

Pursuant to Articles 5, 6 and 9 of the Telecommunications Law (*Official Gazette of the Republic of Serbia* nos. 44/03 and 36/06) and pursuant to item 11 of Article 18 of the Statutes of the Republic Telecommunication Agency (*Official Gazette of the Republic of Serbia* number 78/05), the Managing Board of the Republic Telecommunication Agency, in its session held on 13th March 2009, adopted

RULES

ON TERMS AND CONDITIONS FOR RADIO AND TELEVISION PROGRAM DISTRIBUTION AND CONTENTS OF THE AUTHORIZATION

I GENERAL PROVISIONS

Article 1

These Rules stipulate terms and conditions for the issuance of the authorization for radio and television program distribution service provision to the subscribers in the territory of the Republic of Serbia (hereinafter: Authorization) via following public telecommunication networks:

- cable (coaxial cables, optical fibre cables, coaxial-optical systems, copper conductor cables),
- wireless (MMDS - Multichannel Multipoint Distribution System, LMDS- Local Multipoint Distribution System), requiring a previously obtained license for using radio frequencies from licensed bands,
- satellite distribution systems,

Authorization issuance, procedure contents and form of the Authorization, along with rights and obligation of the Authorization Holder.

Article 2

The following meanings shall apply to the terms used in these Rules:

Telecommunication facilities are equipment and devices for receiving, processing and distribution of signals, and relevant software used for distribution of radio and television programs (antenna system, main station, distribution stations and network devices – user equipment).

Radio and television program distribution service is a public telecommunications service of radio and television program distribution, provided to subscribers by a public

telecommunications operator via public telecommunications networks referred to in Article 1 herein.

Authorization Holder is a person to whom the Authorization for radio and television programs service provision has been issued, under terms and conditions stipulated hereunder and under the law regulating the telecommunications sector.

Subscriber is a natural or legal person receiving radio and television programs on the grounds of a contract closed with an Authorization Holder.

II TERMS AND CONDITIONS FOR RADIO AND TELEVISION PROGRAMS DISTRIBUTION SERVICE PROVISION

Article 3

The Republic Telecommunication Agency (hereinafter: Agency) shall issue the Authorization for radio and television program distribution to a person registered to perform a telecommunication activity, who has submitted complete application for registration and who complies or accepts to comply with the terms and conditions stipulated under the Telecommunications Law ("Official Gazette of RoS", nos. 44/03 and 36/06, hereinafter: Law), these Rules, and general bylaws of the Agency.

If the person referred to in paragraph 1 herein possesses several licenses issued by the Agency pertinent to public telecommunications networks and/or public telecommunications services provision, they shall be required to provide radio and television program distribution service (hereinafter: Service) regulated herein through a separate related legal entity or a subsidiary establish in accordance with the law governing the legal status of business companies.

III CONTENTS OF APPLICATION

Article 4

The procedure for obtaining the Authorization shall be initiated by submitting the application to the Agency, on the filled out DTV1 Form, which is attached hereto and is an integral part hereof.

The application referred to in paragraph 1 herein shall be accompanied by the following:

1. original copy of the excerpt from the Business Register not older than 30 days;
2. information on the location of the premises where the equipment is located and on the equipment for Service provision;

3. short description of applicant's business;
4. technical solution of the system for Service provision and/or a technical solution of the actual system condition;
5. registration number of the relevant license pertinent to public telecommunications network from the Agency License Register or a network lease agreement along with the registration number of the relevant license pertinent to the network which is subject of the lease agreement;
6. list of contracts on copyrights and related rights protection along with the validity for the territory the Authorization is issued for;
7. proof of payment of the application processing fee for the Authorization issuance according to the relevant general bylaw of the Agency regulating the amount of fees and costs for licence and authorization issuance;
8. standard subscription contract;
9. statement confirming that the applicant has fulfilled, and/or shall fulfil within a period to be set by the Agency to no longer than six months, terms and conditions referred to in Arts. 54 and 55 of the Law;
10. for satellite distribution system instead of the network license number the following shall be submitted:
 - number of radio station license for ground-to-satellite signal transmission from the Agency License Register, if in possession of such license, or a certified translation of the license in case the radio station is located outside the territory of the Republic of Serbia;
 - name and location of the satellite used for transmission.

IV AUTHORIZATION ISSUANCE

Article 5

The Authorization for the Service provision shall be issued by the Agency, based upon the decision of the Managing Board, to a person who complies with or accepts to comply with the conditions referred to in Articles 3 and 4 5 herein, and who submits proof of payment of the fee for entering the register of issued authorizations (hereinafter: Register), in accordance with the general bylaw of the Agency, regulating the amount of fees and costs for license and authorization issuance.

The authorization referred to in paragraph 1 herein shall be issued no later than 30 days after the complete application along with the requested documentation has been received and shall be enforced by entry in the Register kept by the Agency.

The day when the entry in the Register is made shall be considered the day of the Authorization issuance.

Article 6

In case the Authorization Holder provides the service using different networks referred to in Article 1 herein, separate Service provision authorizations shall be issued to them for each relevant network.

The Service may be provided by several Authorization Holders in the same geographic territory.

Authorization Contents

Article 7

The Authorization shall be issued on DTV2 Form, which is attached hereto and is an integral part hereof.

The authorization shall contain the following data and conditions:

- Date of issuance and the number from the Register;
- Name and address of the person to whom the Authorization is issued;
- Area of Service provision;
- Type of network for the Service provision (cable, wireless or satellite);
- Availability of data on tariffs, pricelist and standard contract (information channel and/or web site);
- Amount and mode of payment of the annual fee for the issued Authorization;
- Financial liabilities for universal service funding;
- Authorization validity period;
- Text of the provisions of Arts. 3, 6, 8 to 28 herein.

Authorization Validity

Article 8

The authorization is issued for a period of 5 years.

Request for the Authorization renewal shall be submitted no later than six months before the validity period of the Authorization expires and no earlier than four years after the issuance of thereof.

The Authorization referred to in paragraph 2 herein shall be issued in accordance with the applicable regulations.

Modification of the Authorization

Article 9

Terms and conditions under the Authorization may be amended only through agreement between the Authorization Holder and the Agency.

Notwithstanding paragraph 1 herein, terms and conditions under the Authorization may be amended contrary to the Authorization Holder's will only in the following cases:

1. If required by the public interests, such as country's defence needs, needs of the state and public security, etc;
2. For the purpose of harmonization with the regulations, guidelines or decisions of the international organizations and/or on the grounds of decisions made by relevant authorities.

In order to make a modification of the Authorization for reasons referred to in item 2, paragraph 2 herein, the Agency shall be required to ask all authorization holders for their opinion regarding the proposed modifications.

The decision made by the Agency pertaining to modification of the Authorization shall be public, whereby the possibility shall be given to the Authorization Holder to express opinion on reasons and extent and/or contents of the modifications.

The Agency shall be required to limit the rights of the Authorization Holder to the least possible extent, exclusively for reasons referred to in items 1 and 2 of paragraph 2 herein.

The modifications shall equally affect all issued Authorizations, i.e. to all Authorization Holders the same reason applies to, unless there are particular reasons for different treatment according to the Law and general bylaws of the Agency.

Revocation of the authorization

Article 10

The Agency shall be required to send a written notice to the Authorization Holder of the violations of the obligations stipulated under the Authorization, Law or these Rules or other failure, allowing a reasonable time for these to be remedied.

The Authorization Holder shall be required to respond in written to the Agency's notice no later than eight days after the notice has been delivered.

In case the Authorization Holder fails to comply fully with the Agency order within the set time, the Authorization shall be revoked under a decision of the Managing Board delivered to the Authorization Holder.

The procedure of the revocation of the Authorization shall be initiated on the grounds of a justified and verified complaint from a user or other authorization holder and/or based upon a record made by a telecommunications inspector during control procedure.

The authorization may be revoked for the following reasons:

1. Repeated violation of terms and conditions and obligations stipulated under the Authorization, Law or these Rules;
2. Failure to pay the set fee within 30 days from the payment due date;
3. Bankruptcy, reorganization stipulated under the law regulating bankruptcy procedure or provision of false information in the application for the Authorization issuance;
4. Failure of the Authorization Holder to observe the final decision of the responsible authority regarding the business operations and Service provision;
5. Suspended provision of the Service for a period longer than 10 days, for unjustified reasons;
6. Serious violation of terms and conditions stipulated under the Authorization or obligations stipulated under the Law, in particular:
 - Obstruction or impediment of telecommunications inspectors to perform their legal authorization;

In case of the Authorization revocation, the Authorization Holder shall not be entitled to the refund of the amount paid for the Authorization fee.

Suspension of rights and obligations under the Authorization

Article 11

The Agency shall adopt a decision on suspension of rights and obligations under the Authorization in the following cases:

1. War or state of emergency;
2. Force majeure seriously affecting the ability of the Authorization Holder to fulfil their obligations in accordance with the Authorization and Law.

Suspension of the rights and obligations under the Authorization may last at longest until the circumstances that led to adopting the decision referred to in paragraph 1 herein cease to exist.

During suspension, the License Holder shall not enjoy the rights stipulated under the Authorization, nor shall they have any financial liability for the relevant period, whereas the validity of the Authorization shall be extended for the time the suspension of rights and obligations has lasted.

The Managing Board of the Agency may also adopt a decision on suspension of rights and obligations under the Authorization in cases that foresee the revocation of the Authorization, upon request made by the Authorization Holder, provided the Authorization Holder offers reasonable proof that they shall remedy failures which serve as the reason for the Authorization revocation within the period set for the suspension of rights and obligations.

The suspension of rights in case referred to in paragraph 4 herein shall cease once the Managing Board adopts a decision that the License Holder has remedied all failures that served as the reason for adopting the decision on suspension.

In case the Authorization Holder fails to remedy the failures within the suspension period, the Agency shall initiate the procedure for the revocation of the Authorization.

During the suspension period set for the case referred to in paragraph 4 herein, only the rights of the Authorization Holder stipulated under the issued Authorization shall be suspended.

Waiver of the Authorization

Article 12

If the Authorization Holder wishes to waive of the Authorization and/or cease to provide the Service, they shall be required to submit to the Agency a written statement on waiver of the Authorization signed by an authorized person and inform their own subscribers at least 30 days before the day the Service provision ceases.

In case of the waiver of the Authorization, the Authorization Holder shall not be entitled to the refund of the amount paid for the Authorization fee.

Article 13

In case of revocation or waiver of the Authorization by the Authorization Holder, the Agency shall not issue another Authorization to such entity or their legal successor in the period of one year following the day the Authorization has been revoked or waived.

Article 14

In case there is a dispute between the Authorization Holder and other telecommunications operators or subscribers concerning a right or obligation under the Authorization, the Agency shall undertake all measures compliant with the provisions of the law regulating the telecommunications sector, these Rules and the granted Authorization.

The Agency shall be authorized to prevent anticompetitive activities and abuse of the monopoly, pursuant to Article 10 of the Law.

Restrictions on transfer of the Authorization

Article 15

The Authorization Holder may not transfer the Authorization or the rights acquired through the Authorization without a prior approval from the Agency.

In case the Authorization Holder fails to observe paragraph 1 herein, the Agency shall initiate procedures pursuant to the Law.

V OBLIGATIONS OF THE AUTHORIZATION HOLDER

Article 16

The Authorization Holder shall be required to provide necessary infrastructure, in accordance with the plan and volume of the Service provision.

The Authorization Holder shall be required to ensure the availability of the Service to all interested subscribers, if technically feasible, without any discrimination, in the area where they are providing or planning to provide the Service.

The Authorization Holder shall have sole responsibility for installation, networking and handling all necessary equipment and systems for the Service provision, which are their property or responsibility, in a way regulated under the agreement.

Article 17

The Authorization Holder shall be required to close a contract on the Service provision with the subscriber, clearly stating the rights and obligations of the contracting parties, including the issue of a temporary or permanent disconnection of subscribers and other restrictions, which may be applied to a subscriber, as well as the exact circumstances in which these restrictions may occur.

The contract shall define the manner in which the subscriber is to be informed about a change in terms and conditions of the Service provision and the place where they can get information about these changes (info channel, web site, or bill). The Authorization Holder shall be required to inform the subscribers no later than 14 days in advance about the forthcoming change in the terms and conditions of the Service provision.

The Authorization Holder shall be required to provide own info channel on each location where they are providing the Service, and/or make available on their web site the service information concerning the Service (such as: pricelist, programs along with the channel number available to subscribers, schedule of transmission broadcasting, information on planned interruptions, telephones for complaints, etc.).

The subscriber shall be made familiar with the address, working hours and telephone number of the customer service.

The Authorization Holder shall also be responsible for billing and collection of charges from the subscribers and for consideration and resolution of subscriber complaints.

The contract shall specify the procedure in case of complaints concerning the operator's work, and also the reduction of the Service subscription fee in case the quality of program does not comply with the set standards.

Article 18

The Authorization Holder may disconnect the subscriber only in accordance with the Law and the contract between the Authorization Holder and the subscriber.

Article 19

The Authorization Holder shall be required to pay an annual fee for the Service provision, for a period for which the authorization has been issued to them, in accordance with the general bylaw of the Agency regulating the amount of fees and costs for license and authorization issuance.

Article 20

The Authorization Holder may not establish any sort of monopoly by closing agreements with other telecommunications service providers, broadcasters or parties engaged in trade of the Service provision equipment.

Any business linkages between authorization holders, excluding usual commercial relations and business based on obligation relations, require an approval from the Agency. The Agency shall respond to any such written request no later than 30 days.

The Authorization Holder shall be required to inform the Agency in the event of any status changes or changes in the capital structure, changes of principal business activity and alike.

Any concerted behaviour between the Authorization Holders concerning common prices or similar monopolistic actions shall be considered a serious violation of conditions under the Authorization.

Article 21

The Authorization Holder shall be required to keep fully separate analytic accounting records pertaining to the Service provision under this Authorization, according to instructions received from the Agency.

Article 22

The Authorization Holder shall be required to finance the universal service, in accordance with the Law and relevant general bylaws of the Agency.

Article 23

The Authorization Holder shall be responsible for remedy of malfunctions and removal of all faults of their telecommunications facilities used for the Service provision, which fall within their competence.

Malfunctions and faults on the telecommunications facilities referred to in paragraph 1 herein shall be remedied within 48 hours, whether they have occurred in one part of the system or the whole system.

If the Authorization Holder is unable to remedy the malfunction within the period referred to in paragraph 2 herein, they shall be required to inform the Agency thereof stating the reasons for not being able to remedy the malfunction.

In case the Service provision has been interrupted for more than 48 hours, the Authorization Holder shall be required to decrease the monthly subscription fee for the period during which the Service provision has been interrupted.

In case the Authorization Holder causes interference to the operation of other systems due to malfunctions and faults in the telecommunications network or telecommunications facilities, the Agency may order a partial or full ban of the Service provision until the cause of the interference has been removed.

Article 24

The Authorization Holder shall be required to ensure that the parameters concerning the quality of the Service provision be compliant with the international and national standards and recommendations.

Subjective grade of quality of picture or sound may not be inferior to grade 4, according to grading scale given under SRPS N.N6 134 and SRPS N.N6 135.

Article 25

The Authorization Holder shall be required to respond to every written user complaint concerning the quality of the Service provision or bill, in written, no later 15 days, in case they are unable to remove the cause of the complaint within the set time frame.

The Authorization Holder shall be required to keep the register of complaints.

In case of a substantiated user complaints regarding the quality of the Service provision, the Agency shall have the right to publish on its website the user complaints and replies from the Authorization Holder whose Services are the subject of the user is complaint.

In case of repeated user complaints, left without an appropriate response from the Authorization Holder, the Agency may issue a warning or take other measures stipulated under these Rules or the Law.

Article 26

The Authorization Holder may freely establish the tariffs for their Service.

The Authorization Holder shall inform the Agency about the price list of the Service and any changes therein, no later than 30 days before the new price list comes into effect.

The Authorization Holder shall be required to publish the information on any modification in tariffs for the Service on their info channel and/or web site, no later than 14 days before it comes into effect, and to send this information to the subscribers along with the last monthly bill prior to the increase in prices.

If the Authorization Holder is declared a telecommunications operator with significant market power, by a separate decision of the Agency, then tariff regulation is defined under the decision, pursuant to the Law and general bylaws of the Agency.

Article 27

For the purposes of monitoring the compliance with the conditions under the Authorization and the development of telecommunications service market, in accordance with the instructions from the Agency, the Authorization Holder shall be required to file reports to the Agency once a year, concerning the area of their business directly related to the provision of the Service under the Authorization, according to the instruction published on the Agency web site.

The Authorization Holder shall be required to file data on the number of users and the monthly fee quarterly to the Agency.

The Agency may require from the Authorization Holder to file additional reports necessary for regulation of telecommunications sector.

AUTHORITY OF TELECOMMUNICATIONS INSPECTORS

Article 28

According to the Law, a telecommunications inspector shall be required to undertake necessary measures so as to prevent breaches of the Law and rights and obligations hereunder.

When performing control, the telecommunications inspector has the authority under Article 26 of the Law.

IV TRANSITIONAL AND FINAL PROVISIONS

Article 29

Entities providing the Service via satellite distribution system without the Authorization issued by the Agency shall be required to apply for the Authorization no later than 30 days following the day these Rules enter into force.

The authorizations for providing the radio and television program distribution service via cable distribution network issued by the Agency prior to the day these Rules come into effect shall remain effective.

Holders of the authorizations issued prior to the day these Rules come into effect shall be required to harmonize the Service provision with the provisions hereunder no later than 30 days following to the day these Rules come into effect.

The procedures based upon the applications for authorization issuance submitted prior to the day these Rules come into effect which have not been completed by a final decision of the Agency, shall be subject to the provisions hereunder.

The day these Rules enter into force, the Rules on terms and conditions for radio and television program distribution via cable distribution network, form and contents of the authorization ("Official Gazette of RS", no 95/06) shall cease to be valid.

Article 30

These Rules shall enter into force on the eighth day after the day they are published in the "Official Gazette of the Republic of Serbia".

Ref. no. 1-110-4/09

Belgrade, March 13, 2009

Chairman of the Managing Board

Prof. Dr. Jovan Radunovic

APPLICANT'S LOGO

DTV 1 Form

**APPLICATION FORM FOR OBTAINING THE AUTHORIZATION FOR RADIO AND
TELEVISION PROGRAMS DISTRIBUTION SERVICE PROVISION VIA CABLE
DISTRIBUTION NETWORK**

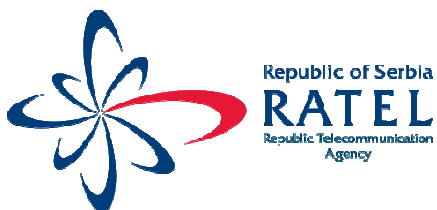
1.	Name, address and head office of the applicant	
2.	Personal ID number	
3.	Fiscal ID number	
4.	Name and surname of the responsible person, telephone, fax, e-mail, website	
5.	Data on number of the employees and structure in terms of qualifications, and planned changes	
6.	Data on each owner and the percentage of capital ownership, whose share in total (ownership) capital of the operator is 10 and more per cent. (when the owner is a foreign legal or natural person, a statement indicating entire ownership structure along with the percentage of ownership and correct owners' addresses is also required)	
7.	Number of offered radio and television channels per location (basic package and special packages and number of channels with require additional payment)	
8.	Area in which the service is provided with current number of users: (Municipality/s, City/s, Region/s, Territory of the Republic of the Republic of Serbia)	

9.	The Service is provided via	Cable/wireless/satellite
10.	Equipment for Service provision per location (Type and manufacturer of the equipment for receiving, processing and distribution of signal to end users; has the technical inspection has been performed?):	
11.	Network/radio station licence number	
12.	Customer service (addresses and telephones of the customer assistance service, customer complaint service)	
13.	Data on tariffs and pricelist are available on the info channel number.web site (indicate per location for the entire coverage area):	
14.	Framework plan and timeframes for the development of the Service provision: (planned volume of investments, planned capacity, number of users, number of cannels...)	

Date

SEAL

Signature of the authorized person



DTV 2 Form

Ref. Number:

Date:

AUTHORIZATION

FOR RADIO AND TELEVISION PROGRAMS DISTRIBUTION SERVICE PROVISION

Name, address and head office, Fiscal ID number and Personal ID number of the entity the authorization is issued to	
Area of the Service provision	
Network	Cable/wireless/satellite
Authorization validity	
Data on tariffs and pricelist available on info channel number/web site:	
Amount and mode of payment of the Authorization fee	
Financial liabilities for universal service funding	

Text of Articles 3, 8 to 28 of these Rules;

Date

SEAL

Signature of the authorized person