

Pursuant to paragraphs 5, 6 and 9 of Article 38 of the Telecommunications Law (*Official Gazette of the Republic of Serbia* number 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, on its session held on 23 September 2008, adopted

RULES

ON TERMS AND CONDITIONS FOR THE INTERNET SERVICES AND OTHER DATA TRANSMISSION SERVICES PROVISION AND ON CONTENTS OF AUTHORIZATION

I GENERAL PROVISIONS

Article 1

These Rules stipulate the basic technical and other requirements necessary for the Internet services and other data transmission services provision, sets out the form, mode of issuance and contents of the authorization.

Commercial provision of voice transmission service and radio and television programs real-time transmission shall be regulated by a separate general enactment of the Republic Telecommunication Agency (hereinafter: Agency).

1.1. Definitions of terms

Article 2

The terms used in herein shall have the following meanings:

Internet is a global electronic communications system of interconnected computer networks and devices, intended for exchange of all types of information in accordance with the Internet standards.

Internet standards are documents referring to concepts, networking procedures, protocols, interfaces and identification methods within the Internet. Internet standards, known as Request For Comments (RFC), are adopted by the international organization of Internet Engineering Task Force (IETF).

Internet services are, for the purposes hereof, data transmission public telecommunications services performed in compliance with the Internet standards (the

recommended and STD series of RFCs documents), and which require the use of public IP addresses in order to be performed, except for the commercial voice transmission services and radio and television programs real-time transmission.

Other data transmission services are public telecommunication services performed using data transmission devices connected to the public telecommunication network, and which do not require the use of public IP addresses in order to be performed.

Authorization holder is an entity who has been granted the right of Internet services or other data transmission services provision under the terms and conditions laid down herein.

User is a legal or natural person using the Internet services and/or other data transmission services on the grounds of a closed contract or in other stipulated way.

Subscriber is a legal or natural person using the Internet services and/or other data transmission services, and with whom the Authorization Holder has closed a contract on the provision of such service.

Domain name is a globally unique textual designation connecting a set of computers, devices and services on the Internet into a single administration-technical entirety.

Public IP address is a numerical identifier unambiguously identifying a network or an access point within the Internet, the assignment of which on a global level falls within the competence of the Internet Assigned Numbers Authority (IANA).

Public telecommunication network resources are all components (telecommunication facilities, infrastructure elements) and functions (transmission, multiplexing, transitioning, cross-connecting, switching, routing of telecommunication signal, exchange of information on signalization, distribution of information on synchronization, etc.)

II TERMS AND CONDITIONS FOR INTERNET SERVICES AND OTHER DATA TRANSMISSION SERVICES PROVISION

Article 3

The Agency shall issue the authorization for the Internet services and other data transmission services provision to an entity registered for the telecommunications business activity, which has submitted a complete registration application and which complies and/or accepts to comply with the terms and conditions laid down by the Telecommunications Law (*Official Gazette of the Republic of Serbia* number 44/03 and 36/06, hereinafter: Law), these Rules and general enactments of the Agency.

The entity referred to in para. 1 herein shall be required to fulfil the terms and conditions stipulated under Article 34, para. 4 of the Law prior to submitting the application.

Article 4

In order to provide the Internet services and other data transmission services (hereinafter: Service), the technical requirements need to be fulfilled pursuant to the recommendations and standards of the international organization, in particular: IETF, ITU, ETSI, IEEE, CEN/CENELEC, ISO, IEC and general enactments of the Agency.

III CONTENTS OF APPLICATION

Article 5

The application for the Service provision shall be submitted using the IPP Form, which is printed herein and is an integral part hereof.

Together with the application form, the following shall be submitted:

1. Original copy of the Excerpt from the Business Registry not older than 30 days;
2. Information on locations of objects where the equipment is placed and on the equipment for the Service provision;
3. Short description of the applicant's business project. In case the applicant is already providing the Service, the application shall include the information on the date Service provision has began.
4. Technical solution of the system for the Service provision and/or the technical solution of the actual system. The technical solution shall stipulate the type and capacity of the link and/or the flow for each access type at the moment of application submission;

In case the Service provision entails the usage or it is intended to entail the usage of wireless access telecommunication infrastructure in the frequency bands which do not require a radio station license, all information needs to be provided, including the basic technical parameters concerning the telecommunication equipment (type of device, software), pursuant to the general enactment of the Agency.

For the Internet service:

- Type of the Internet connection and user access
- Range of IP addresses used by the applicant and/or intends to use for proper needs, as well as the range of IP addresses dedicated to users

For other data transmission services:

- Protocols used for data transmission
- Equipment and devices used (manufacturer and type)
- System for quality parameters measuring

- Telecommunications network resources for service provision (own or leased).

5. Evidence of payment of the application processing fee for the authorization issuance, pursuant to the applicable general enactment of the Agency.

The Agency may require from the applicant to provide additional information.

IV ISSUANCE OF THE SERVICE PROVISION AUTHORIZATION

4.1. Authorization Issuance

Article 6

The Service provision authorization shall be issued by the Agency, on the grounds of the decision of the Managing Board, to the entity who complies with or accepts to comply with the terms and conditions stipulated under Articles 3, 4 and 5 herein.

The decision referred to in the previous paragraph herein shall be made no later than 30 days after the application accompanied by the complete documentation is submitted, and shall be enforced by the entry made in the appropriate registry kept by the Agency.

The day when the entry in the registry referred to in paragraph 2 herein is made shall be considered the day of the authorization issuance.

Should the applicant fail to make payment of costs in due time, this shall be regarded as renouncement of the application for the authorization issuance.

Article 7

In case the authorization is revoked or renounced by the authorization holder, the Agency shall not issue a new authorization to this entity during the period of one year, starting with the day of the revocation or renouncement of the authorization.

During the same period, the Agency shall not issue an authorization to the legal successor of the entity referred to in paragraph 1 herein.

Article 8

The authorization holder has a right to access public telecommunications network resources, under equal conditions which apply to all other public telecommunications operators.

In case of a dispute between an authorization holder and other public telecommunications operators or subscribers regarding a right or obligation under the authorization, the Agency is authorized to take all necessary measures in accordance with the provisions of the law regulating the telecommunications sector, these Rules and issued authorization.

4.2. Contents of the Authorization

Article 9

The authorization shall contain the following data and conditions:

- Date of issuance and reference number from the Authorizations Registry;
- Name and address of the entity to whom the authorization is issued;
- Type of Service;
- Text of Articles 3, 4, 8, 10 to 29 of these Rules;
- The amount and mode of payment of the annual authorization fee;
- Validity period of the authorization;

The authorization for the Internet service provision, in the addition to the information referred to in paragraph 1 herein, shall also include the following:

- Name of domain and Internet address;
- Information on the website containing information about the tariff, pricelist and standard subscriber contract;

INT Authorization Form for the Internet service provision and PP Form for other data transmission services provision are printed herein and are an integral part thereof.

4.3. Validity of the Authorization

Article 10

The authorization shall be issued for a period of five years.

Request for renewal of the authorization 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 the authorization.

4.4 Modification of the Authorization

Article 11

The terms and conditions of the authorization may be modified only by means of the agreement between the authorization holder and the Agency.

As an exception to paragraph 1 herein, the terms and conditions of the authorization may be modified against the will of the authorization holder only in the following cases:

1. If required by the public interest, such as needs of state defence or state and public security and alike;
2. With the purpose of harmonization with the regulations, guidelines, directives and decisions of international organizations or based upon the decisions of the relevant authorities.

In order to modify the authorization for the reasons referred to in item 2, paragraph 2 of herein, the Agency shall be required to previously invite all relevant authorization holders to express their opinion on the proposed modifications.

The decision of the Agency regarding the modification of the authorization shall be made publicly, allowing an authorization holder to express views on the reason and scope and/or contents of modification.

The Agency shall be required to limit the rights of an authorization holder only to the minimum extent necessary and solely for reasons cited in paragraph 2, items 1 and 2 herein.

The modifications shall apply equally to all issued authorizations and/or to all authorization holders, unless there are particular reasons for different treatment, pursuant to the Law and general enactments of the Agency.

4.5. Revocation of the Authorization

Article 12

The Agency shall be required to send a written notice to the authorization holder referring to the violations of the obligations stipulated under the Authorization and/or other violations of the obligations stipulated under the Law or herein, and/or other failures made, allowing a reasonable time for the violations to be remedied.

The authorization holder is required to respond to the Agency's notice in written form no later than eight days after the day the notice is delivered.

If the authorization holder fails to comply fully with the Agency order within the set time, the Authorization shall be revoked by decision of the Managing Board of the Agency.

The Authorization revocation procedure shall be initiated on the grounds of a justified and verified complaint of a subscriber or another operator and/or on the grounds of a report of the telecommunications controller made during the control procedure.

The authorization may be revoked for the following reasons:

1. Repeated serious violations of terms and conditions and obligations stated in the authorization, Law and herein;
2. Failure to pay the set authorization fees within 30 days from the payment due date;
3. Bankruptcy, reorganization regulated by the law regulating the bankruptcy procedure or providing false information in the application for authorization issuance;
4. serious violations of terms and conditions stated in the authorization and obligations under the Law, in particular obstructing and preventing the telecommunications controller to perform their legal authority;

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

4.6. Suspension of Rights and Obligations from the Authorization

Article 13

The Agency shall adopt decision on suspension of the rights and obligations from the authorization in the following cases:

1. war or state of emergency;
2. events of Force Majeure which seriously affect the ability of the authorization holder to fulfil their obligations under the authorization and law.

The suspension of rights and obligations shall not be longer than the duration of the circumstances that caused the decision referred to in paragraph 1 herein.

During the suspension, the authorization holder cannot exercise the rights stipulated under the authorization, nor shall have any financial liabilities during this period and the validity period of the authorization shall be extended for the suspension period.

The Managing Board of the Agency may also adopt the decision on suspension of rights and obligations from the authorization in the cases for which revocation of the authorization is stipulated, upon the request made by the authorization holder, if the authorization holder furnishes satisfactory evidence that within the period in which the rights and obligations from the authorization are suspended the violations that caused the revocation of authorization will be remedied.

The suspension referred to in paragraph 4 herein shall be terminated once the Agency establishes that the authorization holder has remedied the violations that had caused the suspension.

If the authorization holder fails to remedy the violations within the suspension period, the Agency shall institute the proceedings for the revocation of the authorization.

During the suspension period referred to in paragraph 4 herein, only those rights of the authorization holder stipulated under the issued authorization shall be suspended.

4.7. Renouncement of Authorization

Article 14

If an authorization holder wishes to renounce the authorization and/or stop providing the service, they shall be required to submit a written statement on the renouncement of authorization to the Agency.

The authorization holder shall be required to inform the Agency and their subscribers on the cessation of the Service provision at least 30 days prior thereto.

In case of the renouncement of authorization, the authorization holder shall not be entitled to the refund of the amount paid for the authorization fee.

V OBLIGATIONS OF THE AUTHORIZATION HOLDER

Article 15

The holder of the Internet service provision authorization shall be required to obtain their own IP address and domain name from the responsible authorities or other public telecommunications operators.

The authorization holder shall be required to provide appropriate telecommunications network resources, in accordance with the plan and volume of the Services provision.

The authorization holder shall be required to use the wireless access infrastructure in accordance with the general enactments of the Agency.

The authorization holder shall be required to provide all changes in respect to the data indicated in the application form to the Agency no later than 15 days after the change becomes effective.

The authorization holder shall be required to provide the Services, in accordance with the technical feasibility, to all interested parties, without any discrimination.

The authorization holder shall have sole responsibility for installation, networking and handling all necessary equipment and systems within their responsibility, related to system management, monitoring and maintenance.

The authorization holder shall be required to provide at their own expense the equipment, devices and installations, which will enable the maintenance of relevant data in the minimum period of six months and the maximum period of two years, and provide access to such data to the responsible authorities and electronic surveillance in cases stipulated by the law, in the manner and to the extent stipulated under the applicable regulations.

Article 16

The authorization holder shall be required to close a contract on the Services provision with a subscriber, clearly stating the rights and obligations of the latter, in particular the specification of the Services to be provided, as well as the terms and conditions under which they are to be provided. The provisions on terms and conditions of the Service provision shall include the issue of a temporary or permanent disconnection of subscribers or other restrictions which may be applied to the subscriber, as well as the exact circumstances, events and duration in which such restrictions may occur.

The Internet Service authorization holder may also provide services without having closed a contract with the subscriber, pursuant to the general terms and conditions which are publically available at the authorization holder's website and with which the subscriber has been appropriately acquainted. These terms and conditions shall clearly specify the services and prices for the usage thereof, along with all other terms and conditions of the service provision. Any forthcoming change in the terms and conditions of the Services provision shall be announced at the authorization holder's website at least 14 days in advance.

The contract shall stipulate the manner in which the subscriber will be informed about any change in terms and conditions of the Services provision and the place where they can obtain information about such changes.

The authorization holder shall be required to make available on their website their standard pricelist and standard text of the Internet service provision contract.

The authorization holder shall also be responsible for billing the subscribers, consideration and resolution of subscriber complaints, as regulated under the contract and/or general terms and conditions.

The authorization holder is required to ensure confidentiality and security of their Services, data on the users of their services and it shall be forbidden to them to use or disclose information to third parties regarding the contents, facts and conditions of message conveyance, except for the minimum necessary for the Services provision or in cases stipulated under the law.

In the provision of Services, the authorization holder may not limit the access to the Services on the grounds of national, racial, religious, political, territorial or any other criteria which could lead to the violation of human rights and basic freedoms.

Article 17

The authorization holder may not establish any kind of monopoly by closing agreements with other telecommunications services providers or with parties engaged in trade of equipment for the Service provision.

Any business association between the authorization holder, excluding the usual commercial relations and business based on the obligation relations, shall be subject to approval by the Agency. The Agency shall adopt the decision concerning the approval pursuant to the law regulating general administrative procedure.

Any concerted action between authorization holders concerning uniform pricing or similar monopolistic actions shall not be allowed and shall be considered a violation of the terms and conditions under the granted authorization.

Article 18

The authorization holder shall be required to keep fully separate analytic accounting records for the Services provision under this authorization, according to the instructions received from the Agency.

An authorization holder is required to inform the Agency about any changes in the status, in the share of ownership capital and alike no later than 15 days after such change occurs.

VI LEVEL OF QUALITY OF SERVICE

Article 19

The authorization holder shall be required to make available on their website the Internet service quality indicators.

The Agency may specify some of the quality of Service indicators as obligatory by a separate decision.

The authorization holder shall be responsible for repairing malfunctions and rectify removing any equipment faults, which are within their competence. The repair time such malfunctions may not exceed 48 hours.

During the suspension of the Services provision for reasons referred to in paragraph 3 herein which is longer than stipulated under conditions published by the authorization holder, the subscriber shall not be charged for the usage of contracted Services.

The authorization holder shall be required to provide devices, equipment and installations such as to guarantee, to a reasonable extent, the protection of subscriber data and prevent the abuse thereof by third parties.

The obligations of the authorization holder referred to in paragraphs 3, 4 and 5 herein shall be an integral part of the contracts closed with subscribers, and/or general terms and conditions for the Service provision.

Article 20

In case of repeated substantiated user complaints concerning the quality of the Services provision, the Agency may publish on its website the user complaints and replies of the relevant authorization holder.

VII CONTROL OF PROHIBITED CONTENT

Article 21

If the responsible authority orders the authorization holder, by a final decision, to remove from their server the content found to be prohibited, offensive, harmful or violating copyright, the authorization holder shall be required to act according to such decision without delay.

The Internet service provision authorization holder shall be required, within the limits of technical feasibility, to provide the user with the protection from spam e-mails and/or harmful contents.

The authorization holder shall be required to oblige the users, by the contract and/or general terms and conditions, to observe the prohibition of spam mail and harmful contents. In case of sending spam mail or harmful contents, violation of intellectual property rights, the authorization holder shall be required to send a written warning to the user. Should the user continue with sending spam mail, harmful contents or violation of the intellectual property rights, the authorization holder may stop providing the service to such user.

VIII PUBLIC TELECOMMUNICATIONS NETWORK RESOURCES LEASING

Article 22

The authorization holder may lease facilities from any public telecommunications operator (leased lines, access ports, transmission facilities, etc.) in accordance with the general enactment of the Agency.

The authorization holder may also install their own transmission and access facilities, which are subject to a separate permit from the Agency.

Article 23

The authorization holder may close contracts on the Service provision with subscribers and other Service provision Authorization holders.

IX SERVICE PROVISION PRICES

Article 24

The authorization holder may freely set the prices for their Services.

The authorization holder shall be required to inform the subscribers about the prices for their Services by publishing the Services pricelist on the website or in another appropriate way.

The authorization holder shall inform the Agency about the Services pricelist applied to their subscribers and about the changes thereof, if there is an increase in the prices of Services, no later than 30 days before the pricelist comes into effect.

The authorization holder shall be required to post the information on the increase in prices of Services on their website or in another appropriate way, no later than 14 days before it comes into effect.

If the authorization holder has been designated a telecommunications operator with significant market power, by a separate decision of the Agency, then the tariffs shall be set according to such decision and the Law.

X REPORTS AND INFORMATION

Article 25

For the purposes of monitoring the compliance with the terms and conditions under the authorization and monitoring the development of telecommunications service market, the authorization holder shall be required to file reports to the Agency every six months concerning the line of their business directly related to the provision of the Services under the authorization.

The Agency may require from an authorization holder to file additional reports necessary for the regulation of telecommunications sector.

XI DISCONNECTION OF SUBSCRIBERS

Article 26

The authorization holder may disconnect a subscriber only in accordance with law and the contract between the authorization holder and subscriber.

XII LIMITATION OF LIABILITY OF THE AGENCY

Article 27

The Agency shall not be responsible for any consequences of changes in the terms and conditions of the authorization, arising from a change in the telecommunications sector policy, laws regulating the telecommunications sector in greater detail, generally accepted international standards or other legal provisions, falling outside the competence of the Agency.

The Agency shall not be responsible for any material or other kind of harm that a subscriber and/or user may bare, caused by using the Services of the authorization holder (e.g. spam, virus, phishing).

XIII AUTHORITY OF TELECOMMUNICATIONS CONTROLLERS

Article 28

According to the Telecommunications Law, a telecommunications controller shall be required to undertake necessary measures so as to prevent breaches of law and rights and obligations stipulated under herein.

When performing control, the telecommunications controller shall have the authority stipulated under Article 26 of the Law.

XIV RESTRICTIONS ON TRANSFER OF THE AUTHORIZATION

Article 29

The authorization holder may not transfer the authorization or the rights acquired through the authorization without a prior written approval by the Agency.

XVI FINAL PROVISIONS

Article 30

Entities providing the Service without the authorization granted by the Agency, shall be required to submit complete documentation no later than 30 days after these Rules enter into force.

The authorization for the Internet service provision issued by the Agency prior to the day these Rules enter into force shall remain valid.

The day these Rules enter into force, the Rules on the terms and conditions for the Internet service provision and the contents of the authorization (*Official Gazette of RS*, no. 60/06) shall cease to be valid.

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: 1-01-110-16/08
Done in Belgrade, 23.09.2008

Chairman of the Managing Board

Prof. Dr. Jovan Radunovic

**APPLICATION FORM FOR OBTAINING THE AUTHORIZATION FOR THE
INTERNET SERVICE AND OTHER DATA TRANSMISSION SERVICE
PROVISION**

I hereby apply for the authorization for the provision of:

Internet service ☐
 Data transmission service without the Internet service provision ☐

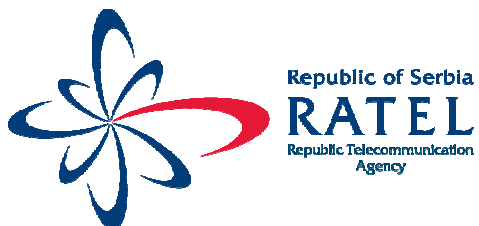
	Name, address and head office of the applicant	
	Personal ID number	
	Fiscal ID number	
	Name and surname of the person in charge, telephone, fax, e-mail, website	
	Domain name and IP address range (for the Internet services only)	
	Data on number of the employees and structure in terms of qualifications, and planned changes	
	Data on each owner and the percentage of capital ownership, with the share in total (ownership) capital of the operator of 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 shall also be required)	
	List of Services provided: (data transmission, Internet access, electronic mail, domain registration, hosting, users support, games...)	
	Area in which the Services relative to a specific territory are provided	
	Equipment for Service provision: (Type and manufacturer of the	

	equipment, servers, routers...)	
	Data keeping (Back-up): (How often are the data stored, in what media and how long are they kept)	
	Software support: (Programs which are a support to provided services, billing, records on subscribers/user, software services)	
	UPS: (Is there a backup feed, in what locations and for what period of time)	
	Links (actual or planned): Location of connection point and upstream ISP (e.g. Belgrade, Telekom Srbija) Type of link (optical, radio...) capacity (2,...34,...155Mb/s,... 100Mb/sEthernet) class (GUP – General Upstream Providing, SUP - Selective UP, PUP – Peering UP, Peering) If there are more links specify data for each link	
	Interfaces and protocols on links	
	Data transfer security: (Is there protection for data transfer and what kind)	
	Data protection: (Firewall, ...)	
	User assistance: (24/7 support, contact, points of sale, account and time check)	
	User accesses options: (circuit-switched, ADSL, WLL, cable, leased lines...):	
	User capacity for each specified type of access	
	Interfaces and protocols towards users (PRI ISDN, SMIN, V35, ...)	
	Data on tariffs and pricelist and standard subscriber contract are available on the website:	
	Framework plan for the development of offered services and introduction of new Services: (expected investments, timeframes,	

	planned capacity, planned number of users, planned Services)	
	Personal data and privacy protection mode: (Crypting, restricted access to data, statements on data protection...)	
	Monitoring: (software, duty hours...)	

SEAL

Officer in charge



Ref. Number:

Belgrade, _____

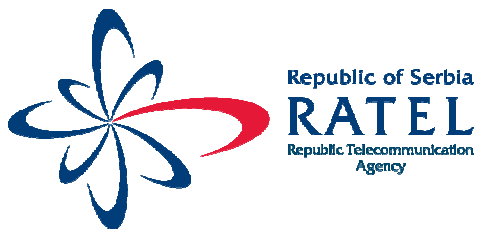
AUTHORIZATION FOR THE INTERNET SERVICE PROVISION

Name, address, head office, Fiscal ID number and Personal ID number of the person to whom the authorization is issued	
Type of service	
Website containing data on tariffs, pricelist and standard subscriber contract	
Amount and method of payment of the authorization issuance fee	
Valid until:	

Text of Articles 3, 4, 8, 10 to 29 of these Rules;

SEAL

Officer in charge



Ref. Number:

Belgrade, _____

**AUTHORIZATION FOR DATA TRANSMISSION SERVICE WITHOUT THE
INTERNET SERVICE PROVISION**

Name, address, head office, Fiscal ID number and Personal ID number of the person to whom the authorization is issued	
Type of Service	
Availability of data on tariffs, pricelist and standard subscriber contract	
Amount and method of payment of the authorization issuance fee	
Valid until:	

Text of Articles 3, 4, 8, 10 to 29 of these Rules;

SEAL

Officer in charge