

Pursuant to the Article 17, Paragraph 1 of the Law on Telecommunications ("Official Gazette of RS" no. 44/03),

the Managing Board of Republic Telecommunication Agency in the session held on 15 Jun 2005 adopted the

STATUTE OF REPUBLIC TELECOMMUNICATION AGENCY

BASIC PROVISIONS

Article 1

This Statute defines the name, powers, representation, bodies, internal organization and the operating mode of the Republic Telecommunication Agency (hereinafter: Agency).

Article 2

The Agency was established by the Law on Telecommunications (hereinafter: Law) as an autonomous and independent organization which implements given powers in order to provide the conditions for efficient enforcement and improvement of the defined policy in the field of telecommunications in the Republic of Serbia.

Article 3

The Agency has the status of legal entity.

Article 4

The Agency acts under the name of:
"Republic of Serbia – Republic Telecommunication Agency".
The Agency is based in Belgrade.

Article 5

The Agency has seal and signet.

Article 6

The Agency seal is round, with a 30 mm diameter.
The Agency seal bears the Republic of Serbia coat of arms and the following text:
"Republic of Serbia, Republic Telecommunication Agency – Belgrade".
The text on the seal is written in concentric circles around the Republic of Serbia coat of arms.
The seal ordinal number is written under the Republic of Serbia coat of arms in Roman numerals.
The Agency seal text is written in Serbian language, in Cyrillic.

The Agency seal used in Agency organizational units outside the registered Agency headquarters, in addition to the text cited in Paragraph 2 of this Article contains also the name of the place where the organisational unit is situated.

Article 7

The Agency signet is rectangular, size 55x30 mm.

The Agency signet contains the following text: “Republic of Serbia, Republic Telecommunication Agency – Belgrade”. The name and the headquarters of the Agency are written horizontally, and between the two, empty space is left for the act number and the date of its registration to be filled in.

The Agency signet used in Agency organizational units outside the registered Agency headquarters, in addition to the text cited in Paragraph 2 of this Article contains also the name of the place where the organisational unit is situated.

The Agency signet text is written in Serbian language, in Cyrillic.

Article 8

The usage, the seal number, the keeping and destroying of the seal is determined by a special decision of the Agency Managing Board.

Article 9

The Agency has a logo.

The visual appearance of the Agency logo is decided on by the Managing Board, following the suggestion of the Commission appointed by the President of the Managing Board, preceded by a public contest.

Article 10

The Agency has its own account in a business bank.

AGENCY ACTIVITIES

Article 11

The Agency has duty to:

- (1) regulate activities in the field of telecommunications, especially if there is one or more public telecom operators with significant market power according to the standards defined by the law;
- (2) monitor the telecommunication activities;
- (3) encourage interconnection of telecommunication networks, that is of operators, on non-discriminatory bases, and in case that the telecom operators do not agree on the conditions for interconnection, the Agency sets these conditions, making sure that they are non-discriminatory and cost-based;
- (4) resolve litigation between telecom operators related to the interconnection, especially the conditions for network access and/or line lease;

- (5) define the conditions for utilisation of radio frequency spectrum and prepare drafts for the Radio Frequency Spectrum Assignment Plan and for the Radio Frequency Allocation Plan, in accordance with regulations, and monitor the utilisation of radio frequency spectrum;
- (6) allocate radio frequencies in accordance with regulations;
- (7) issue licences to telecom operators for performing certain telecommunication activities, licences related to telecommunication networks, systems and facilities, and licences for radio station in accordance with regulations;
- (8) prepare and enforce the procedure for public contest for the issuance of licences in accordance with regulations and with the Ministry decision regarding the number, time and minimum conditions for the issuance of these licences;
- (9) monitor whether the telecom operators are respecting the conditions stated in the issued licences and, in case of violation of the conditions stated in the issued licence or violation of the legal provisions, undertake measures, in accordance with regulations;
- (10) define a special tariff regime and monitor the enforcement of tariff policy in the way defined by law, if there is only one public telecom operator for certain telecommunication services on the market, if a public telecom operator has a significant market power, or if a public telecom operator uses income from the telecommunication network or service where he is the only operator or has a significant market power in its exploitation or provision, to subsidise or co-finance another telecommunication network or service in his ownership;
- (11) manage the fund for universal service cost compensation, formed in accordance with regulations;
- (12) prepare, adopt and monitor the application of the Numbering Plan and allocate the numbers to public telecom operators on non-discriminatory basis, ensuring rational utilisation of the numbers contained in this Plan;
- (13) make decisions regarding consumer complaints in cases prescribed by the law and by the Agency general acts;
- (14) resolve litigations, in cases prescribed by the law or by the Agency acts, between consumers and telecom operator and between the telecom operators;
- (15) create and maintain data base significant for telecommunication field and publish information from the telecommunication field on regular basis;
- (16) coordinate the activities with the authorities and organizations in charge of radio broadcasting, in accordance with regulations;
- (17) follow the developments in telecommunication field, gather information from telecom operators and provide information to consumers, operators and international organizations;
- (18) define technical regulations in telecommunication field;
- (19) monitor and ensure the application of domestic and international standards and technical regulations;
- (20) ensure the transparency of activities, offering to those interested the opportunity to render their remarks and comments related to the adopted measures and decisions;

Article 12

The Agency is authorized to prevent anti-competitive or monopoly activities and behaviour of telecom operators, when those are not the subject of the legal proceedings of the state authority in charge of monopoly prevention, in accordance with the Law.

The authorisations of the Agency from paragraph 1 of this Article comprehend:

- (1) determining if telecom operator has a significant market power, according to the internationally accepted guidelines for market analysis and the estimation of market power;

- (2) explicit prohibition or limiting of anti-competitive, or monopoly activities and behaviour in licence issued to public telecom operator;
- (3) definition of a special tariff regime for services in which the public telecom operator has monopoly or significant market power, or if the Agency decides that the public telecommunication service is not open for full price competition;
- (4) definition of a special tariff regime if public telecom operator with monopoly or significant market power subsidizes competition network or service using the income from network or services where he has monopoly or significant market power;
- (5) imposing on public telecom operator with monopoly or significant market power to allow interconnection to other telecom operator;
- (6) definition of conditions for closing the interconnection contract between public telecom operator with monopoly or significant market power and other public telecom operator, if public operator with monopoly or significant market power fails to accept the interconnection request of other operator, even though the request consists of an offer given under usual conditions, or if the request is not replied to in reasonable time limit;
- (7) imposing on public telecom operator with monopoly or significant market power as service provider to allow the access to his network to other public telecom operator in order that he provide value added services via the network in question;
- (8) imposing on public telecom operator with monopoly or significant market power as service provider to give line lease to other telecom operator, based on acceptable request and on condition that free capacities for lease exist;
- (9) control of changes in status or changes in organizational form of companies in telecommunication field, which can result in creation of monopoly or of a company with significant market power.

Article 13

The Agency performs the following activities in the field of radio communications:

- (1) manages the radio frequency spectrum in the Republic;
- (2) issues radio station licence;
- (3) performs technical inspection of radio station;
- (4) keeps records in the field of radio communications;
- (5) cooperates with international organizations and administrations of other countries engaged in managing of radio frequency spectrum, independently or through authorities.

Article 14

The Agency performs other activities in accordance with the Law, necessary for carrying out its duties.

Article 15

The Agency can close contracts and perform other activities in the scope of the duties from Article 11 of this Statute.

In exercising its authority the Agency has legal accountability.

THE MANAGING BOARD

Article 16

The body managing the Agency is the Managing Board.

Article 17

The Managing Board has president and four members of the Managing Board.

The Managing Board also has deputy president of the Managing Board elected by the Managing Board among its members.

The president and the members of the Managing Board are elected and dismissed by the Republic of Serbia National Assembly, on the proposition of the Government.

The president and the members of the Managing Board are appointed for a period of five years, but at the first election, the president is appointed for a period of five years, two members for a period a four years and two members for a period of three years. The president and the members of the Managing Board can not be elected for more than two terms consecutively.

The president or member of the Managing Board is elected at least 60 days before the period in office of the former president or member of the Managing Board terminates.

If the election is not concluded when the period in office of the former president or member of the Managing Board terminates, the president and the members of the Managing Board whose period in office has terminated, continue to perform the function until the procedure of election of the new president or member of the Managing Board is concluded.

Article 18

The Managing Board:

- (1) passes the Agency Statute which is then approved by the Government;
- (2) elects the deputy president of the Managing Board among its members;
- (3) designs the work plan of the Managing Board;
- (4) passes the Operating Regulation of the Managing Board, as well as other general provisions of the Agency;
- (5) designs the Agency Financial Plan which is then approved by the Government;
- (6) adopts annual income and expenditure accounts;
- (7) makes all decisions in its power;
- (8) adopts annual reports on the Agency activities;
- (9) submits the annual report on the Agency activities to the Government;
- (10) engages and dismisses independent, registered auditor and establishes the fee for his/her work;
- (11) designs other general provisions of the Agency;
- (12) and performs other activities prescribed by the law.

Article 19

For the performing of some specialist activities in the Agency power, the Managing Board can engage other, national or foreign, legal or natural persons.

Mutual rights and obligations of the Agency and other national or foreign, legal or natural persons, from the Paragraph 1 of this Article, are regulated by a special contract.

Article 20

The Managing Board has its president.

The president of the Managing Board, during the term in office, is the Agency employee.

The president of the Managing Board:

- (1) represents the Agency;
- (2) organizes and manages the activities of the Managing Board;
- (3) convenes and chairs the sessions of the Managing Board;
- (4) signs the decisions of the Managing Board and sees to their implementation;
- (5) is responsible for the enforcement of the Statute and of the other general provisions of the Agency;
- (6) exercises the powers of the general manager regarding the realization of the rights, duties and responsibilities of the Agency employees;
- (7) has legal accountability related to the Agency activities and to the utilisation and handling of the Agency possessions;
- (8) also performs other activities prescribed by the law, the Statute and other general provisions of the Agency;

Article 21

The work of the Managing Board is transparent.

The Managing Board of the Agency reaches decisions in sessions, which are held when needed and at least once a month.

The sessions of the Agency Managing Board are convened and chaired by the president of the Agency Managing Board, and, in his absence, by the deputy president of the Agency Managing Board.

The Managing Board of the Agency can reach decisions only if more than half of the members of the Agency Managing Board are present in the session.

The Managing Board of the Agency reaches the decisions by the majority of votes of the total number of the members of the Agency Managing Board.

The convocation, working mode and decision making of the Agency Managing Board are more closely regulated by the Operating Regulation of the Agency Managing Board.

Article 22

The term in office of the president and members of the Agency Managing Board can be terminated in following cases:

- (1) the termination of the period he/she was elected for;
- (2) dismissal for reasons prescribed by the law;
- (3) presenting the resignation in written form to the Assembly; in that case the term in office terminates on the day of presenting the resignation;
- (4) decease.

Article 23

On the proposal of the Managing Board or the Government, the Assembly can dismiss the president or members of the Managing Board only in following cases:

- (1) if for illness or other reason he/she is unable to perform duties for a period exceeding six consecutive months;

- (2) if he/she is sentenced with final judgement to penalty of imprisonment for more than six months, or if he/she is sentenced for a felony of abuse of office, fraud, corruption, stealing, or other similar felony that renders him unworthy of performing his/her function;
- (3) if determined that, when the proposals for the Managing Board were being composed, the candidate fabricated personal data, or omitted information about circumstances relevant for the composing of proposals;
- (4) if, without a valid reason, refuses or fails to perform the duty of president or member of the Managing Board for a period of three consecutive months, or for a period of six months accumulated within a year;
- (5) if determined that in the course of term in the office he/she infringed the rules on the conflict of interest prescribed by the law.

Article 24

The president and the members of the Managing Board, or any other member of their nuclear family, close family, extended family, spouse or in-laws, must not, directly or indirectly through third party or through legal person, take any part in ownership, be a shareholder, get employed (part nor full-time) in companies or firms providing telecommunication services, exploiting telecommunication networks, or providing telecommunication facilities.

Article 25

The Managing Board of the Agency performs its function in the interest of the Agency, and in performing the activities it is its duty to act with the attention of a good businessman.

The Members of the Managing Board of the Agency from Paragraph 1 of this Act are required to base their assessment on information and opinions of persons qualified for a specific field and believed to be conscientious and competent.

The member of the Managing Board of the Agency that acts in accordance with paragraph 1 and 2 of this Article is not responsible for damage occurs from this assessment.

The members of the Managing Board of the Agency are not responsible in regard of what is specified in the previous paragraph, if they stated different opinion which was recorded in the session in which the decision was made.

AGENCY REPRESENTATION

Article 26

The Agency is represented and acted for by the president of the Managing Board, and in case of his unavailability, the Agency is represented by the deputy president of the Managing Board.

Article 27

The president of the Managing Board, or the deputy president of the Managing Board when performing the function of the president, can, entirely or partially, delegate the function of the Agency representation to another member of the Managing Board on decision of the Managing Board.

INTERNAL ORGANIZATION

Article 28

The Book of Rules on internal organization and job systematization specifically regulates the internal organization, jobs, conditions for job creation and distribution of employees within the Agency.

Article 29

Jobs and tasks in the scope of the activities of the Agency are carried out within organisational units.

The organisational unit is run by executive appointed and dismissed by the president of the Managing Board.

For his work this executive is directly responsible to the president of the Managing Board.

Article 30

The activities of the Agency can be performed outside the Agency headquarters through organisational units, if such units have been formed, and The Book of Rules on internal organization and job systematization regulates their jobs and tasks.

RIGHTS, DUTIES AND RESPONSIBILITIES OF THE EMPLOYEES

Article 31

The Agency employees have rights, duties and responsibilities in accordance with regulations concerning employment, with this Statute and with other general provisions of the Agency.

Article 32

The Agency employees have to act in accordance with the Agency Code of Conduct (hereinafter: Code of Conduct).

Action which is not in accordance with the regulations of the Code of Conduct is considered a serious breach of employees' duties to the Agency.

Article 33

The employment in the Agency is realized through a public announcement.

The decision on the selection of candidates, preceded by the approval of the members of the Managing Board, is reached by the president of the Managing Board, or person performing the duty of the president of the Managing Board in accordance with this Statute.

Article 34

Determination of the salary of the president of the Managing Board and the salary of the Agency employees is not subject to the regulations of the salaries of government body and public service employees.

The members of the Managing Board are entitled to a fee for the work in the Managing Board, which can not be inferior to the salary of a Supreme Court judge.

The salaries of the employees and fees of the members of the Managing Board are regulated by the general provisions adopted by the Managing Board.

GENERAL PROVISIONS

Article 35

The general provisions of the Agency are the Statute, books of regulations and other general provisions.

Article 36

Amendments to this Statute and other general provisions are approved through procedure and in manner prescribed for their approval.

The authentic interpretation of the Statute, as a whole or of specific provisions, is rendered by the Agency Managing Board.

TRANSPARENCY OF THE AGENCY WORK AND BUSINESS SECRET

Article 37

The work of the Agency is transparent.

The transparency of the Agency work is achieved by the transparency of the work of the Managing Board, through publishing of information on the Internet presentation of the Agency, such as:

- (1) annual report (including the annual account) for each year of its work;
- (2) financial plan for each year;
- (3) information regarding the radio frequency assignment and allocation;
- (4) information regarding public contest for licence issuance, including the basic conditions of the public contest;
- (5) licences issued in accordance with the law;
- (6) decisions reached, in accordance with the law, in connection to issued licences and closed contracts on interconnection;
- (7) notifications, or decisions regarding special tariff regime, or tariff policy, including the changes of tariffs for prescribed services;
- (8) decisions reached in accordance with the law, regarding the Numbering Plan;
- (9) general provisions of the Agency.

In addition to the documents and information from Paragraph 2 of this Article, the Agency will also put out on its Internet presentation the following information regarding the radio communications:

- (1) Radio Frequency Spectrum Assignment Plan and Radio Frequency Allotment Plans;
- (2) Changes of the assignment of radio frequency spectrum set for the following two years;

- (3) List of services working in radio frequency spectrum, with assignment different from the Radio Frequency Spectrum Assignment Plan;
- (4) Radio frequency spectrums intended for new services;

The Agency can publish other information and documents in this way if they are not part of business and professional secret category.

Article 38

The transparency of work of the Agency can also be achieved through public debates, discussions and consultations regarding relevant questions in Agency powers.

Article 39

The Agency creates and maintains data base on kept records, data base with all reached decisions, including objections of these decisions and other information relevant for the telecommunications field.

The data bases from Paragraph 1 of this Article have status of public documents.

The Agency will regulate the contents and the mode of storing of data bases and records from Paragraph 1 of this Article.

Article 40

Public telecom operator, on Agency request, is required to present all necessary details and information, including financial details and information, which are necessary for performing the activities in the power of the Agency.

It is duty of the Agency to preserve all information from Paragraph 1 of this Article as business secret, in accordance with regulations and other provisions.

ENVIRONMENT PROTECTION

Article 41

The Agency activity is performed in such way that the environment is not endangered. Measurements and means of protection of the environment are defined by general act.

CLOSING PROVISION

Article 42

This Statute will be published in the “Official Gazette of the Republic of Serbia” subsequently to approval of the Government of the Republic of Serbia and will come into effect on the eight day following the publication day.

Belgrade, 15 June 2005

President of the Managing Board

Prof. dr Jovan Radunović