requirements and the terms and conditions from the license have been satisfied (technical inspection).

The information about the technical inspection of telecommunications networks, systems or equipment shall be entered into a special form, specified by the Agency as to

its form and contents, one copy of which shall be provided to the party concerned upon completion of the technical inspection.

Telecommunications systems and equipment may be put into operation only if the relevant technical license – homologation certificate - has been granted.

A fee for issuance of homologation certificates and performance of technical inspection shall be payable in accordance with a price list adopted by the Agency.

Construction and Installation of Telecommunications Networks, Systems and Equipment

Article 87

The telecommunications networks systems and equipment must be designed, built, manufactured, used and maintained so as not to cause harmful interference to other telecommunications networks, systems and equipment.

Telecommunications networks, systems and equipment may be put into operation only after the Agency has completed technical inspection, including the examination of the parameters specified in the project and/or technical documentation on the basis of which the license has been granted. The Agency shall specify the technical inspection procedure.

If technically or otherwise feasible, the Agency may order sharing of infrastructure by two or more telecommunications operators, in other words, it may order a telecommunications operator – infrastructure owner - to enable another telecommunications operator to share its infrastructure in return for fair compensation.

Public telecommunications operators are entitled to request the rights of way over or the right to use the land owned by another person (easement) if this is necessary for establishment of the public telecommunications networks or systems and installation of telecommunications equipment.

If a public telecommunications operator and the property owner are unable to reach an agreement on the right of way or easements for the purpose of installation or protection of telecommunications networks, systems and equipment, the right of access or the right of way shall be regulated under general rules by the Agency.

When constructing or installing telecommunications networks, systems and equipment, a telecommunications operator is under an obligation to take the necessary measures to protect the property of the owners and the safety and health of people and to ensure the safe flow of vehicular traffic and the protection of the environment, particularly with regard to radiation that is deemed harmful under the applicable standards.

Works in the Vicinity of Telecommunications Facilities

Article 88

It is prohibited to perform works near telecommunications facilities and other telecommunications equipment or build facilities that may affect or interfere with their operation.

If it is necessary to perform such works or build such facilities, the investor and/or the contractor shall obtain the prior approval of the telecommunications operator so to ensure that the necessary measures have been taken for protection and smooth operation of the telecommunications facilities.

The costs of taking the measures and obtaining the approval from paragraph 2 of this Article shall be borne by the investor and/or the contractor.

Radio Corridors and Safety Zone

Article 89

Available radio relay links (radio corridors) in towns and urban settlements shall be specified in urban development plans.

In the vicinity of radio stations and antenna systems and along the radio path between two radio stations there shall be a safety zone in which it is prohibited to build other radio stations, facilities or installations that may obstruct the propagation of radio waves or cause interference.

Power Installations

Article 90

Power installations for transmission, distribution or utilization of electric energy, which are located near a telecommunications network, must be built, used and maintained so as to avoid interference in the operation of that telecommunications network and to avoid endangering the life and health of people who perform works on or operate that telecommunications network.

Electromagnetic Interference

Article 91

Power installations and other equipment and devices must not cause electromagnetic interference to the telecommunications networks and must have a certificate that certifies that they comply with the measures for prevention of electromagnetic interference in the operation of the telecommunications network and reception of signals.

VIII PROTECTION OF USERS

Rights of Telecommunications Users

Article 92

In addition to the right to unhindered use and high quality of public telecommunications services and the right to privacy and security of information, users of public telecommunications services or public telecommunications networks shall have the right to:

1. access directory and emergency service information and other universal services stipulated under this Law and the regulations adopted on the basis of this Law;
2. receive an itemized bill from their public telecommunications operators, at their request and free of charge, showing the calls made and the cost of those calls for the relevant billing period;
3. receive prior information from their public telecommunications operators about all consequences of late payment of bills, including termination of service;
4. receive information from their public telecommunications operators about their rights and the obligations of the public telecommunications operator in case of termination of service or provision of poor quality service;
5. lodge a complaint about the bill with the public telecommunications operator within eight days from the receipt of the bill, and the public telecommunications operator shall decide the complaint within 15 days from the date of the complaint and notify the user thereof in writing; and
6. lodge a complaint with the Agency about improper treatment by their telecommunications operator, including complaints about billed amounts, after they have exhausted all remedies with the telecommunications operator.

The exercise of the right to protection from paragraph 1 of this Article does not deprive the telecommunications service users of their right to seek protection as stipulated under other regulations.

Public telecommunications operators and users shall conclude a contract regulating their mutual rights and obligations, while the terms and conditions for provision of public telecommunications services must be transparent and known in advance.

In modernizing their telecommunications networks, public telecommunications operators shall not impose any obligation upon users.

Temporary Suspension of Public Telecommunications Services

Article 93

Public telecommunications operators may temporarily suspend the provision of public telecommunications services in case:

- 1) technical interferences have occurred in the public telecommunications network – until such interferences have been removed;
- 2) technical interferences or faults have been established on the user's equipment or installation - until such interferences or faults have been removed;

- 3) works are performed on the construction and expansion of the public telecommunications network to which the user is connected – until the works have been completed;
- 4) the user or other person uses its subscriber number or other form of user identification in public telecommunications services to disturb or insult other users of the same or other public telecommunications operator;
- 5) the user fails to settle its liabilities payable for the services used within 15 days from the due date – until such liabilities have been settled, provided however that the public telecommunications operator shall over the period of suspension continue to provide to the user the public telecommunications services that do not represent the costs incurred by the user to the extent technically possible.

In the case under item 5), paragraph 1 of this Article, public telecommunications operators may permanently suspend the provision of public telecommunications services if the user fails to settle its due liabilities within 60 days from the date of temporary suspension.

IX INTERNATIONAL TELECOMMUNICATIONS

Connection of Domestic Telecommunications Networks to Foreign Telecommunications Networks

Article 94

Domestic telecommunications networks may be interconnected with telecommunications networks of other states on the basis of international agreements and under the terms and conditions prescribed by the law.

The Agency shall issue a general authorization for interconnection of a domestic telecommunications network with a foreign telecommunications network to a public telecommunications operator which holds the relevant telecommunications license and meets the terms and conditions prescribed by the Agency in accordance with Article 38 of this Law, including the terms and conditions relating to the national security.

The provisions of this Law do not apply to interconnection agreements between domestic and foreign telecommunications operators including interconnection fees and accounting rates.

A public telecommunications operator, which has been licensed for interconnection with a telecommunications operator of a foreign telecommunications network, has the right to conclude a contract for construction of an interconnection network and exchange of traffic with that telecommunications operator, and to perform settlement and collection of payments for international telecommunications traffic (net settlement). The construction of the interconnection network is subject to the provisions of Articles 86 and 87 of this Law.

Cooperation with International Telecommunications Organizations

Article 95

The Agency shall monitor and inform the relevant government authorities, telecommunications operators and the public on developments in the sphere of

regulations and rules adopted by international organizations concerned with telecommunications (EU, ITU, CEPT, WTO and other) and shall take measures to adopt and incorporate such regulations and rules into the national legal system.

In cooperation with the relevant authority, the Ministry shall co-ordinate and harmonize the activities related to international cooperation in the telecommunications sector.

X PENAL PROVISIONS

Article 96

A fine for an economic violation in the amount of 300,000.00 Dinars to 3,000,000.00 Dinars shall be imposed on a public telecommunications operator if it:

1. fails to take relevant measures so as to ensure confidentiality and security of its services in accordance with Article 54 of this Law;
2. constructs, owns and operates a public telecommunications network and/or provides public telecommunications services without previously obtaining a license from the Agency if such license is required under this Law and the regulations adopted on the basis of this Law (Article 32);
3. owns a public telecommunications network, or provides a public telecommunications service not covered by its license (Article 34);
- 3a. does not perform activities from the field of telecommunications through a separate legal entity or through branches (Article 34, paragraph 4);
4. fails to perform the telecommunications activities through a separate legal entity (Article 34, paragraph 5);
5. transfers an individual license or a general authorization to a third party without the prior approval of the Agency (Article 36, paragraph 9 and Article 38, paragraph 6);
6. sets tariffs contrary to those set by the Agency for services subject to the special tariff regime (Article 44);
7. fails to provide interconnection to another telecommunications operator in accordance with the provisions of this Law (Article 46);
8. fails to comply with the requests of the Agency pertaining to special terms and conditions for interconnection (Article 48);
9. fails to fulfill the obligations pertaining to the provision of universal service (Article 50);
10. fails to fulfill the obligations pertaining to the provision of leased lines (Articles 52 and 53);

A fine in the amount of at least 100,000.00 Dinars shall also be imposed for the economic violations from paragraph 1 of this Article on the responsible person of the public telecommunications operator.

Article 97

A fine for an offence in the amount of at least 60 000.00 Dinars shall be imposed on a public telecommunications operator if it:

1. fails to provide a telecommunications inspector with access to a building, fails to provide him/her with the requested information or documentation, fails to enable the inspector to complete necessary tests and measuring, or fails to complete such tests and measuring by themselves at his/her request, or fails to comply with the

- summons for the purpose of special tests to be performed in monitoring and measuring centers (Article 29);
2. discloses information about contents, terms and conditions of message transmission beyond the minimum level necessary for offering the service on the market (Article 54);
 3. keeps and processes the traffic data which refer to individual customers contrary to the provision of Article 54, paragraph 2;
 4. fails to establish and keep records in accordance with Article 56;
 5. fails to submit its annual financial reports or accounts within the period specified in Article 57;
 6. puts a telecommunications network, system or equipment into operation before a technical inspection has been performed (Article 86);
 7. designs, builds, uses or maintains a telecommunications networks, systems or equipment so as to cause interference to other telecommunications networks, systems or equipment (Article 87);
 8. fails to comply with an order of the Agency pertaining to the sharing of infrastructure or fails to enable a another telecommunications operator to share infrastructure (Article 87);
 9. fails to take the necessary measures to protect the property of the owners or the safety and health of people or fails to ensure the safe flow of vehicular traffic or the protection of the environment (Article 87);
 10. fails to provide to users of its telecommunications services or telecommunications networks access to directory and emergency service information or access to other universal services which it is under an obligation to provide; or fails to provide to its users an itemized bill, at their request and free of charge, showing the calls made and the cost of those calls for the relevant billing period; or fails to provide prior information to its users about consequences of late payment of bills; or fails to provide information to its users about their rights and obligations in case of termination of service or provision of poor quality service; or imposes any obligation upon users in modernizing its telecommunications networks (Article 92);
 11. suspends the provision of services to users contrary to the provisions of Article 93, or fails to continue the provision of services to users after the circumstances causing the temporary suspension have ceased to exist;
 12. interconnects its telecommunications network with a foreign telecommunications network without the approval of the Agency (Article 94).

A fine in the amount of at least 6 000.00 Dinars shall also be imposed for the offences from paragraph 1 of this Article on the responsible person of the public telecommunications operator.

The fines stipulated under paragraphs 1 and 2 shall also be imposed for the offence from item 1, paragraph 1 of this Article on the legal person other than a public telecommunications operator or the responsible person of the legal person, respectively.

A fine in the amount of at least 6 000.00 Dinars shall also be imposed for the offences from paragraph 1 of this Article on the telecommunications operator that is the entrepreneur.

A fine in the amount of at least 15 000.00 Dinars or a fine in the amount of at least 6 000.00 Dinars shall also be imposed for the offence from item 1, paragraph 1 of this Article on an entrepreneur or other physical person, respectively.

Article 98

A fine for an offence in the amount of at least 60 000.00 Dinars shall be imposed on a public telecommunications operator or other legal person if it:

1. uses a radio station without a previously obtained license (Article 65, paragraph 1);
2. as an importer, imports radio stations without the approval of the Agency; (Article 65, paragraph 3);
3. transfers or assigns a radio station license to a third party either temporarily or permanently (Article 65, paragraph 6);
4. puts the radio station into operation before a technical inspection has been completed (Article 71, paragraph 2);
5. fails to observe the terms and conditions stipulated for radio station operation; or fails to ensure that the operation of its radio station does not cause harmful interference to the operation of other radio stations; or fails to ensure that the operation of its radio station does not threaten or harm the environment and fails to ensure protection of people from harmful radiation; or fails to take timely measures in order to remedy the interference in the operation of its radio station (Article 72);
6. uses the radio station after the license has ceased to be valid (Article 75);
7. fails to ensure, at the request of the Agency, that the operation of the radio station complies with regulatory changes (Article 76, paragraph 3).

A fine in the amount of at least 6 000.00 Dinars shall be imposed for the offence from paragraph 1 of this Article on the responsible person of a public telecommunications operator or the responsible person of legal person.

A fine in the amount of at least 60 000.00 Dinars shall also be imposed for the offence from paragraph 1 of this Article on an entrepreneur.

A fine in the amount of at least 10 000.00 Dinars shall also be imposed for the offences from items 1, 3, 4, 5, 6, and 7, paragraph 1 of this Article on the physical person who owns the radio station.

Article 99

A fine for an offence in the amount of at least 30 000.00 Dinars shall be imposed on a legal person if it:

1. performs works near telecommunications facilities or other telecommunications equipment or builds facilities that may affect or interfere with their operation; or performs works near such facilities or equipment without the prior approval of the telecommunications operator (Article 88);
2. builds, in a safety zone, radio stations or facilities or installations that may obstruct the propagation of radio waves or cause interference (Article 89);
3. builds, uses or maintains power installations for transmission, distribution or use of electric energy, which are located near a telecommunications network so that they cause interference in the operation of that telecommunications network or endanger the life or health of people who perform the works on or operate that telecommunications network (Article 90);
4. manufactures, puts into operation or uses power installations or other equipment or devices which cause electromagnetic interference to the telecommunications network or which do not have a certificate of compliance with the measures for the prevention of electromagnetic interference in the operation of the telecommunications network and reception of signals (Article 91).

A fine in the amount of at least 3 000.00 Dinars shall be imposed for the offence from paragraph 1 of this Article to the responsible person or legal person.

A fine in the amount of at least 30 000.00 Dinars shall also be imposed for the offence from paragraph 1 of this Article on the physical person with the status of an entrepreneur.

A fine in the amount of at least 3 000.00 Dinars shall also be imposed for the offence from paragraph 1 of this Article on the physical person other than an entrepreneur.

XI FINAL AND TRANSITIONAL PROVISIONS

Article 100

The Government shall submit a proposal for the appointment of the Chairperson and members of the Managing Board of the Agency within 30 days of this Law coming into force.

The National Assembly of the Republic of Serbia shall appoint the Chairperson and members of the Managing Board of the Agency within 60 days of this Law coming into force.

Article 101

Within 60 days of this Law coming into force, the Government shall provide premises and create the technical, financial and other material conditions for the commencement of the work of the Agency.

Within the period from paragraph 1 of this Article, the Government shall adopt the financial plan for the first year of the Agency's operation, in accordance with Article 19 paragraph 3 of this Law.

Within six months from coming into force of this Law, the Government shall adopt the development strategy for the telecommunications sector, in accordance with this Law.

Article 102

The Agency shall be constituted within 15 days from the date of appointment of the Chairperson and members of the Agency.

At its constitutive session, the Agency shall adopt the Statutes, the Rules of Procedure of the Managing Board of the Agency and the by-laws on the classification of positions and responsibilities and on the internal organization of the Agency.

The Agency shall employ the necessary number of employees within 60 days of the by-laws from paragraph 2 of this Article coming into force.

Article 103

The Agency shall adopt the other by-laws that it is authorized to adopt under the present the Law within six months from the date of the constitution of the Managing Board.

The regulations presently in force and, which are not in conflict with this Law shall remain in force until the by-laws from paragraph 1 of this Article have been adopted.

The Agency shall adopt other by-laws, in accordance with this Law, regulating the functioning and work of the Agency within the period stated in paragraph 1 of this Article.

The Agency shall create the records and registers and prescribe the forms referred to in this Law within the period stated in paragraph 1 of this Article.

Article 104

The Government shall adopt the Allocation Plan within 30 days from the date this Law is applicable.

The Ministry shall adopt the Radio Frequency Assignment Plan within 30 days from the date of the Allocation Plan from paragraph 1 of this Article coming into force.

Article 105

The Ministry shall designate the initial group (types) of universal services within three months from the date this Law is applicable.

Article 106

The existing licenses granted to public telecommunications operators or other rights acquired under previous regulations for activities which are subject to licensing under this Law shall remain in full force and effect, but their holders shall bring its activities into compliance with the provisions of this Law within one year, at the latest, from the date it is applicable.

Within the period stated in paragraph 1 of this Article, the holder of an individual license or any other right shall apply to the Agency for a new license (license renewal), which shall be granted in accordance with this Law.

The holder of an individual license or other relevant right shall have the right to renew its license without a public tender and without paying a one-time fee, which is charged upon issuance of a individual license, provided that a fee has been paid in accordance with the regulations applicable at the time of acquiring the individual license, or other relevant right.

Upon granting of a new license, the holder of an individual license, or other relevant right shall continue to pay the periodical fees and other fees stipulated herein in accordance with the provisions of this Law and the regulations adopted on the basis of this Law.

If the holder of an individual license, or other relevant right fails to comply with the provisions of paragraphs 1 through 3 of this Article, and/or if it fails to bring its activities into compliance with this law, the provisions pertaining to modification, suspension or revocation of license stipulated in this Law shall apply.

The provisions from paragraphs 1 through 5 of this Article shall also apply to other public telecommunications operators that have acquired the operating right under previous regulations and at the time of coming into force of this Law perform the activity requiring a license under this Law.

The provisions from paragraphs 1 through 3 and paragraph 5 of this Article shall not be applied to the radio station license holders engaged in broadcasting and/or distribution of radio and/or television programs, the status of which shall be regulated under a special law.

Article 107

The public telecommunications operators and other legal or physical persons, which provide public telecommunications services at the time of this Law coming into force, shall bring their business operations and activities in the telecommunications sector into compliance with the provisions of this Law within one year from the date it is applicable.

The provision from paragraph 1 of this Article shall also apply to the persons, which start providing public telecommunications services in the period between the coming into force of this Law and the date it is applicable.

The legal and physical persons which, at the time of this Law coming into force, provide public telecommunications services that fall under the general authorization regime of this Law for which no license was required under the previous regulations, shall apply to the Agency for registration within 30 days from the date this Law is applicable.

The provision from paragraph 3 of this Article shall also apply to the persons, which start providing public telecommunications services in the period between coming into force of this Law and the date it is applicable.

The public telecommunications operators that are in operation at the time of this Law coming into force, shall create the records stipulated in Article 56 hereof within one year from the date this Law is applicable or from the date the Agency publishes the instructions relevant to such records, whichever is earlier.

Article 108

The Agency shall not, for the duration of the exclusivity period, grant licenses for public telecommunications services for which exclusive rights were granted before the coming into force of this Law.

Article 109

Telecommunications company "Telekom Srbija" a.d. (hereinafter referred to as Telekom Srbija), the operator of the public fixed telecommunications network, has at the time of this Law coming into force an exclusive right until 9 June 2005, at the latest, to provide to users in the Republic of Serbia all existing and future types of fixed telecommunications services (including local, national long-distance and international fixed telecommunications services, services of public switched telecommunications network (PSTN), other fixed services of voice mail, data transmission, telematic services, value-added public telecommunications services, integrated services digital network (ISDN), intelligent networks services, fixed satellite services, services based on the DECT (digital enhanced cordless telephone) standard, and leased lines), to build, own and operate, in the territory of the Republic of Serbia, any and all types of the existing and future fixed telecommunications infrastructures and networks (including wireline and wireless fixed facilities), to provide directory services (including "White Pages" and "Yellow Pages") and to provide information, over the telephone or in electronic form, on subscriber numbers used in fixed telecommunications services for which it has exclusive rights and shall retain this right until the stated date unless the agreement under which this right has been acquired is amended.

The amendment of the agreement referred to in paragraph 1 of this Article related to the acquired exclusivity rights shall be legally effective only if the acquired

rights referred to in paragraph 1 of this Article are restricted in scope or type or if their validity period is reduced under such amendment.

The exclusivity rights from paragraph 1 of this Article does not include Internet services, multimedia services, any radio/television and other broadcasting cable television services that may be provided freely and under the equal conditions according to the provisions of this Law.

For the duration of the exclusivity right, no physical or legal person, except for Telekom Srbija, may provide any telecommunication service stated in paragraph 1 of this Article, or organize, promote or participate in the provision of call back services.

Before the expiration of the period stated in paragraph 1 of this Article, any physical or legal person may apply for a license to build, own and operate a public fixed telecommunications network or to provide public fixed telecommunications services, but such person may not be granted a license which will have legal effect before the expiration of the exclusivity period.

Exceptionally, on the basis of the license granted in accordance with paragraph 5 of this Article, a license holder may build a public fixed telecommunications network for which the license has been granted, but shall not have the right to put it into operation or to allow another person to operate it for the purpose of providing any service covered by the exclusive rights of Telekom Srbija before the license becomes legally effective.

Article 110

In order to bring the telecommunications sector into conformity with international standards, rules and directives and in order to create conditions for the introduction of free competition upon expiration of the exclusivity period, Telekom Srbija shall, for the duration of the exclusivity period, be under an obligation to:

1. allow and/or enable other public telecommunications operators to provide value added public telecommunications services over its network;
2. progress towards cost-based tariffs for each individual service, and to finalize this process in the shortest possible time but not later than 9 June 2005;
3. define in the shortest possible period a plan for improving the quality of its service to the levels envisaged by international regulations, and in particular by the regulations of the European Union;
4. introduce, in accordance with the provisions of this Law, cost-based and non-discriminatory fees for interconnection and leased lines;
5. separate, within one year from the date this Law is applicable, accounts for its own activities from the accounts for interconnection and other services and/or benefits provided to other telecommunications operators;
6. submit to the Agency a report on the costs of providing universal service every six months until the expiration of the period of exclusivity for the provision of public fixed telecommunications services;
7. submit to the Agency a report about new lines in the public fixed telecommunications network at least once a year.

Article 111

In terms of this Law, Telekom Srbija shall be deemed a public telecommunications operator with significant market power, at least until the expiration of the exclusive rights that it enjoys on the date of this Law coming into force.

Pursuant to paragraph 1 of this Article, all provisions contained in this Law which refer to a public telecommunications operator with significant market power shall apply to Telekom Srbija, unless stipulated otherwise under this Law.

Article 112

On the basis of this Law and the provisions contained herein, Telekom Srbija shall provide universal service for a period that shall not be longer than the period of its exclusivity rights.

During the exclusivity period, Telekom Srbija shall not be entitled to compensation from the fund for compensation of universal service costs.

The Agency may grant to Telekom Srbija a license to operate the public fixed telecommunications network and provide public fixed telecommunications services within the period specified in Article 106, paragraph 1 hereof, except in the case that it has not fulfilled, at the time that such license is to be granted, all obligations pertaining to the provision of universal service due to objective reasons, such as technical unfeasibility and/or considerable volume of investments which would require a longer period of time for implementation. In that case, the Agency shall define a reasonable time period for Telekom Srbija to fulfill all stipulated obligations as a special condition in the license. If Telekom Srbija fails to comply with this special condition, the provisions of this Law pertaining to suspension and revocation of license shall apply.

Article 113

The Law on Communications ("Official Gazette of the Republic of Serbia", nos. 38/91, 41/91, 53/93, 67/93, 48/94 and 20/97), except for the provisions governing incorporation and business activities of a public PTT company (Art. 8, 9 and 10), organization of the PTT company as a holding company (Article 11a, paragraphs 1, 3, 4 and 5), appointment of the corporate executive bodies of its subsidiary (Article 11b), relations between the parent and daughter company (Article 11d), funding of incorporation and operation of the PTT company (Art. 13 and 14, paragraphs 1, 2 and 5), status of employees in the parent and daughter companies (Article 14b), bankruptcy procedure for the PTT company (Article 17), Statute of the PTT company (Article 18), corporate management bodies of the PTT company (Art. 19, 20, 21 and 22), obligations of the PTT company in case of strike (Article 23) and obligations of the PTT company in case of national emergency (Article 24), shall cease to be valid as of the date this Law is applicable.

Article 114

This Law shall come into force on the eighth day after its publication in the "Official Gazette of the Republic of Serbia".

Provisions of this Law governing the establishment of the Agency shall apply as of the date of this Law coming into force, and other provisions of this Law shall apply after three months as of the day after its publication in the "Official Gazette of the Republic of Serbia" of the Acts on appointment of the Chairperson and members of the Managing Board of the Agency.